DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES
HOUSE OF COMMONS

FIFTH SESSION—NINETEENTH PARLIAMENT

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8 GEORGE VI, 1944

VOLUME VI, 1944

COMPRISING THE PERIOD FROM THE TWENTY-SEVENTH DAY OF JULY, 1944,
TO THE THIRTY-FIRST DAY OF JANUARY, 1945, INCLUSIVE

BEING

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OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, July 27, 1944

The house met at eleven o'clock.

VACANCY

RESIGNATION OF MEMBER FOR THE ELECTORAL DISTRICT OF ST. HYACINTHE-BAGOT

Mr. SPEAKER: I have the honour to inform the house that I have received the resignation of Th. Adélard Fontaine, Esquire, as member for the electoral district of St. Hyacinthe-Bagot. I have accordingly issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

REPORTS OF COMMITTEES

Third and final report of special committee on radio broadcasting—Mr. McCann.

First report of the joint committee of both houses on the printing of parliament.—Mr. Ferland.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WINFIELD AND WESTBANK, B.C., INDIAN RESERVES

Mr. STIRLING:

1. What is the total acreage of the Indian reserves at Winfield, B.C., and at Westbank, B.C.?

2. What was the Indian population on each when they were first set aside as reserves?

3. What is the present Indian population on each?

4. What acreage of land in each is, (a) usable; (b) cultivated by Indians; (c) leased by other than Indians; (d) idle?

Mr. CRERAR:

1. Duck Lake Indian Reserve No. 7 (at Winfield, B.C.), 439·64 acres; Tsinstikeptum Indian Reserve No. 9 (at Westbank, B.C.), 1570·17 acres; Tsimstikeptum Indian Reserve No. 10 (at Westbank Wharf, B.C.), 786·90 acres.

2. Duck Lake No. 7—no census figures available but said to have been two and possibly more families. Tsinstikeptum No. 9, Tsimstikeptum No. 10, 34.

3. Duck Lake No. 7, population 19; Tsinstikeptum No. 9, population 83; Tsimstikeptum No. 10, population 21.

4. (a) Usable land: Duck Lake No. 7, 439·64 acres; Tsinstikeptum No. 9, 1,000 acres; Tsimstikeptum No. 10, 360 acres.

(b) Cultivated by Indians: Duck Lake No. 7, 56 acres; Tsinstikeptum No. 9, 187 acres; Tsimstikeptum No. 10, 110 acres.

(c) Leased by other Indians: Duck Lake No. 7, 44 acres; Tsinstikeptum No. 9, 83 acres; Tsimstikeptum No. 10, 50 acres.

(d) Idle: Duck Lake No. 7, 339·64 acres; Tsinstikeptum No. 9 1,300·17 acres; Tsimstikeptum No. 10, 426·90 acres.

CANADIAN FORCES—DISCHARGE PAPERS—VOLUNTEERS AND N.R.M.A.

Mr. CHURCH:

1. Is there any difference in the discharge papers of soldiers who volunteer and those of soldiers called under selective service law and regulations?

2. If so, what is it?

Mr. MACDONALD (Halifax):

1. Yes.

2. The same type of form is used but the word "enlisted" appears on the discharge certificate for general service soldiers whereas the word "enrolled" is shown on the certificate for N.R.M.A. soldiers. In addition, the series of N.R.M.A. regimental numbers is distinguishable from General Service numbers. However, if an N.R.M.A. soldier has volunteered for general service, his general service number is used on the discharge certificate and the words, "also served under N.R.M.A. from—to —" are added.

R.C.A.F.—SERVICE STRIPES

Mr. FRASER (Peterborough West):

1. Do personnel of the R.C.A.F. receive service stripes?

2. If not, did they ever receive service stripes?

3. If so, why was the practice discontinued?

REVISED EDITION

Mr. MACMILLAN:

1 and 2. No.

3. Not applicable.

WHEAT—PURCHASES FROM OTHER THAN PRIMARY PRODUCERS

Mr. PERLEY:

How many bushels of wheat of each grade were purchased from grain companies or other interests than the primary producer, during the crop years 1940-1941, 1941-1942, 1942-1943, up to and including July 31, 1943?

Mr. MacKINNON (Edmonton West):

Schedule A—Cash wheat, purchases from grain companies, 189,993·40 bushels; Schedule B—Futures, pit purchase, 51,930,000 bushels. Total 52,119,993·40 bushels.

SCHEDULE A

CASH WHEAT, PURCHASES FROM GRAIN COMPANIES OR OTHER INTERESTS THAN THE PRIMARY PRODUCER

SPECIAL ACCOUNT—P.C. 1803

For the period from August 1, 1940, to July 31, 1943

Cash wheat purchases:

Grades	Crop Years 1940–41	1941–42	1942–43	Combined Bushels
No. 1 Hard	.....	47–00	.....	47–00
No. 1 Northern	.....	.....	40,599–00	40,599–00
No. 2 Northern	.....	10,694–30	66,024–40	76,719–10
No. 3 Northern	.....	104–30	10,484–50	10,589–20
Tough 1 Northern	.....	.....	3,925–50	3,925–50
Tough 2 Northern	.....	.....	18,623–40	18,623–40
Tough 3 Northern	.....	.....	12,621–20	12,621–20
Tough 4 Northern	.....	.....	5,179–00	5,179–00
Smutty 1 Northern	.....	.....	3,099–50	3,099–50
No. 1 CW Garnet	.....	243–20	.....	243–20
No. 2 CW Garnet	.....	691–00	1,072–00	1,763–00
Tough 3 CW Garnet	.....	.....	1,268–40	1,268–40
No. 2 Amber Durum	.....	.....	1,719–30	1,719–30
Tough Rej. 2 Northern mixed heated and heating	.....	.....	1,586–20	1,586–20
Tough Rej. 3 Northern mixed heated and heating	.....	.....	467–30	467–30
Tough and heating 3 Northern	.....	.....	4,876–20	4,876–20
Tough heating Rej. 3 Northern Sour	.....	.....	1,715–30	1,715–30
Tough sample heated	.....	.....	2,245–10	2,245–10
Tough sample heated and heating	.....	.....	873–10	873–10
Rej. 3 Northern Sprouted, Rej. mixed heated	.....	.....	1,831–00	1,831–00
	Nil	11,780–20	178,213–20	189,993–40

SCHEDULE B

FUTURES, PIT PURCHASES FROM GRAIN COMPANIES OR OTHER INTERESTS THAN THE PRIMARY PRODUCER

SPECIAL ACCOUNT—P.C. 1803

For the period from August 1, 1940, to July 31, 1943

Futures—Pit purchases:

Option month	Crop Years 1940–41	1941–42	1942–43	Combined Bushels
May	.....	22,190,000–00	.....	22,190,000–00
July	.....	4,779,000–00	.....	4,779,000–00
October	.....	12,072,000–00	12,889,000–00	24,961,000–00
	Nil	39,041,000–00	12,889,000–00	51,930,000–00

WHEAT BOARD—DELIVERIES FROM OTHER THAN PRIMARY PRODUCER

Mr. PERLEY:

1. How many bushels of wheat of each grade were taken by the wheat board from other than the primary producer, at the time the said board took over all wheat, September 21, 1943?

2. What price was paid for same?

Mr. MacKINNON (Edmonton West):

1 and 2.	Bushels	Price paid basis No. 1 Northern
Schedule A—Purchases from the trade.....	155,121,772–26	$1 23¼
Schedule B—Terminal trade purchases, Vancouver	200,076–40	1 20¼
	155,321,848–66	

Schedule A

Wheat Purchased from the Trade—P.C. 7942 Crown Account

For the period from September 27, 1943, to June 30, 1944

Grades	Bushels	Price basis $1.23¼ for No. 1 Northern
No. 1 Hard.....	26,140–00	$1 20¾
No. 1 Northern.....	42,201,380–03	1 23¼
No. 2 Northern.....	59,010,213–20	1 17⅝
No. 3 Northern.....	24,787,397–48	1 16¼
No. 4 Northern.....	9,920,048–35	1 09¾
No. 5 Wheat.....	12,301,618–00	1 05¾
No. 6 Wheat.....	901,888–30	1 02¾
Feed Wheat.....	310,814–50	1 00¾
Tough 1 Northern...	20,049–25	1 21¾
Tough 2 Northern...	530,352–40	1 13½
Tough 3 Northern...	576,607–25	1 12¾
Tough 4 Northern...	80,735–35	1 07¾
Tough 5 Wheat.....	55,548–30	1 03¾
Tough 6 Wheat.....	26,024–20	1 00¾
Tough Feed Wheat..	3,734–00	98¾
Smutty 1 Northern..	50,182–55	1 10
Smutty 2 Northern..	180,542–15	1 07¾
Smutty 3 Northern..	75,304–55	1 06¾
Smutty 4 Northern..	18,333–50	1 02¼
Smutty 5 Wheat....	11,985–50	98¾
Smutty 6 Wheat....	134–00	97¼
Rej. 1 Northern....	8,415–40	1 10
Rej. 2 Northern....	54,640–45	1 07¾
Rej. 3 Northern....	34,054–45	1 05¾
Rej. 4 Northern....	24,251–10	1 01¼
Rej. 5 Wheat.....	34,039–10	98¾
Rej. 6 Wheat.....	2,191–00	97¼
Tough Smutty 2 Northern	7,947–00	1 05¾
Tough Smutty 3 Northern	5,196–20	1 04¾
Tough Smutty 5 Wheat	1,415–00	96¾
Tough Smutty Rej. 4 Northern.....	1,606–10	95¾
Damp 2 Northern...	16,453–20	1 04⅝
Damp 3 Northern...	43,841–30	1 03¼
Damp 4 Northern...	1,882–50	97¾
Damp 5 Wheat.....	472–10	93¾
Damp 6 Wheat.....	786–20	90¾
Damp Rej. 3 Northern	102–00	92¾
Damp Smutty 2 Northern	1,628–50	97¾
Tough Rej. 2 Northern	1,349–30	1 05¾
Tough Rej. 3 Northern	2,260–00	1 03¾
Tough Rej. 4 Northern	475–00	99¼
Tough Rej 5 Wheat	234–20	96¾
Tough Rej. 6 Wheat	233–30	95¼
Dried 2 Northern...	62,441–54	1 16¼
Dried 3 Northern...	50,978–46	1 14¾
Rej. 1 Northern Mixed Heated....	130,145–50	1 09¾
Rej. 2 Northern Mixed Heated....	173,819–35	1 06⅝
Rej. 3 Northern Mixed Heated....	79,035–30	1 06¼

Wheat Purchased from the Trade—P.C. 7942, Crown Account

Grades	Bushels	Price Basis $1.23¼ for No. 1 Northern
Rej. 4 Northern Mixed Heated....	5,399–40	$1 03¾
Rej. 5 Wheat Mixed Heated	1,857–40	1 00¾
Rej. 6 Wheat Mixed Heated	1,570–30	98¾
Rej. 2 Northern Sprouted	850–00	1 07¾
Rej. 3 Northern Sprouted	3,709–50	1 05¾
Rej. 2 Northern Musty	1,657–20	1 06⅝
Rej. 3 Northern Musty	125–00	1 06¼
Smutty Rej. 3 Northern	1,601–30	1 00¾
No. 4 Special	173–30	1 09¾
No. 5 Special	1,533–00	1 05¾
No. 1 CW Garnet ..	11,571–25	1 14¾
No. 2 CW Garnet ..	86,309–15	1 13¾
No. 3 CW Garnet ..	73,871–35	1 12¼
Tough 3 CW Garnet	985–00	1 10¼
Smutty 2 CW Garnet	1,189–30	1 04¾
No. 1 Amber Durum	21,091–20	1 29¼
No. 2 Amber Durum	1,109,006–20	1 29¼
No. 3 Amber Durum	1,050,456–15	1 26¼
No. 4 Amber Durum	235,848–55	1 11¼
No. 5 Amber Durum	9,636–40	1 08¼
No. 6 Amber Durum	793–50	1 05¼
Tough 2 Amber Durum	19,800–40	1 22¼
Tough 3 Amber Durum	98,386–50	1 20¼
Tough 4 Amber Durum	14,425–35	1 09¼
Smutty 2 Amber Durum	5,044–40	1 09¼
Smutty 3 Amber Durum	3,500–90	1 09¼

SCHEDULE A—Cont'd.

Wheat Purchased from the Trade—P.C. 7942, Crown Account

Grades	Bushels	Price Basis $1.23¼ for No. 1 Northern
Smutty 4 Amber Durum	2,622–30	1 07¼
Rej. 1 Amber Durum	335–00	1 09¼
Rej. 2 Amber Durum	5,417–20	1 09¼
Rej. 3 Amber Durum	9,919–30	1 09¼
Rej. 4 Amber Durum	1,319–30	1 07¼
Tough Smutty 2 Amber Durum	1,703–20	1 09¼
Tough Smutty 3 Amber Durum	118–00	1 09¼
Damp 4 Amber Durum	386–50	99¼
Rej. 2 Amber Durum Musty	103–00	1 08¼
Rej. 2 Amber Durum Mixed Heated	7,761–20	1 08¼
Rej. 3 Amber Durum Mixed Heated	14,053–00	1 08¼
Rej. 4 Amber Durum Mixed Heated	4,609–40	1 07¼
No. 1 Mixed Wheat	878–20	1 07¾
No. 3 Mixed Wheat	1,799–20	1 07¾
No. 5 Mixed Wheat	838–05	1 08¾
Smutty 5 Mixed Wheat	1,542–20	1 06¾
Rej. 5 Mixed Wheat	1,985–50	1 08¾
No. 1 Mixed Grain	61,211–25	95
Tough 1 Mixed Grain	1,704–30	93
Rej. Mixed Heated 1 Mixed Grain	790–00	90
No. 4 White Spring	690–00	1 32¾
No. 1 Alberta Red Winter	132,232–00	1 38¾
No. 2 Alberta Winter	40,624–35	1 38¾
No. 3 Alberta Winter	8,248–00	1 36¾
Tough 3 Alberta Winter	1,040–40	1 35¼
Smutty 1 Alberta Red Winter	3,085–00	1 33¾
Smutty 2 Alberta Winter	3,562–40	1 33¾
Smutty 3 Alberta Winter	1,906–50	1 31¾
Sample Durum and Broken Wheat	2,402–00	1 00
Tough Rej. 1 Northern Mixed Heated	257–30	1 08¾
Tough Rej. 2 Northern Mixed Heated	8,387–30	1 05⅝
Tough Rej. 3 Northern Mixed Heated	16,699–50	1 05¼
Tough Rej. 4 Northern Mixed Heated	1,892–30	1 02¾

3—Wheat Purchased from the Trade—P.C. 7942, Crown Account

Tough Rej. 6 Wheat Mixed Heated	682–00	$ 97¾
Tough Rej. 2 Northern Mixed Heated & Heating	1,550–00	1 05⅝
Tough Rej. 3 Northern Mixed Heated & Heating	3,300–10	1 05¼
Tough Rej. 4 Northern Mixed Heated & Heating	1,419–30	99¾
Tough Rej. 5 Wheat Mixed Heated & Heating	1,526–50	97¾
Tough Rej. 3 Northern Sprouted	2,668–10	1 04¾
Tough Rej. 4 Northern Sprouted	545–00	99¼
Tough Rej. 2 Northern Musty	3,611–30	1 05⅝
Tough Rej. 4 Northern Musty	39–30	1 02¾
Tough Rej. 2 Northern Fireburnt	1,325–30	94
Tough Rej. 2 Amber Durum Mixed Heated	4,157–40	1 08¼
Tough Rej. 2 Amber Durum Mixed Ht. & Heating	963–30	1 01¼
Damp Rej. 3 Northern Mixed Heated	1,449–50	95
Tough and Heating 3 Northern	1,530–10	1 06¼
Tough and Heating 5 Wheat	1,938–10	99¾
Tough and Heating Feed Wheat	268–00	95
Smutty Rej. 1 Northern Mixed Heated	384–00	1 07¼
Smutty Rej. 2 Northern Mixed Heated	1,619–50	1 01⅝
Rej. 5 Wheat Mixed Rotten Kernels	9,561–10	1 00¾
Sample Spring and Broken Wheat	7,402–20	1 00
Sample Heated	62,819–20	95
Tough Sample Heated	16,153–40	94
Tough Sample Htd. and Heating	2,248–00	94
Sample Amber Durum Heated	943–20	95
Rej. 1 Northern Mellilot Odor	367–00	1 11¼
Rej. 2 Northern Mellilot Odor	11–00	1 07⅝
Rej. 5 Wheat Heated Rotten Kernels	1,455–00	98¾
Rej. 3 Northern Htd. Rej. Mixed Gravel & Cinders	6,945–30	96¼
Sample Wheat—Fireburnt	1,998–50	80
Rej. 3 Amber Durum Mixed Rotten Kernels	1,508–20	1 08¼
Tough Sample Amber Durum Mixed Heated	557–00	94
Tough Rej. 2 Northern—Rej. Ergott	1,970–30	1 05⅝
Tough Sample Htd. —Fireburnt	163–10	85
Tough Sample Htd. Rotten Kernels	2,610–10	93
Tough and Heating Sample Wheat	—	

[Mr. J. A. MacKinnon.]

SCHEDULE A—Cont'd.

Grades	Bushels	Price Basis $1.23¼ for No. 1 Northern
Rej. 4 Northern Rej. Mixed Gravel & Cinders	4,329–30	80
Sample Mixed Gravel and Cinders	—	
Rej. 3 Northern Rej. Mixed Heated ..	1,020–20	1 00¼
Sample Wheat Rotten Kernels	9–50	95
Sample Amb. Durum	39,782–00	1 09
Rej. 4 Northern Mixed Rotten Kernels	1,477–40	1 03¾
	155,121,772–26	

SCHEDULE B

TERMINAL TRADE PURCHASES—VANCOUVER

P.C. 7942, CROWN ACCOUNT

For the period from September 27, 1943, to June 30, 1944.

Grades	Bushels	Price basis $1.20¼ for No. 1 Northern
No. 1 Northern	99,661–00	$ 1 20¼
No. 2 Northern	11,235–50	1 14⅝
No. 3 Northern	3,530–00	1 13¼
No. 4 Northern	69,956–40	1 06¾
No. 5 Wheat	283–10	1 02⅜
No. 6 Wheat	1,538–00	99⅜
Tough 4 Northern	6,684–50	1 04⅜
Tough 6 Wheat	1,082–50	97⅜
Smutty 3 Northern ..	3,318–20	1 03¾
Rej. 1 Northern Mixed Heated	509–00	1 06¾
Rej. 3 Northern Mixed Heated	2,003–30	1 03¼
No. 1 CW Garnet	184–20	1 11¾
No. 2 CW Garnet	89–10	1 10¾
	200,076–40	

ENEMY ALIENS—DEPORTATION AT CONCLUSION OF HOSTILITIES

Mr. DIEFENBAKER:

1. Are all enemy aliens who have been interned during the war subject to deportation at the conclusion of hostilities? If not, in what cases is deportation not applicable?

2. Are all Italian prisoners of war in Canada subject to compulsory return to their homeland after the war?

Mr. CRERAR:

1. No. Interned persons of enemy citizenship who are legal residents of Canada by virtue of having been landed in Canada within the meaning of the Immigration Act are not subject to deportation on the grounds of internment.

2. There are none in Canada.

CANOL PROJECT—HANS WILHELM ROHL

Mr. KNOWLES:

1. Have any contracts in connection with the Canol project been awarded to Hans Wilhelm Rohl, or to any firm of which he is the head?

2. If so, when, for what, and in what amounts?

Mr. CRERAR:

1. Not by the dominion government.

2. Answered by No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

UNEMPLOYMENT INSURANCE COMMISSION—JAMES MCGREGOR

Mr. FRASER (Peterborough West):

1. Has the civil service appointment of James McGregor, an employee of the unemployment insurance commission, been made permanent by the civil service commission?

2. If so, why has this been done in view of the restriction on permanent appointments in the civil service during wartime?

3. Is the said James McGregor a war veteran, and what was the date of his first appointment to the civil service?

Mr. McLARTY: Return tabled.

FREDERICK ROBERT (OR FRITZ) STAMPE

Mr. FRASER (Peterborough West):

1. Is Frederick Robert (or Fritz) Stampe employed, or has he been employed recently, by the unemployment insurance commission or the Department of Labour?

2. Is this man a naturalized Canadian or a British subject, and what is the place of his birth?

3. If employed by the unemployment insurance commission or the Department of Labour, has his appointment been concurred in by the civil service commission?

4. If so, is the civil service commission satisfied that Stampe was legally qualified to sit for the necessary examination?

5. Is the civil service commission aware of any misstatements made by Stampe with regard to the place of his birth and his status as a Canadian or British subject, and, if so, what steps have been taken in connection therewith?

6. Is it proposed to appoint Stampe to any other position within the civil service of Canada?

Mr. McLARTY: Return tabled.

HOUSING—EVICTION OF SOLDIERS AND SOLDIERS' FAMILIES

Mr. CHURCH:

What action is the government taking under the war measures act to prevent families of soldiers and soldiers themselves being evicted

from their homes, for the duration of the war and six months after, notwithstanding the provisions of any provincial law, statute, usage or custom to the contrary, and notwithstanding existing overholding tenants acts of the provinces?

CANADIAN FORCES—CASUALTIES

Mr. CASTLEDEN:

What is the number of casualties by provinces in each of the three branches of Canada's armed forces from the commencement of hostilities to July 1, 1944?

Mr. MACDONALD (Halifax): Order for return, subject to the reservations I made on July 24.

RELEASE OF AIRCRAFT FROM SERVICE IN CANADA

Mr. KNOWLES:

1. How many aircraft have been released from service in Canada by, (a) the R.C.A.F., and (b) the R.A.F.?
2. How many of these have been sold, (a) for use in Canada; (b) for export; (c) how many have been donated for use in technical schools?
3. How many aircraft have been destroyed in Canada as being obsolete or not airworthy, (a) by the R.C.A.F.; (b) by the R.A.F.?
4. How many aircraft released from service have been reconditioned, (a) by the R.C.A.F.; (b) by the R.A.F., and how have these been disposed of?
5. How many of the above aircraft have been reconditioned for the R.C.A.F. or the R.A.F. in privately owned factories, and how have these been disposed of?
6. Have any aircraft been sold to date to private individuals, (a) by the R.C.A.F. or (b) by the R.A.F.? If so, to whom, how many, and what type?

EXPORT CREDIT INSURANCE

MEASURE TO FACILITATE AND DEVELOP TRADE BETWEEN CANADA AND OTHER COUNTRIES

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient for the purpose of facilitating and developing trade between Canada and any other country to introduce a measure:

1. To incorporate the Export Credit Insurance Corporation for the purpose of entering into contracts of insurance with exporters to insure against the risk of loss involved in contracts for the export of Canadian-produced goods.

The capital stock and the paid in capital surplus of the corporation each amounting to five million dollars shall be subscribed by the Minister of Trade and Commerce from time to time and paid therefor by the Minister of Finance with provision also for loans not to exceed in the aggregate, outstanding at any one time, an amount equal to five times the aggregate of the paid-up capital and surplus of the corporation;

[Mr. Church.]

2. To authorize the Minister of Finance during the three years next ensuing after the coming into force of this act, to—

(a) guarantee the obligations of the government or an agency of the government of any such other country to pay the cost of Canadian produced goods under a contract to purchase such goods from an exporter;

(b) make a loan to the government or any agency of the government of any such other country to enable such government or such agency to purchase from an exporter and to pay the cost of Canadian produced goods; or

(c) purchase, acquire or guarantee any security issued by the government or by the agency of the government of any such other country to any person in Canada in payment of the cost of Canadian produced goods exported or to be exported to such other country;

provided that the government of such other country requests the government of Canada to give such guarantee, make such loan, or purchase, acquire or guarantee such securities and undertakes to indemnify the government of Canada against loss in connection therewith.

The aggregate amount of such guarantees outstanding at any time shall not exceed two hundred million dollars and the aggregate of the amount of loans made and outstanding at any time and the value of securities purchased or acquired and held at any one time shall not exceed one hundred million dollars.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

SELECTIVE SERVICE

COMPULSORY TRANSFER ORDERS—REPRESENTATIONS OF VANCOUVER VETERANS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I have a question which I would like to address to the Minister of Labour, but in his absence I will address it to the parliamentary assistant. My attention has been called to selective service order 227-58, which requires, as I understand it, all veterans who did not see service outside Canada to be subject to removal from their present occupation to essential industry. They are holding a meeting in Vancouver to-night. They are not objecting to being placed in industry, in fact they are in favour of it, but they do resent being placed in the same category as zombies or those who did not volunteer for service. If what I have said is correct, the order makes a clear distinction between volunteers who were unable to get overseas through no fault of their own and those who did get overseas.

Mr. SPEAKER: Order. The hon. member has laid the foundation for his question and I would ask him to put the question now.

Mr. CRUICKSHANK: I bow to your ruling, Mr. Speaker, but these men are having a meeting to-night.

Mr. GRAYDON: The matter is urgent, Mr. Speaker, and I suggest that the hon. member ought to be able to go on.

Mr. CRUICKSHANK: I would like to ask the parliamentary assistant this question—

Mr. SPEAKER: The hon. gentleman has laid the foundation for his question and he must now ask it. The minister has had notice of it.

Mr. CRUICKSHANK: I was proceeding to do so. I would ask the parliamentary assistant if his department will give further consideration to the matter with a view to separating the two groups.

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): The hon. member gave me notice of the question yesterday. The point under discussion is a ruling of the national selective service advisory board having to do with compulsory transfer orders.

For the information of hon. members I might say that under the compulsory transfer order plan civilians who are in certain classes of industry are asked to report to the employment office for interview to ascertain if they are suitable for transfer to work which is more important in the war effort. This plan has proven very successful; I am glad to say that it has actually been necessary to use compulsion in but very few cases. In fact, out of the thousands of cases where transfers have been effected there have been less than fifty who have raised serious objection. Usually it was found that the man is transferred to a position which pays a higher rate owing to the fact that men working in war industries are as a rule on a higher wage level.

Coming to the point of circular No. 227-58, up to July 14, 1944, the instructions issued on authority of the national selective service advisory board were that the compulsory transfer orders were not to be applicable in the case of returned men regardless of the nature of their service in the armed forces.

With the increasingly acute shortage of labour which has developed during this summer the advisory board came to the conclusion that returned men should be interviewed and transferred where feasible but that this rule should not apply to men who had seen service overseas.

I am informed that no objection has been taken by any individual returned men, but I do point out that all individuals ordered to transfer under this compulsory transfer system have a right to appeal to a board of referees.

The hon. member asks if the department will give further consideration to the matter and he can be assured that the matter is being discussed currently with the officials concerned.

QUEBEC ELECTION

PRESS REPORT OF STATEMENT OF JACQUES SAURIOL IN MONTREAL ON JULY 9

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I wish to direct a question to the Minister of Justice. It is now nearly three weeks since he stated in the house that he had directed the Royal Canadian Mounted Police to make an investigation of the report published in *Le Canada* of a speech made in Montreal by Jacques Sauriol on July 9. I wonder if the minister is able yet to state whether he has received a report as to the accuracy or otherwise of the newspaper item.

Hon. L. S. ST. LAURENT (Minister of Justice): Though I received no notice that it was the hon. gentleman's intention to bring this matter up this morning, and therefore have not brought here the preliminary reports I have received from time to time from the Royal Canadian Mounted Police as to the progress being made in their investigation, I can from memory state that there has been found one reporter who claims to have been present at the meeting and to recollect the statements that were made. It was also suggested that notes of what was going to be said had been delivered to the reporter of another newspaper and efforts were made to ascertain whether or not that was so. It so happened that the city editor of that paper and the reporter were not available until last Monday. They were interviewed and they have not yet been able to find those notes. At the present time the situation is that there is one person who claims he could vouch for the accuracy of the statement made in the paper. The matter is being investigated under the supervision of the lawyer who usually acts in Montreal for the Royal Canadian Mounted Police, and he is receiving daily verbal reports from those who are conducting the investigation.

Mr. BRUCE: As this is the official paper of the government in Quebec, would the minister not admit the accuracy of that report?

Mr. ST. LAURENT: I would like to have the hon. gentleman restate that. I did not catch it.

Mr. BRUCE: As this paper is supposed to be the official organ of this government in the province of Quebec, would the minister not be willing to accept the report published in it?

Mr. ST. LAURENT: The minister knows of no newspaper that is the official organ of the government in the province of Quebec, and the minister will be guided by the advice of counsel who has been retained in Montreal and who is following, with the officers of the Royal Canadian Mounted Police, the progress of the investigation being made.

Mr. CHURCH: Is the minister not free now to admit that while the provincial elections are on the regulations that I referred to the other day for the defence of Canada have been in effect suspended?

Mr. ST. LAURENT: No.

Mr. CHURCH: Why is there not one law for the whole country? Why single out Mr. Houde for treatment in one way and treat others differently? May I ask also whether the habeas corpus act has been suspended?

Mr. ST. LAURENT: I was not able to follow completely what the hon. member said, but I did catch the observation that there should be one law for everybody in Canada. There is one law for everybody in Canada.

Mr. GRAYDON: May I be allowed to point out to the Minister of Justice that it has just come to my attention that the same Jacques Sauriol has now himself stated that he may be in a concentration camp, or that he may be interned, for some of the statements that he has been making. Will the minister look that up in this morning's papers? I have just seen it.

Mr. ST. LAURENT: I noted that, and there have been others who, being perhaps anxious for the role in which that would place them, have suggested that they might during an election campaign be interned.

LABOUR CONDITIONS

SHIPYARD WORKERS—REPORT AS TO STRIKE AT HALIFAX AND DARTMOUTH

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Late last night, according to reports, three thousand shipyard workers in Halifax and Dartmouth, Nova Scotia, were likely to strike this morning. I would inquire of the parliamentary assistant to the Minister of Labour whether the department has been successful in taking steps to avert a very serious disruption in that area.

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): The hon. member gave notice of his question regarding the difficulty between Halifax Shipyards Limited and their employees. As he knows, negotiations have been going on now for some time between the employees and the company in regard to the renewal of the former contract. The department of Labour caused to be set up a board of conciliation which made its report, and since the negotiations commenced, and all through the negotiations and since the receipt of the report, the department has had its senior officer on the spot in contact with both parties in the hope that mutually satisfactory arrangements could be worked out. I regret to say that efforts in this direction have thus far not proved successful, and I can now only say to the hon. member that the department is leaving no stone unturned to resolve the differences and to try and see that the men get back on the fairest possible terms.

LABOUR REQUIREMENTS FOR HARVESTING OF ONTARIO TOBACCO CROP

On the orders of the day:

Mr. M. C. SENN (Haldimand): I should like to address a question to the Minister of Labour, or in his absence to his parliamentary assistant, notice of which I sent to him last night. At a meeting of tobacco growers from the counties of Norfolk, Oxford, Elgin and Essex held in Simcoe recently a resolution was passed urging the national selective service board to make provision for supplying sufficient labour to harvest the tobacco crop which is now approaching the time when it must be harvested. Has the Department of Labour received this resolution, and if so what action is to be taken?

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): I have no doubt the hon. member did send a letter of notice of his question, but it did not reach me. The minister happens to be absent, and on that account possibly the letter was mislaid. Other hon. members, particularly the hon. member for Norfolk (Mr. Taylor) brought this matter to my attention, and it is being discussed by the departmental officials to-day.

REQUEST FOR WESTERN FEMALE LABOUR FOR EASTERN FRUIT AND VEGETABLE CANNING

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): I was unable to give the Minister of Labour notice of this question, but I believe that the

parliamentary assistant to the minister could give me some indication as to whether there were negotiations going on with regard to it. Following the movement of farm labour from the west representations have been made with respect to getting female labour from that section of the country for processing the large crop of fruit and other vegetables which will be canned. Have any negotiations taken place and has consideration been given to the movement of female labour to eastern Canada for that purpose?

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): Yes, Mr. Speaker, consideration is being actively given to that matter.

Mr. LOCKHART: Has any progress been made?

Mr. MARTIN: I am not in a position at the moment to report whether or not progress has been made.

TRANSFER FROM INDUSTRY TO FARMING OPERATIONS

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I am informed that some men working in certain industries, particularly in the mining industry, who would like to go west to assist in farming operations on their own fathers' and relatives' farms, are having a little difficulty. While they are being released temporarily by the industry they are having some difficulty with national selective service. They have to appear before the boards in their districts and they are informed that when they go west they will have to appear before the boards there. Would the parliamentary assistant to the Minister of Labour inform the house if there can be any rule or regulations passed which will help to facilitate this situation so that these men will not have to face the difficulties that confront them now?

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): I am sure that having in mind the importance of the work every facility will be used to facilitate the movement of the workers in the circumstances mentioned by the hon. member.

WAR LABOUR BOARD—RAILWAY APPLICATION

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): May I ask the hon. and genial parliamentary assistant to the Minister of Labour when we may expect the decision of the war labour board on the submission of railway employees for adjustments of wages?

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): With regard to the decision of the national war labour board concerning the case of the railway workers, as I said last week in answer to a question put to me from the other side of the house, it is a very involved case, as the hon. member will appreciate. The national war labour board is giving the matter active attention. On inquiry this morning I was advised that the board is working on the matter and will give a decision at the earliest possible moment.

INTERNMENTS

CAMILLIEN HOUDE

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): May I ask the hon. friendly and genial Minister of Justice if it can be expected that Mr. Houde will be released before Tuesday next, the last day for nominations to a seat in the Quebec legislature?

Hon. L. S. ST. LAURENT (Minister of Justice): I must apologize to the hon. member. I did not realize that the question was being addressed to me, and I am afraid I did not follow him very closely.

Mr. POULIOT: I shall repeat the question. From the report on Mr. Houde's case it appears that it is about to be settled. I wonder if he could be released before Tuesday next, the nomination day for all those who run for seats in the Quebec legislature.

Mr. ST. LAURENT: Were I to attempt to deal with that report I should have to make a very long statement about all of the details of the Houde case. All I can say at the present time is that the matter is under consideration.

DEFENCE OF CANADA REGULATIONS

UKRAINIAN LABOUR FARMER TEMPLE ASSOCIATION —QUESTION AS TO RETURN OF PROPERTY

On the orders of the day:

Mr. S. H. KNOWLES (Winnipeg North Centre): I should like to address a question to the Secretary of State in his capacity as custodian of enemy property. In view of the interview that took place yesterday between a number of cabinet ministers and a delegation representing the Ukrainian Labour Farmer Temple Association concerning a request for return of certain properties or proper recompense therefor, is the minister able to make a statement on the matter?

Hon. N. A. McLARTY (Secretary of State): I think the only reply that I can give to the question of the hon. member for Winnipeg North Centre is the one that was given to the delegation yesterday, namely, that the government will give consideration to the matter and as soon as it arrives at a decision that decision will be announced. I think the hon. member will realize that the government should not act on any *ex parte* statement and should consider very carefully all phases of the matter.

VETERANS' INSURANCE

PROVISION OF LIFE INSURANCE FOR VETERANS OF THE PRESENT WAR

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) moved the second reading of bill No. 170, to provide for the insurance of veterans by the Dominion of Canada.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Bradette in the chair.

Sections 1 to 8 inclusive agreed to.

On section 9—Provision by contract for change of beneficiary.

Mr. GRAYDON: Mr. Chairman, these sections are going through rather quickly. Will the minister give some indication of the real purport of section 7, which deals with the designation of contingent beneficiaries?

Mr. MACKENZIE (Vancouver Centre): In general this act has been redrafted for purposes of greater clarity. Sections 6, 7 and 8 taken together refer to beneficiaries. There is no real change from the old act, but the provisions of sections 4, 5, 6, 7 and 9 of the old act have been redrafted for greater clarity and incorporated in these sections. It was found by the officers when they went through the old act that some of the provisions were rather badly drafted. These have been redrawn, without any significant change except the change in principle which I announced in the house the other day when I spoke on the resolution. The significant change is in section 10 of the bill, and when we arrive at that section I shall be very glad to explain the real change which is intended.

Section agreed to.

On section 10—Limit of benefits when death attributable to war service.

Mr. MACKENZIE (Vancouver Centre): I think I should explain the change here. Under both acts, if a pension is awarded to a person in the insurance beneficiary classes, the commuted value of the pension is deductible from the amount of insurance and an alternative insurance benefit, described below, is payable; but if the beneficiary is the wife or children of the insured, a minimum of $500 is payable plus the alternative insurance benefit, even though the pension is awarded to the wife. If, however, the wife of the insured is the beneficiary of the insurance and the pension is awarded to another person no deduction is made from the insurance money. As to the alternative insurance benefit under the old act it was the premiums paid on the amount of the deduction from the insurance, together with interest at 4 per cent, the total payable under the policy not to exceed the amount of insurance. Under the new act it will be the paid up insurance equity with respect to the amount of the deduction. Where the premium payment under the insurance is completed, as for example aften ten, fifteen or twenty years under ten, fifteen or twenty payment life contracts, the paid up insurance equity is the full amount of the insurance, so the new section 10 is a definite advance in regard to benefits to the beneficiary under the insurance.

Mr. GRAYDON: Perhaps the minister gave this information previously but what is the limitation on the amount of insurance a soldier can take out?

Mr. MACKENZIE (Vancouver Centre): Under the old act it was $5,000. Under the present bill it is $10,000, with one limitation; that where an insured person had a policy of $5,000 under the old act, that person is limited to a total of $10,000 under the two acts. As an illustration, a member of the army in the last war might have a policy for $5,000. He cannot take out another policy under this legislation for $10,000, but if he qualifies he can take out $5,000 under this bill and have his $5,000 under the old act.

Mr. GRAYDON: It occurs to me, of course, that this might be applicable to members of the veterans' guard.

Mr. MACKENZIE (Vancouver Centre): Exactly.

Mr. GRAYDON: This would not permit them to take out an additional policy for $10,000, but to have a total of $10,000. May I ask also whether the policies which this bill envisages will be in the nature of straight life policies, or whether there will be some special terms in them about which perhaps the committee should know something?

Mr. MACKENZIE (Vancouver Centre): No; there is no provision for a straight life policy. There will be ten, fifteen and twenty

payment policies, to the age of sixty-five, and there is an age limitation of eighty-five for the payment of premiums which is in conformity with modern insurance practice, instead of a straight life policy. This would mean that all persons reaching the age of eighty-five would not have to pay further premiums. That is according to modern insurance methods.

Mr. GRAYDON: Are these policies of a standard type, without any options at all in respect to the insurance?

Mr. MACKENZIE (Vancouver Centre): Yes, there are options under certain sections of the bill, but it is in conformity with standard insurance practice except that in most cases, though not in all, the rates here are slightly lower than the rates of the standard insurance companies. Sections 6, 7, and 8 of the bill deal with those points. Perhaps I might give my hon. friend some specimen benefits, and with the consent of the committee I will place this table on *Hansard*:

Amount and plan of insurance	Duration at death of insured	Ages at Issue 20 Old	20 New	35 Old	35 New
Whole Life (Old) Prems to 85 (New)					
$1,000	5	$ 536	$ 563	$ 556	$ 582
	10	579	623	625	656
	20	697	732	810	779
$5,000	5	824	1,067	1,008	1,238
	10	1,215	1,607	1,625	1,904
	20	2,273	2,592	3,294	3,015
20 Pay Life					
$1,000	5	552	625	575	625
	10	616	750	666	750
	20	788	1,000	912	1,000
$5,000	5	972	1,625	1,175	1,625
	10	1,548	2,750	1,998	2,750
	20	2,096	5,000	4,212	5,000

It will be noted that there are slight increases under the new legislation in most cases but as in the $5,000 policy at age 35, where under the old legislation, after twenty years, the amount payable was $3,294, and under the new legislation it will be $3,015.

Mr. GRAYDON: As I understand the purpose of this legislation it is to give the veterans of this war an opportunity to take out insurance which the ordinary commercial companies do not regard as a favourable risk.

Mr. MACKENZIE (Vancouver Centre): That is correct.

Mr. GRAYDON: Following that principle, will there be any limitation upon the insurance a soldier may have on his life? I suppose there will be regulations in that regard concerning what sort of risks even the government are prepared to take. I would hope that the government will not be too picayune in the matter and will make the risks as broad as possible so as to give the greatest possible number of our soldiers an opportunity to take the insurance.

Mr. MACKENZIE (Vancouver Centre): If my hon. friend will look at schedule B of the bill he will find certain regulations which are in exactly the same form as they were in the old Returned Soldiers' Insurance Act. In most cases those regulations are just and also generous. There are certain cases however, in connection with which the minister could not accept applications. I have in mind certain incurable diseases, and I think that a restriction of that kind would be only fair. But in most cases, even where there is serious illness, applications would be accepted.

Mr. McCANN: Is there any physical or medical examination of any kind?

Mr. MACKENZIE (Vancouver Centre): Not as a rule; but there are exceptions to that rule. Look at schedule B at page 9 of the bill, where reference is made to applicants who are not seriously ill. Then, in class II there is reference to applicants who are seriously ill. Class III deals with applications from persons in so serious a condition of health that they have no reasonable expectation of life, and the fourth class is general. So that I take it the minister could call in a medical examiner at any time with respect to a case which was in a doubtful class, and where there might be some doubt as to recovery. That procedure would be taken in respect of applications considered really unjust or in other words in cases where there would be no hope of recovery.

Mr. McCANN: Is that left to the minister, or will there be a medical board to pass upon it?

Mr. MACKENZIE (Vancouver Centre): The answer to that question will be found in section 13 of the bill, where it is stated that—

> The minister may refuse to enter into a contract of insurance in any case where there are in his opinion sufficient grounds for so doing but, in the exercise of the powers conferred upon him by this section, the minister shall be governed by the provisions of schedule B to this act and he may require for this purpose that the insured shall submit himself to medical examination or shall furnish such other information as the minister may require.

Mr. CHURCH: I should like to occupy only three or four minutes of the committee's time, and in doing so I shall direct my attention particularly to section 7 of the bill. I had intended to ask certain questions on second reading. I might say, however, that the bill now before us is a most commendable one, so far as it goes.

It might be recalled that in January, 1940, I brought this matter of soldiers' insurance to the attention of the house. At that time I placed a resolution on the order paper stating that—

> A system of life insurance on all soldiers be established, to include provision for their dependents, both during and after the war, and to include, for three years after the war, provision for their insurance against unemployment and want and free hospitalization.

When the matter was discussed I pointed out to the Minister of Finance what had been done in Toronto, and also in Washington. At the time of the last war, soldiers in Toronto were insured for $1,000. The beneficiaries, upon the death of those soldiers, received cheques for that amount from the city of Toronto. Then, in Washington they had a soldiers' insurance act. I believe that the Sparkman Act was introduced in Washington about the time they came into the war. Several provinces have aided in this matter by legislation.

The difficulty about this bill is that we are about four years too late.

I made that complaint only a month or two ago on a finance bill. I said at that time that I had known a very fine specialist in Toronto, one who had specialized on diseases of the eye, ear, nose and throat, and who had operated on a former member of the House of Commons and, so far as I could learn at the time, saved his life. That physician went early to the war, having on his life an insurance policy with one of the commercial companies. I will admit that the Canadian insurance companies generally have performed a

patriotic duty during the war, but in some cases, owing to the peculiar types of policies, insured persons were faced with the alternative of having to pay additional sums or lose some of the benefits.

So far as this bill is concerned, it is my view that there are very few soldiers who would be able to pay three and a half per cent interest. I was hoping in the last three years that the minister would revive the provision contained in the Pension Act, to which he has made such worth while extensions. We will recall that a bill was before the house only a month or so ago to provide a separate department for soldier problems. It will be my hope that he will accept the same principles I proposed in 1940 as to a system of insurance, and include all other beneficiaries along the lines I have indicated.

I am convinced that many of the wives of soldiers will have great difficulty in carrying out payments on existing policies when their husbands are away. If the husband dies abruptly, it becomes more difficult to prove the claim and to get ready money to pay necessary expenses. This bill extends the policies from $5,000 to $10,000, a feature which I consider most commendable. I am sorry, however, that some provision has not been made for insuring soldiers in other ways, and against certain other difficulties they are bound to have. For instance, it was stated at a civic council meeting in Toronto that 600 soldiers are to be evicted from their homes. They will have nowhere to go. All this is to happen in the city from which I come. Yesterday at Toronto there was a meeting held on this with the Toronto board of control and Ottawa officials.

It would be my proposal that this principle of insurance should have wider scope, so as to include all conditions the families of soldiers might have to face. While the bill is commendable in many respects, yet in my view it does not go far enough, and is not protecting those who are overseas in France and Italy, and who are suffering as they have had to suffer.

As to getting money to protect small businesses they may have, I am afraid that controls of various kinds, and other conditions, will bring about a situation under which some of them may lose those businesses.

Mr. MACKENZIE (Vancouver Centre): I am sure the house is greatly indebted to the hon. member for the consistent interest he has taken in this question of insurance protection for our servicemen. I can assure him that the government through its official committees, not only in the Department of Pensions and National Health but also in the services,

has given very careful and sustained attention to the very problems he has mentioned. There are great difficulties in the way. I might inform my hon. friend by way of comparison that if he would take the capitalized value of our scale of Canadian pensions and compare it with that of some other nations which have adopted the in-service insurance policy, he would find that there is an increase, on an average, of from $5,000 to $6,000 in the capitalized value of Canadian pensions.

The hon. member mentioned another point which to my mind is far more important—and when I say this I am speaking from a purely personal standpoint, and not for the government. In my view the protection of dependents is more important than in-service insurance. We have in Canada a most comprehensive system for the post-war period to protect returning soldiers, airmen and members of the navy from the hazards the hon. member has mentioned.

I believe the present measure in respect of returned soldiers' insurance is as far advanced as that to be found in any other country. We have raised the amount from $5,000 to $10,000, and under section 10 of the bill we have made provisions which are more generous to the pensionable widow or beneficiary. This is most certainly a definite advance. My personal view is that possibly something more should be done in connection with the protection of premiums. I am not criticizing my hon. friend in respect of the points he has raised. On the contrary I am agreeing with what he has said, and I must also commend him for the stand he has taken in the last three or four years. I can assure him that every possible attention has been paid to this matter.

Mr. CHURCH: Would it not be possible under this bill for the government to consider paying half the new premiums for these soldiers? Would that not be done during the war, and for about a year after? I say that because some of them are pretty hard up.

Mr. MACKENZIE (Vancouver Centre): I think my hon. friend is dealing with an entirely different principle. This measure is designed only for those who have been discharged. This is a veterans' insurance bill, and the last one was a returned soldiers' bill. The provisions of this bill extend to those who are pensionable under the various orders in council, such as merchant seamen and members of the auxiliary services.

Mr. GILLIS: Are merchant seamen covered?

Mr. MACKENZIE (Vancouver Centre): Those who are pensionable are covered, that is, those who have suffered disabilities are entitled to the same protection as enlisted men if pensioned under the Pension Act.

Mr. CHURCH: Can a man transfer a policy from a private company to the government insurance?

Mr. MACKENZIE (Vancouver Centre): This is designed principally for the man who cannot get a standard policy from a life insurance company. It enables such a man to obtain insurance with the protection of the state behind it. A man with a disability who cannot obtain insurance in any other way can obtain insurance up to $10,000 under the provisions of this bill.

Mr. MACDONALD (Brantford City): Is there any provision in this bill to insure men who served in the last war and who did not take out insurance under the old act?

Mr. MACKENZIE (Vancouver Centre): No, there is not. That would mean a reopening of the Returned Soldiers' Insurance Act which expired in 1933. If a returned soldier of the last war was insured and has enlisted for duty in 1933, he would be entitled to $5,000 additional to the $5,000 he might have taken out under the old returned soldiers' act.

Mr. MACDONALD (Brantford City): It seems to me that provision should be made in this bill for the veterans of the last war. There are many of these men between the ages of forty-five and fifty-five years. When they came back from the last war they were not in a financial position to take out the insurance available to them under the Returned Soldiers' Insurance Act. Now that their financial position has improved, why should they be prevented from coming within the provisions of this bill? I know there are quite a few whose finances were not such that they could come under the provisions of the old act and who would like to take advantage of this legislation. I think in that respect I can speak on behalf of some hon. members of this house. I know there are a number who served in the last war who would like to come under the provisions of this bill. To my knowledge some of them were not in position to take out insurance at that time, but they could take out some now. I am speaking not only on behalf of these members of the house but on behalf of a vast number of soldiers of the last war who I feel should come within the provisions of this bill.

Under the provisions of the former act a soldier could take out only $5,000 insurance, while under this bill he can take out up to $10,000. I commend the government for bringing in this bill at this time. I know that the measure which was brought in at the end of

the last war helped a great many soldiers. In saying that I speak from personal experience. I know there are other ex-service men in this house who took out policies under the old act. There were men who could not get insurance because of their physical condition and they were able to get this under the provisions of that act. It was a splendid thing for the returned men, because they could look ahead with confidence knowing that they had at least an insurance policy behind them. I hope the government will see its way clear to widen the scope of this bill so that it will cover those who served in the last war.

Mr. GRAY: Before I supplement what the hon. member for Brantford City has said, I should like to ask if there is any date of expiration in this bill.

Mr. MACKENZIE (Vancouver Centre): Three years after discharge. The first bill which was introduced in 1920 extended to only two years after discharge, but this is for three years.

Mr. GRAY: I came under the old act myself, and as I remember there were a number of extensions, I believe three or four at least. I do not think there should be a time limit in connection with this bill. If there had been no time limit on the old act, the soldiers referred to by the hon. member for Brantford City would have been able to take out insurance as they became financially able to do so. I agree with the hon. member for Brantford City that some provision should be made to include the veterans of the last war under the provisions of this bill.

Mr. MACKENZIE (Vancouver Centre): In reply to the hon. members for Brantford City and Lambton West I may say that the provisions of the Returned Soldiers' Insurance Act were in existence for practically thirteen years. The hon. member for Brantford City has referred to the limit of $10,000 in this bill as against $5,000 under the former act. I would inform him that the average insurance taken out under that act was slightly over $2,000. I do not think his argument applies with any force at all. There were five different extensions of the Returned Soldiers' Insurance Act. To be frank about it, it was not taken advantage of to a very large degree. There were certain rigid features about that act which we have endeavoured to remove in drafting this legislation. We have raised the amount to $10,000 and we have increased the benefits to the widow. If we are to provide benefits for the veterans of our time, it would have to be done by amending the old returned soldiers' act, by providing a further extension of that act. Frankly speaking I do not believe the number of applications made under the provisions of the old act would justify such a course. Let us see to it that this bill, which is for the benefit of the boys who are now overseas in this war and of those who have been discharged, with its more generous terms, is as successful as possible. I think parliament will be doing its duty by seeing to that.

Mr. MACDONALD (Brantford City): I had intended that my remarks should be congratulatory to the Minister of Pensions and National Health. I know he has a great interest, not only in the men who served in the last war but in those who are serving in this war. I commend him most heartily for bringing in this bill with respect to the men who are serving in this war, but I still feel that the men who served in the last war and who were not in a financial position to take out insurance should be able to take advantage of the benefits offered. The minister suggests that the old act would have to be revived. I ask him to give that his most serious consideration. I do not want to confuse the issue by emphasizing this point too strongly. If this bill is for the men who served in the present war then I agree with the minister when he says that it should be put through. I suggest to the government that they review the old act to see whether or not it is possible to revive it in order to give the soldiers who were not in a financial position at that time to take out insurance an opportunity to obtain the benefits granted. They should also be able to increase their insurance to $10,000, as is provided for in this bill. That is another question; and I am merely referring it to the government. I am in complete accord with the provisions of the present bill.

Mr. GILLIS: I am sorry the hon. member for Brantford City has weakened in his argument.

Mr. MACDONALD (Brantford City): I am not weakening. I am just as strong as ever for reviving the old act, but I do not want to confuse the issue.

Mr. GILLIS: You backed up a little.

Mr. MACDONALD (Brantford City): I am not backing up at all.

Mr. GILLIS: I think this is a step forward; it is an improvement on the old soldiers' insurance act, but there is much force in the arguments advanced by the hon. member for Brantford City and the hon. member for

Lambton West. Opening up the old act is not the solution of the problem raised by the hon. member for Brantford City. As I see it, this measure is merely one part of the scheme of rehabilitation of service personnel returning from the war, and the formation of a department of veterans' affairs was brought about, in my opinion, to consolidate all the machinery for both old and new service personnel so as to make one central administration. In view of the fact that we took the old pension act and opened it up, related the new forces to it, and made the necessary changes to bring it up to date, we should do the same thing with respect to this bill. There is no difference between the old soldier and the new soldier. They fought the same kind of war, against the same enemy, for the same objectives, although we are thirty years late in getting around to this as far as the old soldier is concerned.

In the field of insurance the soldier has a problem all his own. He is not looked upon as a profitable client as far as old line insurance companies are concerned, and if the government is to go into the insurance business—and I think it should in so far as it can thereby protect those who have come out of the service—let them bear in mind that whether a soldier has a hole shot in him or not he suffers a great deal of disability if he has gone through a war, and it is difficult for him to secure insurance.

I think that this bill should be related to the soldiers of the last war. I visualize it in future as a large insurance scheme instituted by the government to protect those who are not able to get protection in the ordinary field of insurance. I believe there is quite a business in this for the government and that sooner or later they will have to come round to it.

I am not in favour of the time limit, because the average soldier coming out of this war, like his predecessor of the last war, is unlikely to appreciate within this period the advantages of this insurance. It will be ten years after he comes out of this conflict that he will recognize the value of this insurance. If the measure is on the statute book to be taken advantage of, and it is not being used, it is not costing anything. At the same time, when those who are intended to benefit by it realize that it means something to them, its benefits should be available to them. In my opinion this time limit is inserted for the purpose of appeasing the old line insurance companies, who may see in this bill a threat of invasion of the field of insurance.

Mr. MACKENZIE (Vancouver Centre): No; no. I can assure my hon. friend that that is not correct.

Mr. GILLIS: No, not so far as the minister is concerned; but there are a lot of long-range figures behind the scenes who have something to do with this. I believe that the minister's intentions regarding this measure are absolutely honest. I have merely risen to support the hon. member for Brantford City and the hon. member for Lambton West. I believe that the limit should be removed and the scheme broadened to include the old soldiers. Most of them have no protection; they cannot get insurance to-day, and they should be enabled to take advantage of this particular scheme. This is a 1944 model, and we should let all ex-service men in the country have the benefits of it.

Mr. MACKENZIE (Vancouver Centre): May I tell my hon. friend that we consulted some of the veterans' organizations and there was no request made for what is now being suggested. I should mention one or two other points in this connection. It might be unfair to introduce new principles for those who still survive from the old war. Some of them have gone away for good from this sphere; and the element of discrimination must be considered. But also the rates would be very high, because the average age to-day of veterans of the old war would be fifty-five or fifty-six years.

Mr. MACDONALD (Brantford City): I would not agree with that. I believe the average is lower than that.

Mr. GRAYDON: Let the minister look at his own birthday, to-day, and see.

Mr. MACKENZIE (Vancouver Centre): In any event the rates would be very high, and I doubt whether more than a few veterans could afford to take the insurance.

Mr. GILLIS: It would be cheaper than private company insurance.

Mr. CASTLEDEN: Under what section does schedule A, setting out the rates of premiums to be charged, become a part of the act?

Mr. MACKENZIE (Vancouver Centre): That comes under an amendment which I shall ask one of my colleagues to move:

That clause 12 be amended by adding thereto the following subclause (2):

"(2) The premiums payable under the various plans of contract shall be as provided for in schedule A to this act."

Mr. CASTLEDEN: How were these rates arrived at?

The CHAIRMAN: Order. I would point out that the committee is now on section 10.

I know that hon. members were satisfied to discuss this subject in the general debate, and it is impossible to discuss the matter now.

Mr. GRAY: I realize that I am out of order in reverting to section 3, but the minister has been very liberal, and we passed these sections rather rapidly. I hope that in spite of the fact that that section has passed, the minister, in the light of what has been said, and in the light of experience under the old act, which was renewed, as he pointed out, for some thirteen years, will remove the time limit under clause 3. I hope there will not be a time limit in this act, and I wish the minister would give the committee the reasons for putting one in. I endorse what has been said by the hon. member for Cape Breton South. It takes members of the armed forces a number of years to get on their feet and become reestablished. The young men who come out of this war, though they may be a little better informed on insurance matters than those who survived the last war, know very little, at the age of eighteen or twenty or twenty-one, about the various types of insurance. I think it is a mistake to have a time limit of three years. The bill would be more generally acceptable to the returned men of this war and to the country generally if that limit were removed, and I urge the minister to remove it.

Mr. MACKENZIE (Vancouver Centre): I appreciate the remarks of the hon. member. The reason for the limitation is obvious; we had it before, in 1920, when it was two years. It is to encourage these boys when they come home to take advantage of the very generous provisions of this legislation while they are still young and the rates are very low. It is that which makes it so difficult to adopt the suggestion of the hon. member for Cape Breton South.

In regard to old men like ourselves who were in the last war—

Mr. GRAY: Speak for yourself.

Mr. MACKENZIE (Vancouver Centre): I think the limitation is an encouragement to insure. If it should be found necessary or advisable by the parliament and the government of that time to extend the period beyond three years, I am sure that the parliament then, with its usual generous heart, will do it.

Mr. MacNICOL: I support the views just expressed by the hon. member for Lambton West; I had intended to express them myself. From the result of much observation following the last war, I was astonished at the number of the boys who returned who could not make up their minds within three years to do anything, and I have been wondering whether the minister could not see his way clear, if there is to be a time limit, to extend it to five years. Perhaps before the end of that time most men will have realized that they will lose the benefits of the cheaper rate unless they act quickly. In the riding I represent there are a very large number of returned soldiers, and if the minister could see his way clear to set the time limit at five years it would help them very greatly.

Mr. CRUICKSHANK: I do not think a complete repetition on my part of the remarks of hon. members who have spoken on this matter is necessary, but I entirely endorse—and I think I can speak in this connection for British Columbia soldiers—what they have said. I cannot agree with the minister as to the time limit, nor do I greatly believe in the supposed generosity of governments in the future. The minister will remember that his own department only this year permitted pensions to be paid to those married after a certain period, following a strenuous battle by the Legion throughout Canada. I cannot see why the time limit should be there at all unless it is at the instance of the insurance companies. When young soldiers come back we hope they will not follow the example of the minister in charge. We hope they will get married as soon as they can. But a young soldier is not in a position to take out insurance, to buy furniture, to establish a home for himself and a family. Again, I do not see why there should be a time limit. I agree with the suggestion that it should be extended to all veterans instead of reopening the act. I do not see where it would confuse the issue. It might confuse the insurance companies but I am not in the least bit worried about them. They have been able to look after themselves mighty well for many years and we need not worry about them. I suggest that the time limit be removed and that the act be made applicable to all overseas men. I am not worried about the fellow who served in Canada. As regards the man who was willing to go overseas, that is a different matter, but I am speaking on behalf of all soldiers of the active army both as regards the last war and as applicable to this war.

Mr. FAIR: I commend the government for bringing in this measure but I think it might be improved along the lines suggested by the hon. member for Brantford City, the hon. member for Lambton West, the hon. member for Cape Breton South, and the hon. member for Fraser Valley. The minister realizes that there are in the forces men who joined up immediately after coming out of school. They

have had no experience in earning a livelihood and very many of them will not have any money to get married and to do a great many of the other things they would like to do. Insurance is one of the things they will put aside for the time being. I recommend that the time be extended even beyond the five-year period suggested by the hon. member for Davenport. The experience of the last war has taught us that men were in too big a rush to get out of the army and into some form of employment so that they neglected a number of things they found necessary ten or fifteen years later. If it is not possible to have the act extended I suggest that the old act be amended immediately so that the men of the first great war may be given the protection that is being provided for the veterans of this war.

Mr. WRIGHT: I do not wish to repeat anything that has already been said by others and I heartily agree with what hon. members have submitted to the minister. Has the minister any figures to show the percentage of veterans under the old act who took out insurance during the first two years as compared with those who took it out later?

Mr. MACKENZIE (Vancouver Centre): The figures are these:

Year	Number	Amount
1920-1921.....	2,371	$ 7,074,000
1921-1922.....	7,456	17,874,500
1922-1923.....	9,725	22,083,500
1923-1924.....	14,025	28,696,500

In 1924-1925, 1925-1926, 1926-1927, 1927-1928, no applications were received.

Year	Number	Amount
1928-1929.....	4,035	$9,869,000
1929-1930.....	3,407	7,967,500
1930-1931.....	1,672	3,801,500
1931-1932.....	1,373	3,210,500
1932-1933.....	1,450	3,116,000
1933-1934.....	2,802	5,598,000
1934-1935.....	4	8,500

That must have been very unusual applications after the act closed.

Mr. WRIGHT: The figures quoted by the minister prove the points of members who have been speaking, that this grew in popularity from year to year as the soldier realized the benefits under the act.

Mr. MACKENZIE (Vancouver Centre): In the first five years the total of the members which I read in detail was 33,577, and in the last six years the total was 14,743.

Mr. WRIGHT: But there was a period in between in which it was dropped.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. WRIGHT: And as a result the publicity would naturally be less with regard to the scheme. I really think, after the figures the minister has given, that he should seriously consider lengthening the period, if not eliminating it altogether. Under the scheme, can the beneficiary elect to receive an annuity instead of a cash benefit at the death of the insured?

Mr. MACKENZIE (Vancouver Centre): It is all by way of annuity except for the cash amount payable at death.

Mr. KNOWLES: But it is payable only at death.

Mr. CASTLEDEN: How many policies have lapsed under the agreement?

Mr. MACKENZIE (Vancouver Centre): I put that on *Hansard* the other day. My hon. friend asked a question about it and I replied almost immediately, but he had left the chamber in the meantime. It is on *Hansard*.

Mr. WHITE: I concur in what the various soldier members have said about the period for which the act is set. The minister, replying to one question, stated that it was only for a short period because they wanted the returned veterans to take out insurance while very young. Section 6 sets out who the beneficiaries are to be. The average soldier returning from overseas, if unmarried, is not going to be in very good financial circumstances, and if he can take out only a policy that is payable to his future wife and children he is not going to be very specially interested in insurance. We can take the minister's own example. When he came back from overseas, if he could only take out a policy payable to his future wife and children, he would not have veen very likely to take one. But as the years go by and the financial circumstances of a soldier improve he may want to get married, and one of the first things he will wish to do will be to protect his wife and any children there may be.

Mr. MACDONALD (Brantford City): The minister may want to do that yet.

Mr. WHITE: We all hope so. Perhaps the baby bonus will induce him to do so. But the period of time may have lapsed and the soldier will not be entitled to take advantage of the act. The minister says that he wants the returning soldier to take advantage of it as soon as he comes home, and while he is young, but there is no inducement there for him to do so because it is payable only to his future wife and children. I think it should be extended because of that point alone; and when the soldier does marry it is not too late for him to take advantage of it.

Mr. MACKENZIE (Vancouver Centre): May I reply to the hon. member for Yorkton. He asked for the number of policies that had lapsed. Up to March 31, 1943, the number was 53,288, and the amount was $122,016,470.24. The lapses for 1943-44 were 361, the total amount $859,395.48 or a total of 53,589 with a valuation of $122,875,865.72.

Mr. WHITE: When a policy lapsed under the old act after it had been carried on for a number of years what happened?

Mr. MACKENZIE (Vancouver Centre): There is a special provision in the old act that deals with that.

Mr. WHITE: Take a policy of $5,000 that a veteran had carried for ten years. Something happened and it lapsed. What benefit would he get out of that? Would he get anything?

Mr. MACDONALD (Brantford City): While the minister is looking up that information I should like to give some information from my own experience, because I have had experience of policies lapsing from time to time. If I recall correctly what happens, after my policy lapsed I would receive a notice from the department of insurance advising me that it had lapsed and if I did not pay the premium within a certain time I would get a paid-up policy. If a soldier allowed his policy to lapse and did not pay the premium for a certain number of months—I am not sure of the number—he would have to go to a doctor, if he had been ill, and be examined, or else he would have to make a statement that he had not had any illness.

Mr. MACKENZIE (Vancouver Centre): I understand the practice is that the proportion of the insurance which is covered by the premium actually paid would be payable, but not the whole amount of the policy.

Mr. WHITE: When the policy lapses, does the soldier receive from the department any sum in settlement of that policy?

Mr. MACKENZIE (Vancouver Centre): There is a cash surrender value of the policy.

Mr. MACDONALD (Brantford City): When a policy lapsed under the old act I believe the soldier had to make a declaration that he had not been ill. If he had been ill he had to go to a doctor and be examined. Does that practice prevail in connection with the present act? If the doctor found that the man had been ill, would the department still continue to insure him?

Mr. MACKENZIE (Vancouver Centre): I cannot answer my hon. friend's question because this has not been administered under my department. As my hon. friend knows, it has been administered by the Department of Finance. I believe that what my hon. friend suggests has been the practice. What the practice will be in the future is a matter for consideration.

Mr. FAIR: How do the rates in schedule A compare with the standard rates of the line insurance companies?

Mr. MACKENZIE (Vancouver Centre): I am informed that they are lower than those of most companies. Probaby there are two or three companies that are as low. I do not know of any that are lower than those rates, but these are certainly lower than eighty-five or ninety per cent of the insurance companies.

Mr. WHITE: When the minister was speaking about the policy that had lapsed, was he using the word "lapsed" the same way as it is used with reference to any policy of the standard insurance companies? Those companies give the policyholders thirty days to pay the premium. Is the minister, or whoever will administer this act, to have any discretion in the matter, or is the arbitrary rule to be applied that after thirty days the policy lapses?

Mr. MACKENZIE (Vancouver Centre): Yes, I can assure my hon. friend that there will be definite discretion with regard to the point raised by him. That will be done by regulation.

Mr. KNOWLES: In reply to a question from this corner a while ago the minister admitted that the only kind of insurance provided for under this act is what is known as protection. The veteran has to die to collect, unless he takes the cash surrender value, in which case he is no longer protected. It is well known that this protection form of insurance is a desirable thing to have and it is commendable that it be provided at as low rates as the government can arrange. But I would point out that veterans will also be interested in providing for themselves what is known as endowment insurance, whereby some provision is made for payments to come back to them while they are still alive. I would remind the minister that in the Department of Labour there is an excellent scheme known as Canadian government annuities. Anyone can purchase a Canadian government annuity without medical examination. It is a simple matter to get in touch with the department and find out the rates and other conditions. I have two suggestions to make. The first is that the minister consider publicizing that fact along with any literature that is sent out.

Mr. MACKENZIE (Vancouver Centre): Which fact?

Mr. KNOWLES: The fact that there are government annuities available to all our people, including veterans. I suggest that that be included in any literature that is sent out in connection with this insurance.

Mr. MACKENZIE (Vancouver Centre): A very good suggestion.

Mr. KNOWLES: My other suggestion is that the minister consult with the Minister of Labour or the Minister of Finance to see whether any special offer might be made by the annuities branch to veterans. There is an element of subsidy which is contained in the annuities set-up, of which I approve. I believe the country generally would approve a little further subsidy to enable veterans to provide annuities for themselves. I should be glad if the minister would consider those suggestions.

Mr. MACKENZIE (Vancouver Centre): Thank you.

Mr. LOCKHART: I have no intention of repeating any arguments, but the minister does not show any indication of deleting the restriction as to time that would be applicable. He says he wants the soldier to take advantage of this at an early date after he is discharged. In looking at schedule A I find that in the age bracket twenty-five to twenty-nine there is a difference of only twenty-cents a month in the premiums on a policy of a thousand dollars on a fifteen-year basis. Therefore I cannot see how the minister can substantiate the argument that the three-year figure should be retained. The suggestion has been made that the period should be five years. I think it should be five, if the limit be not taken off altogether.

Mr. MACKENZIE (Vancouver Centre): Is it not $2 a month on a $10,000 policy?

Mr. LOCKHART: This is on the basis of $1,000; why talk of $10,000?

Mr. WHITE: Would the minister explain to the committee how the succession duty act will operate in regard to this insurance, and whether or not the annuities will be subject to income tax?

Mr. MACKENZIE (Vancouver Centre): I am informed not, but personally I am not positive on that point.

Mr. WHITE: Which, succession duty, or income?

Mr. MACKENZIE (Vancouver Centre): Succession duty.

Mr. WHITE: Would the minister get a ruling from the department?

Mr. MACKENZIE (Vancouver Centre): Yes, before third reading of the bill. I shall get a ruling on both these points.

Mr. WHITE: Also about succession duty?

Mr. MACKENZIE (Vancouver Centre): I shall be glad to do that before third reading of the bill and inform my hon. friend, or the leader of the opposition if my hon. friend is not in the house.

Mr. WHITE: Will the minister give an opinion as to whether soldiers' insurance such as this should be exempt from succession duty? Would he like to go that far?

Mr. MACKENZIE (Vancouver Centre): That is my personal opinion, but I am speaking only for myself.

Mr. WHITE: Would he like to recommend it?

Mr. MACKENZIE (Vancouver Centre): I shall discuss it.

Mr. MacNICOL: Has the minister definitely made up his mind that he will not extend the period from three to five years?

Mr. MACKENZIE (Vancouver Centre): Frankly, no; I am not qualified to discuss the actuarial possibilities of such an extension. I shall discuss it with those who are the scientific advisers in this matter before the bill receives third reading. I will see if there is any definite and insuperable objection to the suggestion, which has come from practically all quarters of the house. I shall be very glad to have that taken up.

Mr. MacNICOL: That will be satisfactory to me.

Mr. CRUICKSHANK: Will the same thing apply to my suggestion?

Mr. MACKENZIE (Vancouver Centre): No; I am afraid I must take a definite stand in that regard. If we are to extend these benefits to those who served in the previous war but who have not served in this war, we must do it by amending the old act. The whole system of premiums and everything else is based upon scientific actuarial practice, and in the case suggested by the hon. member we would have to amend the other act.

Mr. CRUICKSHANK: Then would the minister consider recommending that the other act be amended?

Mr. MacNICOL: I want to thank the minister for his consideration and his undertaking that between now and third reading he will inquire as to whether it would be actuarially sound to extend the period from three to five years.

Mr. MACKENZIE (Vancouver Centre): I will discuss it with the superintendent of insurance, who of course has been responsible for the financial set-up of this measure.

Mr. CASTLEDEN: If the minister has it there would he give us the amount of premium paid in to date and the balance of the fund at the present time.

Mr. MACKENZIE (Vancouver Centre): I can give my hon. friend the receipts and expenditures, if that would answer his question.

Mr. CASTLEDEN: I should like to know what has been paid in by way of premiums.

Mr. MACKENZIE (Vancouver Centre): These are the receipts and expenditures for 1943-44, as furnished by the department of insurance. The amount of the fund was $21,383,159.33.

Mr. CASTLEDEN: That represents the total premiums paid in?

Mr. MACKENZIE (Vancouver Centre): Yes, that must be it. Bank interest earned amounted to $850,665.42; interest added, $682.31; premiums, $633,680.60.

Mr. CASTLEDEN: Those were the premiums paid for that year?

Mr. MACKENZIE (Vancouver Centre): Yes; this is the account for 1943-44. The complete figures are as follows:

Receipts

Amount of fund	$21,383,159 31
Bank interest earned	850,665 42
Interest added	682 31
Premiums	633,680 60
Recovered death benefits	2,000 00
Recovered cash surrender	2,950 00
Recovered disability benefit	212 41
Recovered annuities	3,482 22
	$22,876,832 27

Expenditures

Payments at death	$ 206,856 11
Annuity payments	247,261 09
Surrender values	226,787 52
Premiums refunded (section 10)	68,593 67
Disability benefits	22,046 83
Excess premiums returned	3,788 90
	$ 775,334 12
Net balance	22,101,498 15
	$22,876,832 27

Mr. CASTLEDEN: That statement shows a credit balance to take care of the claims that will still have to be paid?

Mr. MACKENZIE (Vancouver Centre): That is correct.

[Mr. MacNicol.]

Mr. CASTLEDEN: According to the figures given by the minister approximately 48,000 policies were issued. Of these some 6,000 have lapsed or been paid up, and 14,647 have been surrendered. That would leave something over 24,000 policies still in effect, and the figure of approximately $22,000,000 is the credit balance in the fund at the present time.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. MACDONALD (Brantford City): The minister has told the committee that it is impossible to bring veterans of the last war under this legislation. I realize that it would be difficult to do so, and for that reason I did not unduly press my suggestion that they be so treated. However, I am interested in having them protected. I am sure no soldier member of this house would want to weaken the case of the soldier of this war if that would be done by bringing the soldiers of the last war under this legislation. I do think, however, that all soldier members of this house believe the old act should be revived, speaking not for themselves but for the great mass of returned soldiers throughout the country. I am not going over all the arguments that have been advanced, but it is a fact that many veterans of the last war, because of physical incapacity, are not now insurable risks and therefore cannot obtain insurance with the line companies. When they returned from the war they did not have the money with which to take out returned soldier insurance. They are now in a financial position to do so. The minister has said the average age of veterans of the last war is fifty-five years. I know there are many veterans of the last war under fifty-five years of age who are now able and anxious to take out this insurance. I am not going to ask the minister his personal opinion with respect to this matter but I am going to ask if he will not have the government consider reviving the old insurance act in order to permit veterans of the last war to become insurable at the present time. I am making this request in all seriousness, in behalf of the great number of veterans of the last war throughout the country who want this insurance.

Section agreed to.

On section 11—Reserve only to estate.

Mr. WHITE: Would the minister give a concrete example of this, showing in dollars and cents how it will work out? What will the estate get under what you call the reserve?

Mr. MACKENZIE (Vancouver Centre): The principle is the same as that contained in section 11 of the old act. It has been reworded to conform to the changed structure of the

new legislation. The only difference is that the interest paid is 3½ per cent instead of 4 per cent, as it was under the old act. By this section the estate of the insured receives only the difference between what might be considered the cash surrender value of the policy and the total of the premiums paid, with interest at 3½ per cent per annum thereon.

Section agreed to.

On section 12—Terms for payment of premiums.

Mr. MACKENZIE (Vancouver Centre): There is an amendment to this section, which I would like my colleague the Minister of Agriculture to move. The amendment is that section 12 be amended by adding thereto the following subclause:

2. Premiums payable under the various plans of contracts shall be as provided for in schedule A to this act.

Mr. GARDINER: I move accordingly.

Amendment agreed to.

Mr. McNIVEN: When this section refers to a ten, fifteen or twenty year term does it mean a ten, fifteen or twenty year term policy, or does it mean that when the premiums have been paid for the period designated the veteran will have a full paid up policy?

Mr. MACKENZIE (Vancouver Centre): The latter is the correct meaning.

Mr. McNIVEN: That is, having paid his premiums for ten years at the rate designated in the schedule, he will receive a fully paid up policy.

Mr. MACKENZIE (Vancouver Centre): Yes; of course with heavier premiums.

Mr. CASTLEDEN: I wonder how the government has arrived at this schedule. The minister has said the rates are generally lower than are found for ordinary insurance in the life insurance companies.

Mr. MACKENZIE (Vancouver Centre): Yes. This was compiled by the insurance branch of the government, and it is in conformity with the most modern practice of life insurance companies with, as I said this afternoon, a slightly lower rate than is accorded civilian applicants for ordinary life insurance.

Mr. CASTLEDEN: The ordinary life insurance company has heavy expenses in connection with selling the insurance. In this case the government is doing that.

Mr. MACKENZIE (Vancouver Centre): There are no administrative charges at all. Those are absorbed by the state.

Mr. CASTLEDEN: Then, if the state is carrying all the administrative work, free of charge, it seems to me the rates are rather high. There is no cost of selling and no advertising.

Mr. MACKENZIE (Vancouver Centre): The hon. member will realize that in this instance the risks are very much greater than the ordinary life insurance company takes, because there is no medical examination. Honestly I believe that after looking into the matter to some extent the rates will be found to be very fair indeed.

Mr. CASTLEDEN: The figures would show that the government has on hand about $22,000,000 from the old fund. They also show that there are about 24,000 policies still in force.

Mr. MACKENZIE (Vancouver Centre): About 20,000.

Mr. CASTLEDEN: So that perhaps there would be about $40,000,000 of insurance?

Mr. MACKENZIE (Vancouver Centre): Yes; but the rate of mortality is increasing every day for those who are insured under the old act.

Mr. MacNICOL: And it will continue to increase.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. CASTLEDEN: It would seem therefore that there is about $20,000,000 on hand to meet obligations of about $40,000,000.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. KNOWLES: Has consideration been given to providing any form of insurance other than the ten, fifteen or twenty-payment life plan? The veteran at the age of thirty-five for example, may take out what is called a 20-pay-life policy under this legislation, for which the premium would be $29.04 per thousand per year. If the veteran desires insurance to provide an adequate amount of protection to meet his increasing family responsibilities it will be difficult to put on sufficient protection at a rate that high. There are other forms of insurance which come at cheaper rates and provide better coverage, such as taking a straight protection policy on the one hand and an annuity contract on the other. Straight protection or, as it is called, term insurance, could be had at a much lower rate per thousand than the figure I have mentioned as an example. Has consideration been given to offering the veteran two or three different

types of insurance rather than confining him to this one type? I do not feel that this serves all of the purposes which can be served by insurance, in the light of modern understanding of that subject.

Mr. MACKENZIE (Vancouver Centre): Of course there are two different principles, as my hon. friend must realize. This is really protection for dependents. Annuities are protection for the individuals themselves, during their lifetime. This on the other hand is essentially protection for the dependents of veterans.

Mr. KNOWLES: There are two different forms all right, namely annuities on the one hand and protection on the other. But speaking now of the latter, there are different kinds of protection. One kind is this 20-pay-life policy, where the premium is fairly high, but paid over a relatively short space of time, at the end of which the policy is paid up. The other kind is term insurance, a type of insurance which many insurance agents despise, but which I believe best fills the bill for any man who wishes to provide protection of $10,000 or $15,000 for his family during the years when his children are dependents. It could be done at half or a third of these rates, in ordinary companies, if the medical examinations can be passed. My point is that the government is making this one kind of policy available to veterans, as set out in this bill, whether or not they can pass medical examinations. I am suggesting it should consider making some other types of policies available as well.

Section as amended agreed to.

On section 13—Minister may refuse to insure.

Mr. GRAY: I call the minister's attention to class IV in schedule B, where it states:

> In cases where an applicant with or without dependents whose health has become impaired as a result of immoral conduct prior to enlistment, during service or after discharge.
>
> Applications are to be refused.

We might as well discuss this matter frankly. I presume the thought in connection with this general class has to do with the man who has contracted venereal disease. That is what is aimed at. May I at the outset commend the minister and the Department of Pensions and National Health upon the vigorous campaign waged in the past few months in connection with the elimination of venereal disease. It does seem to me however that this clause, which refers to men who contracted the disease prior to enlistment and afterwards served, and men who contracted it during service, should be limited to men who refused treatment, thereby putting themselves apart and in a situation where they do not deserve to receive insurance. I am not holding any brief for these people, but I am afraid that, worded as it is —"as a result of immoral conduct prior to enlistment, during service or after discharge" —it is too broad, and is subject to the possibility of misinterpretation by returned men. It would also be subject to abuse, if I may say so, either by departmental officers or by a minister who might not see the returned man's point of view in the same way as the present minister might see it.

I am sure the minister must know of cases under the old Pension Act where what I have said would apply. I recall particularly cases in which illegitimate children were involved, and where the chairman of the then pension commission would almost refuse to read the files if anything of that nature was contained in them. My recollection is—and it is quite vivid to-day—that he had a stack of files almost as high as himself sitting in one corner of his room, and he would not even look at them because of the nature of the material they contained. I urge the minister to reconsider this class, or at least to give us some explanation for the present wording.

Mr. MACKENZIE (Vancouver Centre): There is a good deal of force in what the hon. member has said. Of course he knows as well as I do that we have provisions in the Pension Act which deal with immoral conduct, and of course pensionability is affected. One could not effect what he has suggested in the period prior to enlistment, because we have no control at that time. But what we could do would be to add the words "or refusing treatment for such", and bring about the desired result.

Mr. GRAY: Yes, that would be satisfactory.

Mr. MACKENZIE (Vancouver Centre): I shall ask my colleague so to move.

Mr. GARDINER: I move:

> That class IV in schedule B read as follows: "In cases where an applicant with or without dependents whose health has become impaired as a result of immoral conduct prior to enlistment, or as a result of refusal of treatment for such condition during service or after discharge from service.
>
> Applications are to be refused.

Amendment agreed to.

Mr. CASTLEDEN: Schedule B, class II, paragraph (b) provides that an application will be refused in the case of an applicant with dependents, seriously ill with a disability that is not pensionable. What about the man who

at one time was not pensionable but later became pensionable? He might be refused a pension to start with, but may have been granted it after it had been considered. His insurance would be refused during the period he was not pensionable but during which he might be seriously ill.

Mr. MACKENZIE (Vancouver Centre): He could apply when his status had changed.

Mr. CASTLEDEN: Supposing the legislation is not in force?

Mr. MACKENZIE (Vancouver Centre): This covers only the tenure of the bill, but during the operation of this legislation anyone whose status had changed could apply.

Mr. CASTLEDEN: If he became pensionable three years after discharge, under this bill as it stands to-day he could not obtain insurance?

Mr. MACKENZIE (Vancouver Centre): No.

Mr. CRUICKSHANK: It would not include any of them.

Mr. CASTLEDEN: I think the clause should be changed or some regulation should be passed so that such a person could become insurable.

Mr. MACKENZIE (Vancouver Centre): What about I(c)? Does not that cover the point raised by my hon. friend?

Mr. CASTLEDEN: That is an applicant without dependents; I am referring to II(b), an applicant with dependents.

Mr. MACKENZIE (Vancouver Centre): I(a) should cover it. I may tell my hon. friend that there would have been no difficulty under the old act with that type of case, and I am sure it was intended to cover it in this legislation.

Mr. MACDONALD (Halifax): What would happen to an applicant who is ill on discharge from an illness contracted during service but which was not due to service? He is discharged because of that condition and might be seriously ill when he applies for his insurance. Would he be entitled to insurance?

Mr. MACKENZIE (Vancouver Centre): 1(b) would cover that.

Section as amended agreed to.

On section 14—insurance money unassignable, etc.

Mr. GILLIS: I understand the minister proposed an amendment to schedule B, class IV. What was that amendment?

Mr. MACKENZIE (Vancouver Centre): To make it apply to those who refuse treatment for conditions arising as a result of immoral conduct.

Mr. MacNICOL: If they accept treatment, they would be insurable?

Mr. MACKENZIE (Vancouver Centre): If they refuse treatment they are not eligible; if they take treatment and still have a disability, they are eligible.

Section agreed to.

Section 15 agreed to.

On section 16—regulations.

Mr. CRUICKSHANK: May an applicant have his premium payments deducted from his pension?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. CRUICKSHANK: I think the application for the payment of insurance should be simplified. We have had several cases in the branch of the Legion to which I belong where widows have almost had to have the deceased fingerprinted and photographed before they could get the insurance. I am not exaggerating, because I still have the correspondence. Surely this procedure could be simplified. It is all right if the widow has some money, but where she has no money to pay for the funeral or feed her children it is a different matter. I know of cases where it has taken five months before the widow could get the insurance. That is altogether too long.

Mr. MACKENZIE (Vancouver Centre): I am informed by the officers of the Canadian pension commission that that is being attended to. I may tell my hon. friend that his observations will be carefully followed out.

Mr. CASTLEDEN: Did I understand the minister to say to the hon. member for Fraser Valley that premiums could be deducted from pensions?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. CASTLEDEN: Without the consent of the insured?

Mr. MACKENZIE (Vancouver Centre): No, with his consent.

Section agreed to.

Sections 17, 18 and 19 agreed to.

Schedule A agreed to.

Schedule B as amended agreed to.

Mr. GILLIS: The department will take the necessary steps to advertise and publicize this legislation?

Mr. MACKENZIE (Vancouver Centre): I think the suggestion is a most excellent one. If this legislation is under my jurisdiction I shall see that it is carried out. If not, I shall see that it is recommended to the particular department.

Bill reported.

At one o'clock the house took recess.

The house resumed at three o'clock.

FAMILY ALLOWANCES

PROVISION FOR PAYMENTS IN RESPECT OF CHILDREN UNDER SIXTEEN

The house resumed from Wednesday, July 26, consideration of the motion of Mr. Mackenzie King for the second reading of bill No. 161, to provide for family allowances.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, it is my purpose to deal, I hope in a dispassionate and non-partisan way, with certain phases of the subject of family allowances and the bill which has been introduced; for I believe that no more tremendous or important issue can come before this parliament for the post-war period than the one we are now discussing.

With the objective provided for in this bill there can be no disagreement; for if I understand it aright it means that through this measure an endeavour will be made to achieve equal opportunity, particularly for those in the lower income brackets, and to give many who to-day are denied freedom from fear and freedom from want the hope of something better in the future than this world and this country have seen before. I realize that to achieve these objectives planning must be done now, and with the objectives in mind I agree and in the aim and the purposes that it has, I concur. I realize that plans such as this require a great deal of organization now. If we are to have a dynamic and a workable plan the cooperation of hon. members of all sides is necessary. I repeat that I agree with the objectives of this bill, while criticizing it in some particulars—which I shall deal with in committee—and also raising a question as to the constitutional issue which was dealt with the other day by the Minister of Justice (Mr. St. Laurent).

The challenge of adventure into new fields of social welfare must not find us discouraged by the difficulties inherent in the British North America Act. We must go forth into new horizons of social justice. To-day the opportunity comes to us as it has come to few men in few generations to take part in the forward march of the common man. I believe that my views and those of most hon. members are to be found in the idealism reflected in a passage of the National Resources Development report for 1943 which was placed before the President of the United States in January of that year. In the words of that report; there must be—

> —the fullest possible development of the human personality, in relation to the common good, in a framework of freedoms and rights, of justice, liberty, equality and the consent of the governed.
>
> As a means of protecting justice, freedom and democracy:
>
> The three factors—democracy, dynamic economy and peace—never in the history of mankind have been united in a political system.

Changes are taking place and tremendous changes are about to take place. We in the parliaments of the empire to-day must recognize that. The state must guarantee and underwrite equal access to security, to education, to nutrition and to health for all. That assurance is inexorable through the awakening of the spiritual being of man everywhere and the recognition of all men of their responsibilities for the welfare of all other men, not only within their own state but beyond its confines. Too often some of us are afraid to approach new horizons because there has been no experience to guide us. I think it is a significant fact that in 1944 there is not in the governments of Great Britain, of Australia and of Canada and in the cabinet of the United States any man who was born in the present century. In other words there are far too many men in positions of authority without having along with their experience the idealism, the drive, the forcefulness, the initiative and the appreciation of present day conditions which potentially men of the present generation should be able to give to government. My philosophy is that, though I ask no man to follow me in this view, I believe in welcoming change, provided it will be made effective. Too often in this country the dead hand of the past as it is written in the British North America Act has destroyed reforms which ought to have been brought into being for the benefit of the future. The party to which I belong has no reason not to have the reforming dynamic of that of any other party in this house. It was this party which brought in women's suffrage, which coordinated the various railroads under the Canadian National Railways, which brought in the Wheat Board Act of 1935 and the Bank of Canada Act in

its inception, and the other legislation of 1935 much of which the government of the Prime Minister (Mr. Mackenzie King) placed before the courts with a view to determining its constitutionality and much of which was declared to be beyond the powers of parliament.

In that connection let me mention that the party led by the Right Hon. Mr. Bennett had the reforming zeal. It brought in the Weekly Day of Rest in Industrial Undertakings Act, the Minimum Wages Act, the Limitations of Hours of Work Act, the Dominion Trade and Industry Commission Act, the Employment and Social Insurance Act, The Natural Products Marketing Act, and various other measures to which reference need not be made at this time, but many of these acts when submitted to the courts were found to be unconstitutional.

While I have no hesitation in saying that I am going to support the principle of this bill and get behind the carrying into effect of any bill, brought in by any party in this house, which I believe is for the welfare of the people, I reserve to myself the right to place before this house and the people of Canada as a whole my views with respect to this legislation as it is presently constituted. It was said in 1935 by the Prime Minister himself that Mr. Bennett was introducing the legislation that was then brought in for the purpose of getting votes. No one was more persistent in his demand that those acts then brought in should be constitutional than was the Prime Minister of this day. No one spoke in more fulsome tones of the necessity of upholding the constitution of the land than did he. Over and over again, he called upon the government of that day to secure the opinion of the Supreme Court of Canada in respect of that legislation. I am not going to read the provision in question; it is set out in section 55 of the supreme court act, chapter 35, and gives to the government the right to submit questions of law or of fact touching the interpretation of the British North America Act as may be referred by the governor in council to the supreme court for hearing and consideration.

I am going to deal with that phase a little later on because I believe that the Prime Minister, having stated that the operation of the act is not to come in until the 1st of July, 1945, and having denied that there is any ulterior purpose in postponing the date when these payments are to be made, must have some of the fears of the constitutionality of this bill that he expressed in 1935 as to the constitutionality of the measures then introduced. This bill is little different in its operation and effect from and is analogous with the old age pension act. The old age pension act provides for payments to persons of seventy years of age under certain circumstances. This act provides for payments to parents or others having the custody of certain children; the matter of age being of very little importance in the principle at issue. Over and over again the Prime Minister reiterated in this house in 1935, in 1931 and in 1926 that this parliament did not have the power to bring into effect a national old age pension act whereby the dominion would pay total pension without securing an amendment to the British North America Act. My submission is that if the Prime Minister was right then, like principles apply in the interpretation of the present measure.

But before I go on to deal with the constitutional issue, let me refer to one other matter. I want to see this legislation made effective and operative. I want to see brought into parliament legislation that will banish the sense of fear and insecurity among the poor of the country. I want to see legislation when it is introduced which will not only promise a hope on July 1, 1945 but which in 1944 will assure its fulfilment before the election and which will be known to be constitutional and within the powers of parliament.

I do not believe that, because members happen to sit on different sides of the house there is any one of us, regardless of his lifetime of service, who can claim a monopoly of love and affection for the common people. I can look back on my own youth and say that in my opinion most of us can claim to belong to that group honoured by the Prime Minister the other day as the humble poor. We want to see that the standards are elevated. Suggestions have been made by labour that this legislation will be taken advantage of by unfair employers to freeze the level of wages at a low figure by reason of the extra income that will come should this act be put into effect. I believe the parliamentary assistant to the Prime Minister said that was not the case in Australia and New Zealand. But the situation there is different from ours. In one case the state is unitary and in the other there is a joint control body over the question of minimum wages. In this country we have nine different minimum boards or controls, wages in one province being lower than in others. I have read a great deal on this subject, and the experience in some countries has been that wages tend to be set at a low level by reason of the fact that a family bonus is in existence. The evidence before the price spreads commission indicated that in this country there is not a fair level of wages from the Atlantic to the Pacific. Nor can there be until the Depart-

ment of Labour in the federal arena arranges with the provincial departments of labour and cooperates with them to elevate the level right across Canada. My suggestion to the Prime Minister would be that when this conference comes between the government of Canada and the provincial premiers one of the things he should ask for in order to make this act protective of labour is that a common level of wages for like work be established in every province. This matter has been dealt with at considerable length in the province of Quebec where in 1933 a social service commission met and produced one of the best reports on family allowances and the like that can be found anywhere. The findings of the Quebec committee of 1933 indicate that the adoption of family allowances might result in wages being kept down, and it asks in general terms for the adoption of family allowances. Instead of raising the level of wages in that province, which would not permit of competition in industry by that province with other provinces, family allowances, it was suggested, might be the solution. It is a very fair report. What we must insist upon is that while giving an allowance to the individual we must assure him that he receives the same level of wages as others in the dominion who are doing the same type of work, so that he may be enabled to partake of the better things of life.

This report, and I refer particularly to one paragraph, deals clearly with the situation and indicates the reason why various labour leaders have asked for the assurance from the government that family allowances shall not affect wage levels. I am not going to quote what Mr. Buckley or Mr. Millard said, or what Mr. Bengough of the trades and labour congress said, but they indicated the danger that until wages were equalized these bonuses may have the unfair result of freezing wages at a level that would not be sufficient to enable the individual to secure the better things of life. I have no observations to make on this paragraph—it requires none. It places before the country in summarized form the attitude generally by many of the labour leaders of the dominion.

> We may recollect too, that the province of Quebec has an economic system dependent on that of the other provinces, and that an exaggerated rise in salaries would bring local industries into a disadvantageous situation when compared with rival industries in other provinces. The present economic depression has also taught us that the prosperity of nations cannot be contained in watertight compartments and that there is a real interdependence between the economic systems of different countries. If, therefore, on the one hand, the desire is entertained of affording a large family an opportunity of developing according to the will of providence, and if, on the other, it is agreed that our national economic system cannot adjust salaries to fit the needs of a large family the only other choice is to have recourse to the family allowance.

I think that the country as a whole is entitled to have from the Prime Minister the assurance that there will be the establishment of a level of minimum wages across this dominion through cooperation with the provinces to the end that all, regardless of the province from which they come, shall have equal access to that freedom from want which all of us are endeavouring to bring about. I shall deal with that matter later in committee.

I now come to the question of the constitutionality of this measure. Far be it from me to indulge in any argument with so eminent a counsel as the Minister of Justice, but I think it was some years ago that either the Prime Minister or the Leader of the Opposition said that if lawyers did not disagree it would be a strange country in which we live. I am not going to place my humble opinion against that of the Minister of Justice, but I am going to call as my witness the parliamentary assistant to the President of the Privy Council (Mr. Claxton) who in 1939 dealt with this problem when he prepared a brief for the dominion government for presentation before the Sirois commission. The question comes up: is this constitutional? I do not think the Prime Minister indicated his view when he introduced the bill; but the mere introduction of the bill suggests his belief in its constitutionality. My leader contended that it was not constitutional, or was doubtful as to whether it was constitutional. I have already referred to the reports regarding old age pensions. Before a committee of parliament in 1925 the whole question of old age pensions was discussed, and the view was expressed following an opinion given by the deputy minister of justice, that old age pensions could not be brought in on a national scale without agreement with the provinces or an amendment to the British North America Act. Then came the case referred to by the Minister of Justice the other evening, the Attorney General of Canada *v.* Attorney General of Ontario, 1937 Appeal Cases, at page 355. I am going to read one paragraph that the Minister of Justice did not read in its entirety when referring to this case which had to do with the Employment and Social Insurance Act of 1935. Lord Atkin said:

> That the dominion may impose taxation for the purpose of creating a fund for special purposes and may apply that fund for making contributions in the public interest to individuals, corporations or public authorities could not as a general proposition be denied. . . . But, assuming that the dominion has collected

by means of taxation a fund, it by no means follows that any legislation which disposes of it is necessarily within dominion competence.

It may still be legislation affecting the classes of subjects enumerated in section 92, and, if so, would be ultra vires. In other words, dominion legislation, even though it deals with dominion property, may yet be so framed as to invade civil rights within the province: or encroach upon the classes of subjects which are reserved to provincial competence.

I am sure that hon. members will respect the opinion of Mr. Cahan, former secretary of state, who gave these ideas on this case on March 1, 1937:

I should like to ask the Minister of Finance whether his department, in association with the officials of the Department of Justice, have considered the full bearing of a recent opinion of the judicial committe of the privy council, with regard to a matter such as this. As I read that opinion the privy council have declared it illegal for this parliament to make any appropriation of funds derived from taxation for subject matters over which parliament has not legislative jurisdiction under section 91 of the British North America Act.

All of the matters legislated for in this bill or imposed by it deal with the matter of child welfare, on matters of social service organization and within the competence of the provinces. Then Mr. Cahan says:

That is a wide and sweeping declaration of the judicial committe of the privy council which I believe applies not only to pensions for old age but also to pensions for the blind, and a number of other appropriations aggregating tens of millions of dollars which are annually voted by parliament. In view of that opinion I think the government should take into serious consideration the question whether in voting these tens of millions we are not committing illegal acts which are ultra vires of the parliament of Canada.

That is one opinion. I quote now an opinion from Mr. Brooke Claxton, as he then was, and Mr. L. M. Gouin, as he then was, now a member of the other place. I read from page 20 of the report entitled "Legislative Expedients and Devices Adopted by the Dominion and the Provinces, 1939" I see my time is rapidly coming to an end; therefore I cannot read this quotation at any length. Let me read one portion of it in which Mr. Claxton and Mr. Gouin, dealing with the question of old age pensions, which is analogous to the payment of allowances to children, the only difference being the matter of age, said this:

It can hardly be doubted that the subject of old age pensions falls under the provincial jurisdiction to legislate respecting property and civil rights. That was the opinion given by the Department of Justice and it does not seem to have been challenged.

After quoting from the speech of Lord Atkin before the privy council, they added:

If this is a correct statement of the law, the dominion old age pensions act will be invalid if that act is in itself legislation "affecting the classes of subjects enumerated in section 92" or if the act is "so framed as to invade civil rights within the province; or encroach upon the classes of subjects which are reserved to provincial competence."

Then after dealing with this and others, he said:

For this reason, the holding in the reference justifies Mr. Cahan's apprehension with respect to this act at least, and the act and any similar legislation might be held ultra vires if the question is ever raised.

I cannot go into the various house references of the Prime Minister during the years, particularly in 1926, 1935 and 1936, except to say that on January 21, 1935, at page 49 of *Hansard*, the right hon. gentleman was explaining why much of the reform legislation which had been referred to in the book "Industry and Humanity" had not been brought in, and went on to use these significant words:

In that view of things will be seen the foundation of Liberal policy on social legislation as well as much else; and if the Liberal party in the federal field, during the time I had the honour to be Prime Minister, did not introduce more in the way of so-called social legislation than it did, it was in the main for two reasons, one of which I have already indicated, namely, that up to the present time, until within the last few weeks, it has been understood that practically all legislation of a social character came exclusively within the jurisdiction of the provinces, the other reason being that we did not know where we should obtain the wherewithal to carry out these policies until we got rid of the cumulative deficits which we had inherited when we assumed office.

The only altered opinion in connection with the legislative competence of parliament was expressed by Mr. Bennett, who said parliament had that power under the treaty obligations of this country.

I should like to give one other reference to support my contention that this legislation should be placed before the supreme court, under the power contained in the Supreme Court Act, before the coming election, so that no one in this country may be deluded by false hopes. In 1935 the Prime Minister made a similar request to mine to-day. He asked that the legislation then introduced be taken before that court, pointing out his reasons for this request; and those reasons apply to-day just as they did then. In stating his reasons for submitting an amendment providing that the question of the validity of the legislation should be submitted to the Supreme Court of Canada, at page 1086 of *Hansard* for 1935 the right hon. gentleman said:

My reason for submitting the amendment is this: While the Prime Minister has intimated

that in his own mind he is quite confident the measure is intra vires of this parliament, nevertheless he has come to that opinion only within the last few months. I believe I am right when I state that for years past he has held a different opinion. It is not surprising therefore if many of us are in grave doubt as to the competence of parliament's jurisdiction in the matter, and if we have doubts people throughout the country will have equal doubts. . . . If I thought the suggested amendment would occasion any delay in bringing the legislation into effect, in the event of its being intra vires, I would not suggest the amendment. I am convinced however that my suggestion should not occasion any delay, and I do believe, assuming the legislation to be intra vires, very serious prejudice of its provisions would be thereby prevented. Unquestionably in the minds of the people throughout the country when the measure is assented to there will remain a grave doubt as to its validity. The provinces will have doubts, employers and employees will have doubts and when my right hon. friend proceeds to provide the necessary machinery a critical situation may arise.

I think it is generally conceded that sooner or later this measure will come before the courts for a decision respecting its validity.

The Prime Minister must have had in mind that fine legislation which he drafted in 1907, the Industrial Disputes Investigation Act, which did a tremendous lot of good but which, when it finally came before the courts in 1925, was found to be beyond the power of parliament to enact. Then he went on to say:

Should it be declared ultra vires, and the machinery meanwhile were set up with appointments of four or five thousand people made, and all were on a sudden to find themselves without a position, the results would be to say the least unfortunate. It would have, too, a bad effect upon the beneficiaries, the people paying into the fund, and upon the position of industry generally. In these unsettled times, if any further note of uncertainty is thrown into the situation existing between employers and employees, and if any further difficulty is added by way of ascertaining where they stand and what will be expected of them by way of additional taxation and additional burdens to the industries with which they are connected the situation will be made very serious indeed. It is to avoid the possibility of anything of that nature that I offer the amendment in the hope that my right hon. friend will see his way clear to accept it.

I am supporting this legislation because I believe half a loaf is better than no bread; but willing as I am to stand on principle I am asking that he submit this matter to the courts so that sooner or later our people may not find that they have been deceived, if this legislation should be declared to be beyond the powers of parliament. There is nothing unfair in this submission. The supreme court sits here in Ottawa; it is ready to be convened. The Supreme Court Act provides machinery to cover such a contingency. I ask the Prime Minister when he replies to tell us what reason, except the fear that this legislation is unconstitutional, prevents him from submitting this matter at once to the courts of this country. It will not mean holding up the effective date of the legislation, since it does not become effective until July 1, 1945. If the Prime Minister does not do that and this act is found ultra vires after it becomes effective, the reaction throughout this country against those of us who belong to the parties that have existed since confederation will be such as I do not care to envisage. They will contend that when we placed this legislation upon the statute book we knew it was not within the competence of parliament. I ask the Prime Minister what has happened since 1931 to change the opinion he expressed in the House of Commons at that time, which appears at page 750 of *Hansard:*

I say the British North America Act should be amended so as to make it possible for the federal government to undertake the administration of that scheme. . . .

He was referring to the old age pension scheme. The other day, Mr. Speaker, the Minister of Justice referred to the decision of the privy council, to which I have already made reference. The hon. gentleman was counsel for the Dominion of Canada in connection with that matter, along with the present chief justice of the province of Ontario. And, Mr. Speaker, as I read that judgment, what the Minister of Justice said to the house the other day as to competence of parliament to pass this and like legislation was what he unsuccessfully advocated when he appeared before the privy council.

I am going to support this bill; I care not what others do. I support it because I believe we are living in a changing world. But, with all the sincerity that I can command I am asking the Prime Minister not to deceive these children and parents by allowing parliament to pass an act of which its legislative competence has not been determined.

And I ask this, too: why wait until July 1, 1945? So far as our men in the armed services are concerned, let us immediately, by the necessary amendment to the War Veterans Allowance Act, give to those who have served the additional amount that is promised to them if the act becomes effective on July 1, 1945. We believe that we are approaching the end of this struggle. This bill recognizes that it is necessary that the dependents of service men should receive this extra allowance. Why not now, while they serve? Why a promise of a date so far removed, when we hope, under Providence, that this war will be over?

Supporting the principle of giving aid to those in lower categories, and opportunities

which so many of them are denied, I ask that parliament bring into effect—and parliament has the power—a system of scholarships to be effective throughout this whole dominion. Let it be by way of grant, so as to allow young boys and girls of merit and ability to climb the difficult heights so often denied them because of poverty. There are men in this house who came up that way. They are on the government side of the house, and they are on the opposition side of the house. This parliament has an opportunity to do something practical now. Ask for the cooperation of the provinces. Why was this not submitted to the provinces? Why were they not given an opportunity to look into it?—and I speak for no province or no area. All I have said comes as a result of my own personal research. Why the postponement of the conference from week to week and from month to month? Convene it now. Let the provinces see the picture, so that they will realize that unless we lay a foundation now for that new world about which we speak so often, we are going to reap as we have sown, because of our indifference to the problems facing us.

I believe $250,000,000 in all is to be expended. That is $100,000,000 more than is being spent annually throughout the dominion for education, high, intermediate and low. Let nobody say that this bill is something dangled in front of the people, something to be made effective only after an election and in the light of certain eventualities. Make it constitutionally effective now. And if it is not, find out if it is within the competence of this parliament.

We have a terrible responsibility for the post-war period, sir. This parliament should make available moneys by grants to the provinces—and it has the power—to establish health units, hospital units, to set up libraries, to provide for better schools and to establish a system of scholarships. These are things recommended by the committee in Quebec in 1933, a committee with vision. Make it possible to establish low-cost housing. Make it possible, by the expenditure of not much more than this amount, to bring into the homes all across Canada electrical power. Make it possible to establish a new health, educational and general welfare, national and provincial set-up.

That, Mr. Speaker, is all I have to say, with the exception of one concluding quotation from the National Resources Development report, which seems to sum up the whole thing. This report speaks of the change in public opinion during the war. Many social solutions could not have been provided for a few years ago, because people would not have permitted the anticipated expenditures. It is different now.

> This upsurging human personality, even in the terrible grip of war, looks for the new heaven and the new earth within its sight and grasp for the first time. If men of good will cannot unite to find a direction and show the way, men of bad will appear; they will loot the ships of state wrecked by the false lights on the shore.

As a man of good will I appeal to the government to let us know whether or not this measure is constitutional; let us know that it can be carried out and will be carried out. And if it is found ultra vires by the supreme court, then let us by cooperation with the provinces bring in legislation that will elevate the position of the common man.

Mr. A. W. ROEBUCK (Trinity): Mr. Speaker, in the first instance may I congratulate the hon. member for Lake Centre (Mr. Diefenbaker) upon a portion of his speech. I was impressed, surprised and delighted to hear the commendation which fell from his lips, directed toward the principle and purport of the bill under discussion. In its aims, purpose and objectives the hon. member says he concurs. He agrees that it will open up new horizons of social justice, and that the state must underwrite equal access to nutrition for the people. This and many other statements of the kind are commendation of a kind that is welcomed, both because of its substance, accuracy and truth, and because it reflects the independent stand of the hon. member as compared with that of his leader-at-large and of his leader in the house.

Mr. GRAYDON: There is no variance in our opinions.

Mr. REID: They are for it and against it.

Mr. ROEBUCK: I will take that up a little later.

Mr. GRAYDON: That will be fine.

Mr. ROEBUCK: It does not make much difference what position the leader of the opposition takes in the house, because if the party ever does take office he will disappear anyway, and somebody else will be in his place.

Mr. REID: And that is a sobering thought.

Mr. ROEBUCK: While I congratulate the hon. member on his freedom of thought, the good will he has expressed, and the commendation he has directed toward the bill, I do not congratulate him upon what he has attempted to do.

May I call attention to the fact that the hon. member for Lake Centre at no time in the full course of his address, mainly on the

constitutionality of the measure, had the temerity to state as his own opinion on his responsibility as a lawyer that the measure is unconstitutional. His object throughout was to raise doubt and to ask that this be resolved by some other court than the high court of parliament. Doubts and smokescreens were what he was dealing in, not his own opinion regarding the bill.

Mr. FRASER (Peterborough West): What is your opinion?

Mr. ROEBUCK: I will state it before I am through. The hon. gentleman has suggested that this measure which he so highly approves be submitted to the courts, I presume before it is passed by this parliament, or at all events before it is allowed to come into effect. He refers to other legislation passed in 1935 which he thinks is in some way similar and which was referred by the present government to the Supreme Court of Canada. I would like to call his attention to the fact that that legislation was passed in 1935 and the decision of the privy council in England from which he read is dated 1937. In other words, it took two years to obtain a final decision on the legislation to which he referred.

I am wondering whether the real purpose of the suggestion that we refer this matter to the courts is along the line of a number of suggestions I have heard from the other side —something else, some other time; a matter of delay. Two years from now the hon. gentleman may not be a member of this house. No one knows just what two years may accomplish, but I do know that the members on this side believe in this legislation. They are not accepting proposals which defer its operation two, three or more years while the matter is fought out in the courts. The Prime Minister suggested that the legislation of 1935 be submitted to the courts. Why? Because for the main part it was obviously unconstitutional.

Mr. DIEFENBAKER: If it was obviously unconstitutional how did it come about that the hon. member, representing the province of Ontario on the submission before the privy council, argued that it was not unconstitutional?

Mr. ROEBUCK: The hon. gentleman has asked a very good question. The Minister of Justice (Mr. St. Laurent) together with the present chief justice of the supreme court of Ontario, and I all argued in the same direction. We endeavoured to save the Unemployment Insurance Act from a decision of unconstitutionality. Realizing the value of the legislation and the desirability of its immediate enforcement, we put up every argument we knew in order to save the legislation for the people. The fact that we failed resulted in the legislation being deferred for quite a number of years. Our purpose was good, but we were not successful in law. In due season I shall state why we were not successful.

There is nothing mysterious about constitutional questions. They are problems which the ordinary man, untrained in law, can understand. Let it be understood that jurisdiction to pass laws of this or any type lies in one or other of our legislatures, either in the dominion parliament or the provincial legislatures. The authority of these two legislatures in their respective fields is plenary and complete. There is nothing that we cannot pass. The British North America Act exhausts the legislative powers that are possible. Anything that is humanly possible is legally possible in one or other of these legislatures. Lefroy in his "Canada's Federal System", at page 94, said:

> The clauses of the B.N.A. Act relating to the distribution of legislative powers exhaust the whole range of legislative authority, so far, at any rate, as the internal affairs of Canada are concerned, and whatever is not thereby given to the provincial legislatures rests with the dominion parliament.

The inquiry is fairly simple as to whether legislation is within the jurisdictional competence of this house. The first thing that one does is to inquire whether it has been given to the provincial legislatures. If not, then it is within dominion jurisdiction, because of the overriding power of the dominion under the residuary clauses of the British North America Act. It has been argued by my hon. friend that the provisions of this bill may fall within section 92 of the British North America Act, and are therefore within the legislative competence of the provinces. There are only three clauses in the British North America Act which even suggests the possibility that this legislation belongs to the provinces. Subsection 7 of section 92 reads:

> The establishment, maintenance and management of hospitals, asylums, charities, and eleemosynary institutions in and for the province, other than marine hospitals.

The second one is subsection 13:

> Property and civil rights in the province.

The third is subsection 16:

> Generally all matters of a merely local or private nature in the province.

Obviously this legislation is not charity. An eleemosynary institution is defined by Webster as an institution "relating or devoted to charity, to alms, to almsgiving." This legislation is not charity because the payments are of right. Look at section 4 of the bill,

which states that the allowance shall be "payable" only after registration of the child, and so on. Section 13, subsection 2 refers to the recovery of undue allowance when an allowance has been paid to a person who was not "entitled" thereto.

One is not "entitled" to charity. Payments are not "payable" to one to whom you are making gifts. That is not charity. This is not an eleemosynary institution, a hospital or anything of the kind. It does not fall within that section of the act.

Then consider property and civil rights—there is no property right and there is no civil right affected in any way by this legislation. The payments are to individuals as of right as between themselves and the Dominion of Canada. No contractual rights are touched, no property rights are in any way interfered with. It does not relate to either. Property and civil rights are for the most part rights of contract, and there are no contractual rights involved in this instance.

My hon. friend has referred to the case of Attorney General of Canada v. the Attorney General of Ontario, which is the last, the most important and the most comprehensive decision on the question of jurisdictional rights in matters of this kind. The case grew out of the legislation brought in by Mr. Bennett's government in 1935. It was referred by a government headed by our present Prime Minister (Mr. Mackenzie King) to the Supreme Court of Canada. At that time the dominion was represented in the argument by the late Mr. Justice Rowell, until recently chief justice of Ontario; and for the leading province, the province named in the case, I appeared as the attorney general in person. So that I think I have some right to speak, not authoritatively, but with a certain background of knowledge, in discussing this measure. Few practising lawyers in Canada have had more genuine experience in constitutional matters than have the present Minister of Justice, and may I add in all humility, myself.

Now let us see what Lord Atkin said in the privy council with reference to the unemployment insurance measure:

> There can be no doubt that prima facie, provisions as to insurance of this kind, especially where they affect the contract of employment, fall within the classes of property and civil rights in the province and would be within the exclusive competence of the provincial legislature.

That was the reason that the legislation to which my hon. friend has referred was declared beyond the competence of the dominion parliament. It was because it was insurance legislation and because it interfered with contracts as between employer and employee, adding statutory conditions to the contract of employment. We argued that the matter was of such great general importance that it should be included in the overriding sections of the act, but the court found there was no emergency which took it out of the province's jurisdiction and placed it in that of the dominion. Because it interfered with contracts and insurance, and therefore property and civil rights, it was beyond the competence of this parliament.

What similarity is there between that act, which was declared ultra vires of our parliament, and the one which is before us and which we are now considering? There is no insurance in this bill, none at all. There is no interference as between employer and employee. There is simply a gift by this parliament to some section of its taxpayers. It is not within provincial jurisdiction in any of its aspects.

Is it within the jurisdiction of this parliament? Again, Mr. Speaker, I refer to that very notable decision in England in 1937, Attorney General of Canada v. Attorney General of Ontario. I quote the same great jurist, Lord Atkin, on the subject. He says:

> That the dominion government may impose taxation for the special purpose of creating a fund for special purposes, and may apply that fund for making contributions in the public interests to individuals, corporations or public authorities, could not as a general proposition be denied.

There you have it, appearing in the very decision which counted out Mr. Bennett's legislation because it did infringe provincial jurisdiction. You have the broadest and the clearest statement that legislation such as we have before us to-day and which does none of these things could not as a general proposition be denied.

His lordship pointed out that dominion legislation, although it deals with dominion property, may be so framed—and this is what my hon. friend read—as to invade civil rights within the province. Of course it can. Mr. Bennett did that very thing; but we have not. We have not encroached upon classes of subjects which are reserved to provincial competence. We do none of those things.

It might be held that this legislation is within the competence of this government because of the overriding powers of the dominion for the peace, order and good government of this country. It is not necessary, however, to justify it in that way. If it is not within section 92, the section which gives

powers to the provinces, then it does come within the overriding sections, as I have already said.

There are, however, other grounds. Subsection 2 of section 91 gives to the dominion power to raise money by any mode or system of taxation. We are going to do that; we are going to raise money by various modes and systems of taxation and expend it in this way. Then subsection 1 gives to the dominion the power for the disposal of the public debt and property. That is to say, we propose to exercise the right which the act has given to us to dispose of the money which we have raised by any system or method of taxation.

Lefroy, in his work on constitutional law, at page 493, makes this statement:

It would be impossible for parliament to legislate even under its general residuary powers to make laws for the peace, order and good government of Canada if it was restricted from incidentally affecting property and civil rights in the different provinces.

But we are not even doing that. We have a right to affect property and civil rights, but we have not the right to legislate regarding property and civil rights: I use the language of the act. Take for instance the Canada Temperance Act, which was held within the powers of this legislature. It was because it was in the public interest, and necessary—so they thought at that time—for the peace, order and good government of Canada, to preserve public order and safety.

I could refer to a long list of decisions of the courts, all perfectly clear, all perfectly logical. Let me take a typical one: Workmen's Compensation Board v. the Canadian Pacific Railway. The act was declared to be unconstitutional because it attached terms to contracts of employment and because it sought to impose contractual details as between employers and employees. There is none of that in this act.

I rather regret the position taken by the member for Lake Centre because I have always looked upon him as a good lawyer. In the past there have been some very good lawyers on the Conservative side of the house. I need only mention Sir John A. Macdonald, Sir Robert Borden, Hon. C. H. Cahan, to whom my hon. friend has referred, and Lord Bennett. Those of these gentlemen who have passed to their reward, had they heard the Conservative party in this house to-day attacking this bill as unconstitutional, would have turned in their graves. They would have been astonished to find the Conservative party committing itself to legal propositions of that kind.

[Mr. Roebuck.]

My hon. friend quoted Mr. Bennett. Let me do the same. In the House of Commons debates on May 5, 1936, as reported at page 2848 of *Hansard,* Mr. Bennett said:

It does not require a parliament at Westminster to pass a statute to confer upon this parliament jurisdiction to deal with its own revenue.

Of course it does not. My hon. friend has referred to statements made by the Hon. C. H. Cahan, at one time member for St. Lawrence-St. George. Mr. Cahan was a very good lawyer indeed with a very high standing. It seems remarkable that St. Lawrence-St. George should send so many distinguished representatives to this house. Mr. Cahan, referring to the unemployment insurance case before the privy council in 1937, which we have had under discussion, and at page 2576 of *Hansard,* on April 5, 1936, questioned the possibly serious effects of a judgment which limited at all the right of this parliament in the expenditure of its own money. The court in England had said that the dominion parliament could not use its money for the purpose of infringing the legislative authority of the provinces, and it was that proposition which the Hon. C. H. Cahan was attacking in this house, because he thought that the jurisdiction of this parliament, under the British North America Act, was wider still than the judgment of the privy council—not narrower, as my hon. friend would have it be. He said:

This opinion, if it is valid, raises grave doubt as to the validity of appropriations by this dominion parliament of current revenues for such objects as old age pensions, unemployment relief, or for giving assistance to provincial undertakings of any description. If these appropriations are illegal and beyond the competence of the dominion, grave consequences may follow.

I join with him in that statement, and much more so were the legal propositions advanced by the opposition in connection with this bill sound law. The gravest consequences might follow. I shudder at the implications of the legal philosophy which we have heard across the floor of the house.

If it is illegal to give money to parents for the benefit of children, as is suggested, then it is unconstitutional also to build houses for families including children, and our whole housing legislation is unconstitutional, beyond the power of this parliament, and may be set aside.

The Old Age Pensions Act is threatened. My hon. friend has had the temerity to link these two acts together and to say that if the Old Age Pensions Act were in some way unconstitutional then so must this be. That is wrong. But if this is unconstitutional, then

the Old Age Pensions Act is unconstitutional. The Old Age Pensions Act has features which this does not possess.

Votes for the department of health, for the control of disease, are unconstitutional if this is unconstitutional. What about bonuses to agriculture which we have been giving to individuals all across the Dominion of Canada? Does my hon. friend argue that we have not power in this legislature to grant those bonuses?

Somebody has said that the encroachments of the dominion government upon provincial jurisdiction would reduce the provinces to the status of county councils. Let me tell you, were the legal philosophy that we have heard expressed this day sound, this parliament would have a lame jurisdiction. Parliament would not have the power of a municipal council to expend its own money for the benefit of its own taxpayers.

Mr. MARTIN: Grants in aid of technical education.

Mr. ROEBUCK: Yes, of course—technical education and vocational education.

An hon. MEMBER: And unemployment insurance.

Mr. ROEBUCK: And unemployment insurance, the Canada highway act, whereby we have granted millions; farm and fishery loans; the unemployment relief act, under which we have expended hundreds of millions of dollars—all that falls by the same logic as does the act before the house to-day. The very comparison shows that the contention is absurd.

What a mess my friends have got themselves into constitutionally in this argument! At present we are allowing income tax payers to deduct $108 per child from their taxes as a child allowance. Now the pith and substance of that legislation would not be altered were we to charge these people their full income tax and later return money to them by way of an allowance on behalf of the child. The pith and substance would be exactly the same. The constitution of Canada, Mr. Speaker, does not make a distinction between rich and poor, as apparently does the opposition in the House of Commons. If it is ultra vires to pay children's allowances to parents whose income is below $1,200 per year, then I say it is equally ultra vires to give allowances to parents whose income is over $1,200 per year. And if that is so, then the income tax act of this parliament is unconstitutional, and should be declared so by the courts.

I have not heard the hon. member for Lake Centre proposing that we refer all those acts and all the legislation upon the statute books of Canada which is on a par with this act—I say, I have not heard him proposing that all this legislation be referred to the courts for a decision the tenor of which we know in advance. The courts of this country are busy institutions. We have no right to impose upon them tasks which are not bona fide or to ask them to resolve doubts that do not exist.

It has been suggested by the leader of the opposition—it is so indefinite that it is hard to put your finger on it—that family allowances be geared up in some way to individual needs. Apparently that is the suggestion of a bill which he would like to introduce were he in power, a bill to give children's allowances geared up to individual needs. I suppose he would send thousands of ladies with spectacles and long noses to inquire into the private family affairs of the people of this dominion.

Mr. GRAYDON: Section 5 does that.

Mr. ROEBUCK: No, it does not, not by a good deal. It only prevents abuse of the act; but my hon. friend suggests that he poke his unwelcome nose—

Mr. MACKENZIE (Vancouver Centre): Tory nose.

Mr. ROEBUCK: Tory nose, yes, into ten thousand homes inquiring, as a means test, into how much money they have, or how much salary is earned by the bread-winner. Well, I do not like it. I am sorry to point out to him that if the hon. member for Lake Centre is a good lawyer, then that, too, would be unconstitutional. As a matter of fact there is nothing suggested from the other side of the house that is constitutional if their theory of law is right. It is all unconstitutional, and we had better fold our tent like the Arab and quietly steal away. We are no longer a parliament able to dispose of our own revenue by giving it back to our own taxpayers.

However, there is this to be said—I have already referred to it—it is not to the leader of the opposition that one looks for authoritative statements of policy, but to the leader of the party.

Mr. MACKENZIE (Vancouver Centre): Who is he?

Mr. ROEBUCK: I do not know.

Mr. CASSELMAN: You will when the election comes.

Mr. ROEBUCK: I have read something in the newspapers about it. A convention may lay down general principles with regard to

legislation, and from the speeches of leading members of a party you may get the drift of public opinion within that party; but when you want to know what legislation would be introduced by a party in opposition should it take office, you go to the statements of the leader; because it is the leader who has the power, when the party takes office, to implement his promises, not the leader of the opposition. The present leader of the opposition, therefore, does not count. He may look upon himself as a John the Baptist, but as a matter of fact he is a voice in the wilderness, a reed shaken by the wind.

Mr. MACKENZIE (Vancouver Centre): Forty years, too.

Mr. ROEBUCK: A better simile would be the tadpole which disappears when the butterfly appears. Therefore if you would find out what the Conservative party stands for, do not go to John the Baptist—

Mr. MARTIN: He lost his head.

Mr. ROEBUCK: Yes. The analogy is good. No; go to the butterfly who flits about this Dominion of Canada attending afternoon teas, picnics and banquets with a carpet-bag.

Mr. MACKENZIE (Vancouver Centre): Milking cows.

Mr. ROEBUCK: Milking cows, yes, crowding the overcrowded trains, when he is not speculating in farm lands. That is the man to whom you go to find out where the Conservative party stands and what the Conservative party will do should it take office, and should it be so fortunate and should the Dominion of Canada be so unfortunate as to have it take office.

Therefore, Mr. Speaker, I turn to an amazing statement made by Mr. John Bracken on June 24, 1944. He said:

> The plan has all the earmarks of a political bribe.

Ugly words; very ugly words.

Mr. MACKENZIE (Vancouver Centre): What did McTague say?

Mr. ROEBUCK: McTague does not count. It is the butterfly that decides the policy so far as the party is concerned. Neither McTague, the leader of the opposition nor the hon. member for Lake Centre decides the policy. Mr. John Bracken used these ugly words with reference to this measure. In doing that I suggest to this house that he has definitely and irretrievably set himself in opposition to family allowances; because I take it, Mr. Speaker, that this gentleman would not himself be a self-confessed briber of the public. Therefore it is settled for good and all that the Conservative party under the leadership of Mr. John Bracken is irretrievably opposed to family allowances and will make no promises or approaches to family allowances at least prior to the coming election.

Mr. GRAYDON: You cannot read that into the statement.

Mr. ROEBUCK: Yes, I can.

Mr. GRAYDON: It is your own inference, then.

Mr. ROEBUCK: Let me give you some more of the statement. I again quote from the statement of June 24. Mr. Bracken says:

> It is time we asked ourselves when this—

Mr. GRAYDON: May I say to my hon. friend that he is picking out different points of Mr. Bracken's statement; I ask that he read the whole statement, now that he has commenced to read it. We know that he is setting himself up as a comedian, and we have enjoyed it very much, but I think we should at least get down to business.

Mr. SPEAKER: The hon. gentleman may make his own quotations.

Mr. CASSELMAN: His time is up.

Mr. GRAYDON: I am asking that the full statement be read.

Mr. ROEBUCK: I presume the leader of the opposition knows the statement by rote. He must have memorized it because Mr. John Bracken is his leader. He should not require me to read to him what John Bracken said.

Mr. GRAYDON: I know what it is; I want the house to know. I want my butterfly friend to read it.

Mr. MACKENZIE (Vancouver Centre): He is not here.

Mr. ROEBUCK: I would not impose such an injustice on the house as to read the chaff that comes from the gentleman who leads the Conservative party.

Mr. GRAYDON: You are afraid.

Mr. CASSELMAN: You have exceeded your time.

Mr. SPEAKER: Order.

Mr. ROEBUCK: May I have the time of these interruptions credited to me?

Mr. CASSELMAN: You are past your time already.

Mr. GRAYDON: He thought he was at a garden party; he was being the comedian, that is all.

Mr. SPEAKER: Order.

Mr. ROEBUCK: Let me read—

Mr. GRAYDON: It is time for garden parties anyway.

Mr. ROEBUCK: This is what Mr. Bracken said. I know it hurts hon. members, but let me read it:

> It is time we asked ourselves when this legal bribery of the electorate is going to be stopped.

He is referring to family allowances as legal bribery of the electorate. Therefore I take it that even when this bill passes and becomes law, and administrative machinery is provided by this government, should Mr. Bracken take office, the act will be repealed.

Mr. GRAYDON: We will make a workable act.

Mr. ROEBUCK: There is no doubt about it; that is the assurance—

Mr. GRAYDON: We will make a workable act for the children.

Mr. MACDONALD (Brantford City): I rise to a point of order. May I ask if the leader of the opposition has any more privileges to interrupt than any other hon. member?

Mr. MACKENZIE (Vancouver Centre): He is the official interrupter.

Mr. GRAYDON: On the point of order, may I say that I think I have the same rights as the hon. member for Brantford City.

Mr. MACDONALD (Brantford City): I grant that.

Mr. GRAYDON: The hon. member has made many statements in his speech this afternoon upon which I could have raised a question of privilege, but I knew he was attempting to be the comedian of the party on this occasion and I did not want to interrupt him. But I say if he attempts to be provocative in the future as he has been to-day I shall have to rise to a point of order.

Mr. SPEAKER: There is no point of order. The hon. member's time expired at half past four, but he has been interrupted several times in the last few minutes. I gave the hon. member for Lake Centre at least five minutes extra in order that he might conclude his remarks, and I think it only fair to do the same thing for the hon. member for Trinity.

Mr. GRAYDON: Then let him get down to business.

Mr. ROEBUCK: It is I who should raise the point of order because of the very disrespectful remarks of the leader of the opposition. When I am making the most serious case possible he referred to me as a comedian, and threatened that if I proceeded to make points which he did not like he would do something about it.

Mr. GRAYDON: I wanted you to talk about the children of Canada.

Mr. ROEBUCK: The issue is joined. Those who would confine children's allowances to the children of parents who are well enough off to pay income tax will vote for Mr. Bracken. Those whose sympathies are broad enough to include the children of the poor as well as those of the well-to-do and rich undoubtedly will support the government now in office, which is placing this splendid measure upon the statute book.

Now, have I exceeded my time, Mr. Speaker? I will not proceed unless the house gives me the privilege.

Some hon. MEMBERS: Go ahead.

Mr. ROEBUCK: I want to point out that this is not a bribe, because the beneficiaries are children who do not vote, and the fathers and mothers who will have the responsibility of expending the money are promising nothing in return. It is therefore not bribery. Furthermore he would be a bold man indeed, or a very biased partisan, who could find corruption in a bill to supply clothes and shoes and better food to the children of this country.

This bill has been attacked on the floor of this house as a hurried measure, brought in on the spur of the moment, and so forth. To my own knowledge this measure has been in the mind of the Prime Minister for at least twenty-five years.

Mr. DIEFENBAKER: I rise to a point of order. The hon. gentleman says this measure was referred to to-day as hurried, and not properly prepared. Apparently the hon. gentleman is reading from a speech he prepared for delivery some other day, because I made no such statement to-day and I am the only one who has spoken.

Mr. ROEBUCK: If the hon. gentleman denies having made those statements I am very glad to accept his apology, but it has been said by others. Twenty-five years ago on August 7 I was present at a great convention. I have here a report of the statements made on that occasion by the present Prime Min-

ister advocating an adequate system of insurance against unemployment, sickness, dependence in old age and other disabilities, which would include old age pensions, widows' pensions and maternity benefits, all of which he said should be instituted by the federal government together with "effective legislation for the conservation of human life and health." Twenty-five years later, I find the speaker who addressed us so eloquently at the time advocating in almost the same words the same type of legislation, springing from the same principles of humanity, justice and public welfare.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, I know my good friend the hon. member for Trinity (Mr. Roebuck) will forgive me if I do not try to follow his argument. He had a very happy time setting up straw men and then knocking them down; but I would point out that he and many of his colleagues are in grave danger of being chased right out of this house by this "Bracken butterfly" of whom he speaks so glibly. That same "Bracken butterfly" has served as a premier in Canada for more years than any other living Canadian, and will be a premier again for many years to come.

I propose to spend my time in dealing with this bill, and at the outset let me say that I intend to support the measure. I do so in the hope that it will benefit Canadian children and Canadian parents, thereby benefiting the Canadian nation as a whole. I think of the hundreds of thousands of young Canadians in the forces, and the other thousands who have served in the forces but have been discharged. I believe the destiny of Canada is in the hands of these young men and women, and it is of vital importance that they be enabled to establish homes and rear families. This bill should help to bring about that result; if it does not do so, I suggest that we must go much farther and enact other measures which will enable our young men and women coming out of the forces to establish homes and bring up families in this land. Perhaps other methods might have been adopted. I am not so sure that the objectives sought to be reached in this bill might not have been attained in other and more practical ways, but that is now beside the point. The bill has been brought down; the ministry stand behind it as their method of meeting the problem, and the house is faced with the acceptance or rejection of this measure.

I propose, however, to suggest certain changes which I think would greatly improve this measure. Many supporters of the government have spoken during this debate, but very few suggestions for improvements have come from them. The tendency has been rather to quote extracts from "Industry and Humanity", that book by a young author, W. L. Mackenzie King, and to sound paeans of praise for what the present Prime Minister (Mr. Mackenzie King) and his party have done in the way of introducing security measures in Canada.

It is all rather amusing, to see this sudden conversion to the advocacy of reform measures. I was elected to the House of Commons in 1935, and attended my first session in 1936. That, of course, was about a year after Mr. Bennett's government had passed its reform legislation. The first step taken by this government was to scuttle the Bennett reform measures; and it was done most effectively. Then, after much prodding, coaxing and pleading, one step was taken toward social security, and that was the passing in 1940 of the Unemployment Insurance Act. That happened between four and five years after this government took office. And now, after a lapse of another four years, we have another security measure. I hope we shall not have to wait until 1948 for the next one.

In the meantime there has been dismal failure in connection with other measures. Let us, for instance, take the atttiude of the government in regard to old age pensions. We have had to plead with the ministry to take some steps; and even yet very little has been done. The government should have gone much farther in helping the old age pensioners of Canada.

Then, what about health insurance? We were led to believe last year that a health insurance measure was shortly to be placed upon the statute books of Canada. Well, a committee was set up, and a draft health insurance bill was placed before it; not even having the endorsement of the government, but simply presented by a department of the government. That bill was considered all last session, and this year we have had the same procedure. Another bill has been thrown to that special committee—known as the committee on social security—and has been mulled over. But we are to provide for no health insurance in Canada at this session.

Let us see how this social security committee has functioned. It was set up early in the session of 1943. We all had great hopes of what it could accomplish. The resolution appointing the committee was in these words:

> Resolved that a select committee of this house be appointed to examine and report on a national plan of social insurance, which will constitute a charter of social security for the whole of Canada, and to that end, to examine and study the existing social insurance legislation of the parliament of Canada and of the

several provincial legislatures; social insurance policies of other countries; the most practicable measure of social insurance for Canada, including health insurance, and the steps which will be required to effect their inclusion in a national plan; the constitutional and financial adjustments which will be required for the achievement of a nationwide plan of social security.

There was a grand plan, and we had reason to expect that something very much worthwhile would result from the sittings of the committee. I believe it has done good work; but there is still no such thing as a charter of social security for Canada. The performance has fallen far short of the promise.

In the speech from the throne this year we find another promise which has not been implemented. This is the paragraph:

When suitable agreements are reached with the provinces, my ministers will be prepared to recommend measures to provide for federal assistance in a nation-wide system of health insurance, and for a national scheme of contributory old age pensions on a more generous basis than that at present in operation.

The session is drawing to an end. There is absolutely no hope now of any such measure being passed, and there have not been any provisions made for a conference between provincial and dominion representatives. I repeat, therefore, that there seems to have been a sudden conversion on the government side of the house to the advocacy of reform measures. I hope the conversion is genuine, and not just an attempt to outbid the Cooperative Commonwealth Federation party. If it is such an attempt, then I warn the ministry that they are tackling an impossible task.

Mr. GRAYDON: The kiss of death.

Mr. GREEN: I now come to the suggestions in connection with the bill. The first has to do with the men and women in the fighting forces, also those who have been discharged from the forces, and with pensioners of the last war. There is some reference to these Canadians in section 8 of the bill, a section which provides against duplication in allowances, and also for the reduction or withholding of allowances. The provision is that there may be a reduction or withholding of the allowance payable—

. . . to any person receiving aid from the government of Canada or any province for the maintenance of a child in respect of whom the allowance is payable under this act, provided that such reduction or withholding shall not be made by reason of a pension under the Pension Act or dependents' allowance payable in respect of a dependent child of a member of the naval, military or air forces of Canada.

Then section 3 of the bill provides that no allowance shall be paid under the measure until July 1, 1945. I point out to the Prime Minister that these young men who have been serving in our forces, those who have served and have been discharged, and those pensioned from the last war should be paid at once. I can see no reason why they should not receive their allowances, without waiting until July 1, 1945. I realize that in respect of civilians who have not been in the forces it will be necessary to have registration, to set up records and the like. But in all these other cases, those men and women to whom I have referred, the government has full and accurate records including birth certificates for the children, and I can see no reason for the delay.

Further, many of these people are in great need. For instance, the young wife in Vancouver whose husband is overseas now finds it almost impossible to get a home. We hear some talk about the government's building war-time houses for the dependents of men overseas. There is certainly a great need to help soldiers' families in Canada. Provision should be made to let them have their allowances now, without waiting until July 1, 1945.

I was somewhat disturbed by a press dispatch which appeared in the local papers of July 18, and which purported to be the report of an interview with officials in the Prime Minister's office and in the office of the Minister of Finance. What disturbed me most was this reference to the men of the forces:

One of the reasons that payment of the allowances will not start until July of next year is that the government hopes by that time "Canadian soldiers will be home."

That looks as though it is the hope of the government that it will not have to pay these allowances to the dependents, at all. Then the dispatch goes on to say:

The soldier's wife receives the allowance in addition to all other benefits, and if the troops still are overseas next July "she will be very well off financially," said officials.

I hope the government will go right ahead and make these payments now to the dependents of members of the armed forces, to those who have been discharged and to pensioners of the last war.

Another weakness in the act in regard to the men and women of the armed forces is the fact that children of Canadian fighting men living in England receive no allowance. I have not the figures about the number of Canadians who have married overseas, but I believe it is between 20,000 and 25,000.

Mr. CLAXTON: The bill provides for payments to these children on their becoming residents of Canada.

Mr. GREEN: I think that is where the bill is wrong. These children may not be brought to Canada for several years. I suggest that their parents are just as much entitled to the payment of these allowances as are parents in Canada. I ask the Prime Minister to give very careful consideration to this suggestion. Some of our men have been in Great Britain for between four and five years and some of them have two or three children. These soldiers, sailors and airmen have no source of income beyond their pay and allowances, and I see no reason why they should not receive payments in respect of their children even though the children may be in Great Britain.

The second suggestion has to do with the concern of organized labour about this bill. Organized labour fears that the payment of these allowances will tend to keep wages down. Many of the most responsible labour leaders in the country say that the first concern of this nation should be to see that every Canadian who wants to work can get work and at a decent wage, at a wage sufficient to enable him to maintain himself and family in a proper way. Any government of Canada must recognize that that is a statement of actual fact. From now on that is one of the most important objectives that any government can keep before it. There is a fear that this objective may be lost sight of; that the payment of family allowances will detract attention from the main objective of organized labour. I think those fears are well founded. Why would it not be possible to insert a provision in the bill to provide that family allowances are not to be taken into account in the setting of wages? I do not know just how it could be done, but it certainly could be done in the case of dominion government contracts. I suggest to the Prime Minister that he have his officials give consideration to inserting a section in the bill to the effect that these allowances are not to be taken into account in the setting of wages.

The third suggestion has to do with mothers' allowances. At the present time these are paid by the provincial governments. We have had provision in British Columbia for the payment of mothers' allowances for many years. They have proved most helpful but they are pitifully small. As I read section 8 of the bill it gives the government power to refuse to pay these family allowances where a mother's allowance is being paid by the province. That may or may not be the intention of the section, but it is open to that interpretation. I submit that children whose mothers receive mothers' allowances should receive these family allowances just the same as any other children. In our province the mother must be a widow, so that it would mean that there is no bread-winner. Such a family would very clearly be entitled to assistance.

The fourth suggestion has to do with the bill itself. It contains sixteen sections covering about four and a half pages. I must admit that I expected a bill of about one hundred pages and several hundred sections. I think if the proper thing had been done we would have had that kind of bill. This bill gives this house and the Canadian people only half the story. The bill is simply a framework; it is a skeleton bill. Practically all the details are left to regulations. I consider that a bad feature of the bill. I would refer, for example, to section 3, which commences with these words:

> Subject as provided in this act and in regulations.

That is the section covering the payment of the allowances. Surely this house and the country are entitled to know exactly the conditions under which payments are made. The details should be given in this section. We find much the same in section 4, subsection 1, which reads:

> The allowance shall be payable only after registration of the child, and shall commence in the first month after registration, and shall be payable to a parent in accordance with regulations or to such other person as is authorized by or pursuant to the regulations to receive the same.

I think this house is entitled to know to whom and under what conditions the money is to be paid. It is not good legislation to have a blanket provision for regulations. We find the same thing in section 5 which provides:

> The allowance shall be applied by the person receiving the same exclusively towards the maintenance, care, training, education and advancement of the child, and, if the minister or such officer as is authorized by regulations in that behalf is satisfied that the allowance is not being so applied, payment thereof shall be discontinued or made to some other person or agency.

Who is to be given that power? This house should know and the country should know. It should not be left to regulations. We find a similar provision in section 6, which provides for appeal, and which reads:

> If any person is dissatisfied with a decision as to his right to be paid an allowance or as to the amount of an allowance payable to him or as to any other matter arising under this act, he may appeal against such decision to a tribunal to be established and conducted in accordance with regulations, and the decision of the tribunal shall not be subject to appeal or review by any court of law.

In other words, this tribunal has the first and last say; yet we have no idea what type of tribunal it is to be. We do not know whether sittings will be held in British Columbia and in the maritimes or whether they will all be held in Ottawa. We do not know whether it will be a travelling tribunal. We are given absolutely no details in the bill. I suggest to the Prime Minister that that is not right. The house and the country should have these details.

There are several other sections where the same procedure is followed. Perhaps they are not as important as the ones I have quoted, but in section 2, which is the definition section, we find:

(c) "institution" shall have such meaning as may be prescribed in the regulations.

Then the definition of "maintains", which is an important word, is:

(d) "maintains" means maintains wholly or substantially, and "substantially" shall have such meaning as may be prescribed in the regulations.

Registration, which is also important, is defined as follows:

(g) "registration" means registration pursuant to section four of this act and regulations.

Section 8, subsection 2, which I referred to a few minutes ago, deals with the reduction or withholding of the allowance; there, again, provision is made for regulations; and in section 11 we have a whole series of powers which are to be exercised through regulations. Some of these powers should be set out by adding sections to the bill. Take, for example, section 11, paragraph (a) which gives power by regulations to—

Provide generally or in respect of any province or any class of cases that payment shall be made to the parent prescribed in the regulations.

That paragraph is very poorly worded; it is hard to tell what it does mean. It looks as though it might mean that different provisions could be made for different provinces; if that is to be the case it should be set out in the bill and not left to regulations.

The very fact that the bill is so short and that so much is left to the regulations shows that the details of the measure have not been carefully thought out in spite of the delay in introducing it. It was mentioned in the speech from the throne; yet we have had to wait until the dying days of the session to get the bill itself. These details should have been included in the bill and in that way placed before parliament and the public. I suggest to the Prime Minister that at least some of these details may yet be included in the bill. You see, Mr. Speaker, regulations are seldom discussed in parliament. That means that the press and people are given very little chance to study them or to understand what they are, and more important still, are given very little chance to make suggestions for improvements.

I would cite the Old Age Pensions Act and the regulations thereunder. The act, I think, is a very good one; most of the difficulties have arisen because of the regulations; that is where injustices have been done to old age pensioners. Yet those regulations never come before parliament before they are passed; the light of day never gets on to them. As a result, in many cases they do not represent public opinion in Canada.

I suggest also that a small committee of this house be set up to review the proposed regulations before they come into effect. The work might be done during the recess, or it might not be too late if a small committee attended to this matter at the next session of the house.

My fifth suggestion is that conferences should be held about this measure with the provincial governments. Not only with them; some representatives of the dominion should confer also with typical municipal governments and with school boards. It would be impossible of course, to confer with all those minor governmental bodies, but I think some helpful suggestions would be obtained if there were conferences with typical municipal bodies, school boards and also welfare agencies across the country. We have in all parts of Canada some very efficient welfare agencies; in my own province of British Columbia there are many excellent organizations of this kind, and they are full of ideas with regard to such things as family allowances. I am sure the government would get help by conferring with these various bodies. The legislation will prove successful only if there is the closest cooperation with them.

My sixth and final suggestion is that care must be taken that family allowaces are not used as an excuse to keep the income tax exemption figure for a married man down to $1,200. If the exemption is raised it will mean that more families will be eligible for the family allowance, and there may be a tendency on that account to keep the income tax exemption at $1,200. I believe that one of the first steps to be taken by a government should be to raise that exemption. Relief from taxation is one of the most important steps which can be taken to help Canadian people by and large to get and to stay on their feet during the post-war period.

These are the suggestions I make to the Prime Minister and the government, and I hope that some consideration will be given to them before the bill is finally passed.

There has been a good deal of political bickering about this bill. That, of course, is very difficult to avoid in connection with any bill. But if we look at this question in a sensible light, which I am sure all hon. members can do, it cannot be disputed that no one member of this house has a heart which is very much larger or very much smaller than that of any other hon. member, and that no one party or group have more concern for the welfare of the children of Canada than any others. The love of children is one of the strongest and noblest instincts in man or woman. If we keep these facts in mind and cooperate with each other in trying to make this measure a success, I believe we can hope to do what is set out in the resolution with which the bill was introduced, namely:

> . . . ensure a greater measure of well-being to the children of the nation and . . . help gain for them a closer approach to equality of opportunity.

If we keep those words in mind, perhaps we can reach that objective.

Mr. BRUCE: Mr. Speaker, I rise on a question of privilege. My attention has just been called to a statement made by the hon. member for Halton (Mr. Cleaver) last evening in my absence, when he said that I had made a speech which had been written for me. The rules of this house prevent me from castigating the member in the language I would like to use.

Some hon. MEMBERS: Order.

Mr. BRUCE: I shall have to content myself with saying that the charge as made is malicious and entirely untrue, and—

Mr. CLEAVER: I rise to a point of order—

Mr. BRUCE: —and unworthy of a member of this house, and I ask the hon. member to retract it unequivocally.

Mr. CLEAVER: My point of order is this. As I understand the rules, my hon. friend's sole right is to deny that anyone else wrote his speech; and the word "malicious" is highly unparliamentary.

Mr. MACKENZIE (Vancouver Centre): So is the word "untrue".

Mr. CLEAVER: I resent it. It was not maliciously said. I believed and honestly believed that somebody else had written the speech. My hon. friend has been in public life for many years. If he wrote it himself, why did he not deliver it himself without—

Mr. BRUCE: Mr. Speaker, I am quite capable of writing my own speeches, and I ask the hon. member to retract what he said.

[Mr. Green.]

Mr. CLEAVER: The rules say that a member must not read a speech. I refer to rule 293.

Mr. GRAYDON: Mr. Speaker, on a point of order, surely the hon. member has done enough harm to the hon. member for Parkdale (Mr. Bruce), without going farther with it.

Mr. SPEAKER: The hon. member for Parkdale (Mr. Bruce), as is his right, has risen on a question of privilege with regard to a statement made by the hon. member for Halton (Mr. Cleaver) last evening. That statement, as I understood it, was that he had read his speech but that it was written by someone else. The hon. member is now denying that it was written by someone else. I do say, though, that he should not use the word "malicious" or impute malice in respect of the statement made by the hon. member for Halton.

Mr. MACKENZIE (Vancouver Centre): Or "untrue".

Mr. CLEAVER: Withdraw.

Mr. MACKENZIE (Vancouver Centre): Mr. Speaker, I also suggest, with deference, that the word "untrue" is unparliamentary. The proper words are, "not in accordance with the facts".

Mr. SPEAKER: That is a matter of words. The intention, I think, is plain. The hon. member says that his speech was not written by anyone else but was written by himself. But the word "malicious" should not have been used.

Mr. CLEAVER: I ask that the word "malicious" be withdrawn.

Mr. GRAYDON: The hon. member for Halton is trying to add insult to injury so far as the member for Parkdale is concerned, and I suggest that the matter ought now to be dropped.

Mr. GOLDING: On a point of order, it is hardly fair that the leader of the opposition should make that statement. You yourself, Mr. Speaker, have stated that the word which was used by the member for Parkdale is unparliamentary and suggested that it be withdrawn. I think it should be withdrawn.

Mr. BRUCE: I think it served my purpose and I withdraw the word "malicious".

I should like to refer, on a question of privilege, to a statement made by the parliamentary assistant to the Prime Minister (Mr. Claxton), in which, on page 5395 of *Hansard*, he challenges the statement that I made in regard to the attitude of the British government toward family allowances. I will not read what

he said, but he referred to certain misquotations appearing in some papers, and the inference would be that I had used those misquotations and therefore made a wrong statement. The hon. member in quoting from the British parliamentary debates of February 16, 1943, what Sir John Anderson had said, neglected to read the portion directly preceding the words he read into the record. So that the record may be straight—

Mr. CLAXTON: I never read any words into the record.

Mr. MACKENZIE (Vancouver Centre): What page is that?

Mr. BRUCE: Page 5395, at the bottom of the page.

Mr. MACKENZIE (Vancouver Centre): This was page 1667 of the British *Hansard*. I have it here.

Mr. BRUCE: I have the British *Hansard*, but I am speaking of the Canadian *Hansard*.

Mr. MACKENZIE (Vancouver Centre): I am asking the hon. member for the reference to the speech of Sir John Anderson in the British *Hansard*.

Mr. BRUCE: I have here a copy of volume 386, No. 30, for February 16, and I was saying, when interrupted, that the hon. member neglected to read the immediately preceding paragraph which dealt with the subject. I think that in order to keep the matter straight that should be read.

Mr. MACKENZIE (Vancouver Centre): Which paragraph?

Mr. SPEAKER: Order. This is hardly a question of privilege. The hon. member, as I understand, has not implied that he has charged the hon. member for Parkdale with something which was wrong and improper. I did not gather that from his remarks. There is no question of privilege.

Mr. BRUCE: The inference is that I gave a wrong interpretation of Sir John Anderson's speech. I maintain that I did not give a wrong interpretation of that speech, and in order to prove that, I should like to read a few words from the immediately preceding paragraphs of Sir John Anderson's speech.

Mr. SPEAKER: The hon. gentleman has stated his position. He is making a statement that, in my opinion, does not constitute a question of privilege. I have allowed him to make his statement, but I do not think he should go farther.

Mr. BRUCE: Sir John Anderson says: "I come—"

Mr. SPEAKER: Order. I think the hon. gentleman has stated his position at sufficient length.

Mr. BRUCE: Mr. Speaker, in the same connection I should like to refer to the statement made by the member for Edmonton East (Mrs. Casselman) when she spoke over the radio two nights ago and used these words—it all has to do with the same thing.

Mr. SPEAKER: Order. The hon. member proposes now, on the floor of the house, to discuss a speech made by another hon. member over the radio, and he cannot do that.

Mr. MACKENZIE (Vancouver Centre): On a point of order, Mr. Speaker, I protest that the hon. gentleman is endeavouring to create the impression that the quotation of the hon. member for St. Lawrence-St. George (Mr. Claxton) and the quotation of the hon. member for Edmonton East (Mrs. Casselman) are inaccurate. I have in my hands a copy of the British *Hansard* and every word that they quoted was absolutely accurate—every sentence, every comma, every line.

Mr. GRAYDON: That is not fair either.

Mr. BRUCE: That is true, but they did not read enough. Since the hon. member has referred to the speech made by the hon. member for Edmonton East, I submit that I am in order in referring to what she said.

Mr. SPEAKER: I think the incident must be considered closed.

Mr. L. P. PICARD (Bellechasse): We all remember the incident in Roman history when two armies about to engage in battle decided to entrust their fate to the strength and valour of an equal number of men, called respectively the Horatii and the Curatii, rather than have the two armies slaughter one another. At this advanced stage of the session that example might well have been followed by the different parties in this house. As far as I am concerned, I would be willing to let the matter stand for our side on the masterful speech delivered, when he introduced the measure, by the Prime Minister (Mr. Mackenzie King); the other parties might have selected each a spokesman to present their viewpoint, and after their remarks had been replied to, the debate could have been closed. I would gladly have accepted such a proposal and, I trust, few members would have opposed it; but as things stand at the moment, after the unbridled flow of words we have heard during the past few days, I have fewer scruples as I rise to go on record on such an important measure.

At the outset I wish to congratulate the hon. member for Lake Centre (Mr. Diefenbaker) on the broad outlook he took when he treated the question, and I would direct the same remarks to the hon. member for Vancouver South (Mr. Green). Had the other members of their party adopted the same attitude, perhaps I would not have had to make the remarks I intend to make on this occasion.

To my mind, Tuesday was a very important day in the history of our political parties. The cleavage between the attitude, the mentalities and the tendencies of the parties was shown more clearly than ever. However, I cannot agree entirely with the hon. member for New Westminster (Mr. Reid) that it was the first time that we had seen the real difference between the two parties, because I cannot see any possibility that the party led and inspired by the Prime Minister could be assimilated to a party characterized by the tendencies and views of Mr. Bennett, of Mr. Manion, of the present hon. member for York-Sunbury (Mr. Hanson), of Mr. Meighen, of the hon. member for Peel (Mr. Graydon), and of the last leader—by the way what is his name, I have forgotten—that is right—the forgotten man. We hear his voice, but it comes from nowhere. You do not see him when you look where he is supposed to be. He is the absent leader, or rather the absentee leader, the worst case of absenteeism we have in Canada; while at the moment we are blaming the war workers for absenteeism, he is giving the worst example of absenteeism from the line of duty.

Like all spirits, he cannot be seen, but sometimes he can be heard. Like spirits he is sometimes heard through a medium. Sometimes it is the medium McTague, another absentee with powerful lungs. Sometimes if we peel the veil from the medium we find it is the body of our hon. friend, the leader in the house, who speaks for the absent leader. The unseen leader speaks oftentimes through the medium of the press, and that is what he did in this particular case. We have his statement and from that statement we can clearly see that he does not approve the measure, although at the end of last year he expressed his views on the policy to be followed if he headed a government of this country. Those views were contained in fourteen points. The attitude of his party in respect of this measure comes in conflict with at least three of those famous points. The third point says that "it is the right of every individual to be rewarded not on the basis of equal pay for all, but on a basis which recognizes the values of the service given." I think that applies to a father of a large family whose work may be the same as that of another man and who may be paid accordingly, but whose services to the nation in providing human capital is not rewarded in any way. They will be rewarded by this measure.

Point 7 of the fourteen points says:

> The right of every child and youth to equal opportunity to the maximum education suited to its capacity that the state can provide.

Here is a measure that will help to reach that point, and it has been opposed by the outside and the inside leader of the Conservative party. Point 12 is:

> The right of future generations to a world of plenty.

This measure will help. The house leader's remarks may be found at page 5339 of *Hansard*. His nine points may be found at pages 5342-3 of *Hansard*. Some of them have already been answered by previous speakers. I shall deal later with point 3, since it is directed more particularly at my own province. I know that when the Prime Minister winds up the debate he will satisfy the house and dispose of all the other objections, but I wish to point out that the attitude of the Conservative party—whatever name has been given to it does not matter—is evident again. Whatever new tag is added to the word "Conservative", whatever new denomination is given to it, we have the same attitude throughout our parliamentary life. It is quite evident that the Progressive tag added to the Conservative wagon did not mean that it would give it more speed in the direction of a forward and constructive policy to better the conditions of the common man. This new tag did not even remove the brake that stopped the car on the road to progress generations ago.

According to Conservative speakers Liberal measures are always unconstitutional. I find that in these points of the house leader here. They are always unconstitutional, dangerous, unfair, threatening. They go too far and they do not go far enough. The time is inappropriate. They are costly, wasteful and inefficient. I defy anybody to look at the speeches from that party when any of the important forward measures were introduced into this house, and not find the same words, or the same ideas expressed in different words on each and every occasion. When such a measure was introduced or a new important step was taken in the way of social legislation, we had the same wailings as to their danger and their untimeliness. It is never the right time. Yet the experience of the past has proven that the Liberal party has never been wrong when it has put on the statute

books forward measures like this one. I am glad to say that the younger elements of the party have not joined in entirely in the opposition of the older elements, and I congratulate them a second time; but compare the petty objections that have been raised by certain hon. members of the opposition to the general tenor of the Prime Minister's speech, and I think it will stand as an outstanding pronouncement of far-sighted statesmanship.

The attitude of the leader of the Cooperative Commonwealth Federation party was sound and progressive in so far as this measure is concerned. Although it was introduced by another party, he supported it as a forward move. Apart from some minor criticisms of the technicalities of the bill or with regard to its application, his remarks were to the effect that it should have been done before or that we have stolen part of the plan or programme previously advocated either by him or his predecessor in the same post. We should remember that the measure does not come as a result of pressure from leftist groups. It is the normal sequence of a number of progressive measures foreseen and announced years ago by the Prime Minister as being part of his vast programme for the advancement of the masses. His book "Industry and Humanity", which has been quoted in this debate, foresaw these measures. Only the circumstances of four years of war and political impediments prevented it from being implemented before. This measure is part of a vast programme that this government—and I mean this government—will put into effect for the betterment of post-war conditions as soon as it is returned to power after the next election.

The most interesting appeal in many ways that has been made against this bill was, unfortunately, in the form of an appeal to parochial prejudice and group discrimination. It is contained in item 3 of the statement of the house leader opposing the measure, and in the less diplomatic terms used by the hon. member for Parkdale (Mr. Bruce) who did not fail again to take the occasion to exude more venom on the minority in this country, as he has done before. This is not the time or the occasion to refute his insinuations. I will let facts speak for themselves. When our sons are fighting side by side in Italy and Normandy after having shared side by side the glories of the Dieppe adventure; when some of our own members of parliament from this side and my own racial group are in the vanguard of the Canadian army in France, it ill becomes anybody in this house, no matter how distinguished his past career, to come in the late hours of his advanced life and use the prestige of his respectability, of his eighty years and his white hair, to cast aspersions on those of a different racial descent from his own. Both his attack and the more carefully-worded item 3 draw wrong conclusions from right premises, or base their conclusions on entirely wrong premises. The premise partly right is that of item 3. It reads as follows:

> There is but one province which has maintained the high birth rate and large family which was so characteristic of Canada's pioneer strains.

The words are diplomatic. Is there anything wrong with that? Is it not to the honour of these people to have kept the characteristics of Canada's pioneer strains? Yet the item fails to present the facts of demography in their true light. If we look at the figures contained in report 5 of the eighth census of Canada we shall see that there are 589,950 families in Ontario who have 1,370,720 children under the age of twenty-four. Unfortunately, the totals have not been analysed to give for each district the accurate figure of those under the age of sixteen. Quebec with 443,660 families has 1,510,740 children. But I would not say that the discrepancy is such that we should cast upon Ontario the bad name that the hon. member for Parkdale wanted to give it, that of not being able to reproduce children, because in a way many of them will benefit by this measure. It would take too long to go into the details of these figures, but if we could take it for granted that all the Ontario children will come under the measure, if certain material conditions of which I shall speak later were not such that a larger number there than elsewhere will not have the benefit envisaged by the measure because they are more self-sufficient; if all the children of Ontario came under this legislation it has been figured that this province would receive $104,440,000. Of course that is not the amount it is expected will be required to carry out this project, because by no means all those children will benefit under this provision. However, on the same basis, if all the children of Quebec should come under this measure they would receive an aggregate amount of $109,000,000. So that the two amounts would not be so disproportionate as to cause all the wailing we have heard in this house. If all children were in the same social circumstances Ontario's share would be about the same as that of the province of Quebec. However, financial conditions are not the same; opportunities have not been the same, and therein lies the source of the complaints of those who invoke this argument. I also find in item 3:

> That province's contributions to the general revenue will be out of proportion to the heavier

deflection of payments that will have to come from other provinces to pay that province's heavier share of these subsidies. A proportionately lower revenue provider receiving a proportionately higher subsidy can scarcely make for greater unity at this stage in our national life.

It is alleged that in Ontario a larger number of families come within the income tax paying group and will, therefore, receive no benefit under this measure. I do not see any injustice there. If these people, as a result of circumstances I shall discuss in a moment, are better off financially and economically, are we to consider it an injustice when some benefit is given others who in the past have not had the same opportunities or enjoyed the same benefits, and who have not attained the same financial security? It has been said that a larger number of Ontario families are in the income tax paying class. Why? Because of super-intellectual and physical gifts? Because of racial superiority? Well, Mr. Speaker, you might believe that to be the case after listening to the hon. member for Parkdale. From his remarks you would almost think the people of this province have some special attributes.

However, if we calmly analyse the situation we see that half the province of Ontario enjoys climatic conditions which make agriculture at least forty per cent more prosperous than in the colder districts of Quebec. But that is not the main reason for the difference. The main reason is the industries which have been established in Ontario; but those industries have not grown out of thin air. They have been built by capital which came from outside this country, from England and the United States. The people of Ontario have benefited; they have found work and a better standard of living. I do not blame them for taking advantage of this outside capital that has been entrusted to their care; I am sufficiently broad-minded to make that statement. We were the vanquished and they were the victors; money came from England and was entrusted to them, and probably I would have done as they did. But no money came to the Franch-Caandians in the province of Quebec; no foreign capital has been entrusted into their care. Where would it come from† For a hundred years after 1759 no French ships could sail the St. Lawrence; no connections could be maintained with the former mother country. In all justice I must add that when connections were reestablished no money came from France. They sent their money where it would earn a greater profit, instead of sending it to this country then under British control. So that we had to live to ourselves. Whatever industries we have established; whatever financial and manufacturing firms we have set up, have been created from the toil and economy of our forefathers, and that point should be taken into account when one is considering the economic situation of Quebec as compared with that of the other provinces. There is no question of inferiority; it was simply the chance that some had to obtain foreign capital, a chance they were sufficiently clever to utilize to their own advantage, and on the other hand the fact that the French Canadian population of Quebec did not have the same chance or the same advantage.

Furthermore, even in those large industries, public utilities, railway companies and so on which have been established in the province of Quebec with capital coming from England or the United States, our people are given minor positions and are prevented from advancing. We do not want to broadcast this situation, as some of the isolationists are doing on the platforms of Quebec at the present time, but we have evidence to that effect. I will admit that for some technical positions our people may not have been qualified, because our province has not had the schools in which people may be trained for these positions, but the progress made during the war is proof of my statement that our people can work as well as any others; that when they are given a chance they can better their conditions, working well for the country and helping themselves at the same time. We did not have that chance previously because capital was not entrusted to our people in our province to the extent that it was sent into the province of Onatrio, out the situation has changed with the setting up of the many war plants that now operate in the province of Quebec. For some time last year I was with the empire parliamentary association, and for another period of time I sat on the war expenditures committee. In both capacities I had an opportunity to visit shipbuilding and muntiion plants in Montreal; big gun factories and shipbuilding plants in Sorel; shipbuilding plants in Levis and in Lauzon; small arms ammunition factories and shipbuilding plants in Quebec, and the aluminum plant at Arvida. All these plants were manned by people of my own racial group. They are doing well, occupying positions of importance and responsibility, and with their increased salaries they have bettered their conditions in every way. Therefore that myth of the superiority of the worker of another province, because he is of another race, has vanished with the improved opportunities that have come to the people of Quebec since the beginning of the war. Give any Canadian equal opportunity in industry anywhere, and very

soon there will be no more talk about Quebec having less people in the income tax paying class than any other province. Give them the same opportunities and the same capital Ontario has had, and they will do just as well; there will be no more suggestions that one group is inferior as compared with another.

All right, Mr. Speaker. We are partly responsible for the past, too, in an indirect way; I am one of those quite ready to admit that fact. For a long time we lived in a shell, as it were; but discussing the history of those conditions and of that period would, I am afraid, take me far beyond the scope of the question now under consideration. We have been late in developing proper standards of education for the masses. Not having outside capital, we have progressed more slowly in the economic and financial fields. We have not been helped by the immigration of people of our own stock, as others have been helped. We have had no outside capital. Being less self-sufficient financially, the public treasury of our province could not devote the money that should have been spent on health services and in the advancement of educational facilities. I admit all that, but great improvements have been made in the past fifty years. The days of road and bridge building have gone; the period of the harnessing of our water powers and the exploitation of our resources has paved the way for the developments that have been observed in Quebec during the last few years, including improvements in health services, compulsory education, the expansion of technical and trade education and other measures the ultimate results of which will greatly benefit the whole population. Therefore, if perchance the margin of benefit accruing to one province seems higher in the aggregate than that accruing to another province, it is partly due to the conditions I have described and partly due also to the fact that the average number of children per family is much larger in Quebec than in the other provinces.

Is there anything unjust about this? A country cannot be said to be prosperous when one part of it is not prosperous. The lack of purchasing power of one part of the population reduces the chances of the other part to better its own standards. We are interdependent more than ever. Nations are interdependent; provinces are interdependent; individuals are interdependent. The advocates of immigration say that we need more population to meet our needs. Let us first improve the lot of our own people, and we shall be sufficient unto ourselves.

I do not think the fears of labour that this treasure may adversely affect salaries are substantiated by the facts. Experts on family allowances connected with the French labour unions in France have all been witnesses to the fact that that has not been the result of the granting of such family allowances in France. We have the evidence of the secretary-general of the C.G.T.—that is the federation of workers in France—who has stated repeatedly that this had not been the effect over there. We believe the same thing will happen here.

Some people have said that this is an impracticable adventure, and that many of the countries which had it at one time have had to abandon it. It is to be noted that the eight countries in 1940 which paid family allowances were Belgium, Italy, France, Hungary, Chile, New South Wales, New Zealand and Spain. In addition to these, there are quite a number of countries which paid family allowances on a smaller scale. These were not paid by the government, but rather by the industries themselves. Or, if paid by the government, they are paid solely to the civil service. The civil service, the railway workers, and provincial and municipal employees in Holland receive 2·5 per cent of their salary per child per year with a minimum of 50 and a maximum of 200 florin per head per year.

In Switzerland some industries have instituted family allowances for their own employees. Sixty-five thousand families of employees of the federal administration receive an allowance of 120 Swiss francs per child per year.

In Germany certain industries have had it for a long time, especially the mining industry. Civil servants and day labourers employed on public works, bank and insurance employees have also benefited. The allowances in Germany are uniform for each child.

In Poland the civil servants enjoyed family allowances before the war.

In Czechoslovakia the workers in the coal mining industry received family allowances.

In Austria government employees have benefited from family allowances since 1926. In private industries payment of allowances has been in effect since long before that time. This has applied to mining, steel works, printing establishments, and so on.

In Sweden we find something contrary to what has been said in the house. Sweden never had a government-operated plan of family allowances. Therefore it could not have abandoned such a policy, as has been said. But during the last war the cost of living bonus had taken the shape of subsidies proportionate to the importance of the family. When peace came and normal conditions were restored this cost of living bonus disappeared in 1923.

In Great Britain the greatest objection of the independent labour party is to the fact

that unskilled labour with large families would receive from their salaries and the allowances paid to them more than would skilled labourers who are bachelors. This objection fails to take into account the fact that the expenses of the father of a family are such that allowances will mean more in the way of benefit to his family, but not more net income to himself than the bachelor would receive.

Fathers of numerous children create a reservoir of vital energy. They contribute to the nation future producers and future consumers. They contribute workers to develop the nation's resources, and consumers of the products of its industries. Yet the fathers of large families are called upon to make the greatest sacrifices. With the policy of equal work with equal pay, which I approve as the only just approach to fair compensation for work, a condition arises where there is inequality of social standing; then inequality of opportunity develops. That condition is opposed to efficiency of the work of the fathers of families. If those fathers are working for the same salaries, they have to deprive themselves of everything in order to maintain their children. Family allowances will correct that condition.

Salary is compensation for a definite economic service which adds to the value of a given product. Allowances are a compensation for the accomplishment of a social duty, the growth of human capital.

Material difficulties facing families, especially those with numerous children, are such that their number is constantly declining. Yet depletion of human capital and the lowering birth rate have been decried by all economists and sociologists as a major reason for the weakening of many European nations.

I stand by the principle of "equal work—equal salary". The basic salary for work should be enough to provide comfort and decent living to an average family. We were told earlier in the debate that of the workers gainfully employed forty-eight per cent are single, that thirty-nine per cent have no children under sixteen years of age. Therefore the eighty-seven per cent of the gainfully employed are the ones with which we should be concerned in fixing the basic rate. The basic pay should be determined upon decent conditions of living for an average family, and family allowances would then give a supplement to those amounts.

It is understood that the present system as proposed by the government is much more equitable than any other system in operation in Europe before the war. Not only one class of the population, but all of it will be placed on equal terms. When the allowances are paid only to salaried workers it brings about an exodus from rural to urban communities. People want to get the allowances. The contrary will be the effect under the present measure. Families will be kept on the farms and encouraged to carry on tilling the soil, a process which is so necessary. Migration to cities has been the usual procedure in several countries. If we want to stop that, and if we want to keep carrying on in respect of colonization, then here is the measure which will effect that result.

This is a good measure, much better than those which have been in force in Europe, and which I have had occasion to study. I say that because the measure before the house encourages the man, wherever he is, in the work he is doing. It does not bring about an exodus to the cities, as would happen if only the salaried class were to receive the benefits.

It is said that a few will be taxed to protect the others. That statement fails to take into account the fact that families with many dependents are those which are affected to the highest degree by indirect taxation. They are the largest purchasers of quantity-produced goods, which are the key to prosperity of industrial centres. They are the greatest contributors to indirect taxes, through the great number of things they have to buy daily for their families.

Before concluding, may I say that I found it heartening to hear the hon. member for Charlevoix-Saguenay (Mr. Dorion) talk about the narrow-mindedness of the observations of the hon. member for Parkdale (Mr. Bruce). I wonder if the hon. member for Charlevoix-Saguenay realizes that the only utterances of that kind made in the house were made by members of the party to which he belonged in 1940, and of which he was organizer in Quebec, at the time of the last general election. Unfortunately the hon. member is not in his seat at the moment. It is a known fact that at the next federal election, whenever that may be, in Quebec these people will come out disguised as independents. Just now we see the hon. member for Gaspe (Mr. Roy) on the platform in Quebec, supporting Mr. Duplessis. Yet he will pledge himself that he is quite independent, when the election comes along.

In conclusion, let me say this, to all the critics of this measure. There are those in my province who have made charges and who will try to find fault with some of the details in connection with the application of this principle. When the hunter in the forest kills a giant bull moose, he rejoices at his success; he marvels at the size of the animal, and his pleasure is enhanced by the struggle he

has had to get it. He does not stoop to see if the animal has fleas in its fur, but that is exactly what these people are doing now, those in my province or elsewhere who criticize details, especially those who are trying to find fault with the scale of payments, or those who claim that some will get more than others. These people are simply trying to find fleas, when they should rejoice that they have received a bull moose as a gift.

They would be contributing more to their own people; they would be contributing more to public life if they tried to realize what the bill really means. We have seen prominent opposition members of this house admit that they agree with the principle of the bill, admit that they are for it but with certain reservations. We have seen certain people in my own province, the people who the hon. member for Parkdale says will benefit most by this bill, finding fault with it. Some people say that this is a political measure, yet we have a group now in Quebec trying to fight it because they do not think it is fair. I think this government has found the proper medium to meet the situation and to provide equal opportunities for our young people. Our political critics will be judged on their merits. As I stated earlier in my remarks, I am ready to let the case stand on the masterful speech delivered by the Prime Minister when he introduced the measure and on the foresightedness he has shown in the past for the advancement and betterment of the fate of the nation.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, the opposition has taken up very little time in this debate since the Prime Minister (Mr. Mackenzie King) spoke the other day. It is the duty and function of the opposition to offer constructive criticism. We have heard a lot to-day about the constitutional question. I come from a city which has been one of the leading cities in America in social reforms of all kinds, and I wish to offer some constructive criticism of the bill. Some of our cities have borne the burden and heat of the day without a great deal of help from the federal authorities.

It is the first duty of the federal government to look after the health, wealth, peace and prosperity of its citizens. Because of our complicated constitution we have had over-government and over-taxation in this country. One result has been that the burden bears heavily on real estate, on the small business man, the manufacturer and others who are trying to earn an honest living.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. CHURCH: Mr. Speaker, a large part of our representation on this side of the chamber is from the province of Ontario, especially the Toronto district, which has had quite a number of these social services for many years past. These social services grew very largely from beginnings in the days before the South African war, in that glorious Victorian era which built up assets for the future, assets which we seem to have squandered in many ways. In those days the people kept the state; to-day the trend seems to be that the state will have to keep the people.

We have heard a good deal on this side and other sides of the house concerning the constitutional question, but it has little or nothing to do with this programme. A committee of which I used to be a member did some very fine work between the two wars, particularly in the years 1926, 1927 and 1928. During those sessions the industrial and international relations committee examined many witnesses, including the deputy minister of justice, who said that under "public debt and property" federal power could vote money for certain social services. The present Attorney General, who is one of Canada's leading counsel, was one of the principal counsel for the government in connection with the Rowell report. The Rowell commission no doubt did good work, but they discovered very little of importance on the constitutional question not known. It was well known that none of the social services such as technical education, grants for pensions and the like could be dealt with by the high court of parliament at Ottawa except under the first five or six words of the first section of the British North America Act, having to do with "public debt and property." The subject was dealt with by the Supreme Court of Canada when the government made a reference of then existing 1935 legislation to that court; an appeal was had to the privy council, and Lord Macmillan gave a judgment.

For many years between the two wars I have urged in this house that in view of over-government in this country and over-taxation, our main problems in this country were constitutional reform, parliamentary reform, cabinet reform, and law reform; and it turned out, in view of the decisions which have been given, that what I said on this matter was correct. Between the years 1930 and 1935, while the Conservative government was in office, our

leader adopted a socialistic programme. It was copied very largely from the best of many countries. It was patterned according to a recognition of what Canada could afford to pay for, adapted to our local circumstances, and that should be the test of any social system, for the state has no money to provide for all this work except what comes from the taxpayer. I stated in 1927 and 1928 that the only authority in the British North America Act under which the federal government could provide social services was contained in the words " public debt and property." In the result, in 1935 our government was beaten at the polls, and a new government came in. I remember the blazing billboards all over Canada in 1935, with the colours of the magnificent racing stable at Hamilton—gold and black—and the words " End unemployment; vote Liberal." Was unemployment ended? No; but the people voted Liberal; there is no doubt about that. Along came a continuance of the depression and the dole system. I remember that, sitting across the floor on the front government benches was the late Minister of Labour, the Hon. Norman Rogers, who made the statement to me that what I had said about a billion dollars being spent by federal, provincial and municipal authorities on the dole was correct. And what did they get out of it? Nothing.

I remember when alone in this house, seeing two hundred thousand of our youth coming every year, from 1935 to 1937, out of high school, I advocated an apprenticeship system and an advanced social and security policy for the young people of our country. For this proposal I got no support in this house, I am sorry to say, from my hon. friends to the left. It is true that there were hardly any of them in the house at that time, about the only one being the late Mr. Woodsworth. I wanted to see established an apprenticeship system by which these young people would sign up as apprentices for from three to five years and learn one of fifteen trades, and get military and physical clothing, lodging, a per diem allowance and deferred pay. I suggested that this system should extend from three to five years and include military drill and some knowledge of civil aviation, then in its infancy. With such a system we would have produced in three to five years journeymen fit for some twenty to twenty-five skilled callings, comprising the bigger industries of this country, and when the war broke out we would have had 25,000 skilled pilots and air mechanics. But all we got was the dole, and the dole was a complete failure; to a large extent the money was wasted.

[Mr. Church.]

Then came 1935, with the reference of legislation to the privy council. In 1937 I again put forward the apprenticeship proposals for ending unemployment and abolishing the dole. The government of the day appointed the Rowell commission, largely as a consequence of a debate on a motion for parliamentary, constitutional, cabinet and law reform. The late Chief Justice Rowell, who had taken a great interest in the work, headed the commission, and a report was made, but they found out very little except what was known before, namely that under "public debt and property" we could make grants for various social purposes. While I am not speaking for others who live in Ontario, I would state my opinion that the final report of the Sirois commission was unjust and unfair to Ontario, the main taxpaying province of this country. The effect of its recommendations would be to make that province a milch cow for the whole of confederation. However, I do not wish to urge that argument; I never did and I never will, because I believe in the pact of confederation and in the spirit of the old Cornish battle cry, "Each for all and all for each." What is for the benefit of one province should be for the benefit of all the provinces. But from the point of view of social services and the reforms proposed, education and so on, it seems to me that report was unfair to a province like Ontario.

Coming now to the question which has been raised by this bill, No. 161, introduced as a government measure by the Prime Minister (Mr. Mackenzie King), who has followed this sort of work for many years past, I think he should be well acquainted with the glorious record in the social services of the city from which I come because he and his family have had an intimate connection with that city. It has led in social reforms and services of one kind and another. It is one of the finest cities on the continent and has done a great deal in public health to spread social reform benefits to all classes. Some people seem to think that by means of these family allowances and social security generally we are going to abolish poverty. I suggest, Mr. Speaker, that we have always had the poor with us and we shall always have them. Neither planning nor victory, nor social reforms, as President Roosevelt has said, will ever bring about the millennium. All the parties in this house seem to have been competing in a race to see which of them could do the most along these letfist lines and which will first reach the sepulchre of social security.

I submit that if this bill had been referred to a select committee of the house we would

have had a far better measure before us now, because such a committee would have studied all the inconsistencies and inequalities inherent in it, removed the duplication of services, and proposed remedies to remove those many difficulties. As matters stand now under it, we are simply going to set up the largest control system of bureaucracy. The government seems to have forgotten all about the public welfare boards that have already been established in all the provinces and in the larger cities in the dominion. Take, for instance, Toronto. In that city we have a large welfare department dealing with all aspects of the social problem affecting the poor, the sick and the suffering. There is a large office open morning, noon and night, Sundays and holidays, twenty-four hours a day. There are district offices to which the poor can apply. There is a division to look after old age pensions, mothers' allowances and so on; there is an accounting division; there is a single men's division as well as a housing division, and we have a placement division. In emergencies there is a large bureau which will give prompt attention providing food and lodging as well as medical services for people in need and taking care of evicted families. I may say that there are 600 soldiers to-night facing eviction orders from their houses. I had a question on the order paper in this connection but it has not yet been answered. We have a department of public welfare to look after all these things, but in this proposed bill the government seem to be altogether unaware of that fact. In one branch of that department in the city of Toronto provision is made for men who are convalescing and there are some per diem patients. Provision is also made for those who are ill and others who are partly employed. There is a physician and there are nurses available. Are we to set up a rival organization in competition with such departments throughout the provinces, ignoring what has been done in the matter for social security? Is the government to overlook all that the city of Toronto has accomplished at great expense, one of the senior municipalities in Canada, which, as I have said, is undoubtedly a leader in social services and has been for many years past?

In another branch of the department to which I have referred provision is made for tubercular cases and there is sanatorium treatment for men who require rest and special food. There is an officer in charge of the placement division which I have mentioned, which works in cooperation with the national selective service to find suitable employment for persons who, by reason of physical disabilities, require public assistance. Everything is done to help people to get a new start, and those who are in receipt of public assistance are brought before the medical board at intervals. The housing division looks after the cases of persons who are faced with eviction orders and endeavours to prevent eviction. Sometimes it is necessary for people to move a little outside the city. Those on unemployment relief are eligible for consideration. There is provision also for hospitalization. There is an officer in charge of old age pensions and there is a means test. I suggest that there is going to be a means test under this legislation as well, and in connection with similar social legislation that has been passed in this country. If an old man is in need of help he writes to his son or daughter or some other relative in the family, and if he has a little estate, however small it may be, an old house perhaps, he is refused assistance.

This bill should have been referred to a select committee first and later to the law courts, and in my opinion it may yet wind up there. We have heard a great deal to-day from various constitutional authorities in this house, including the hon. member who preceded me. He seems to be an expert on all technical questions brought up under the constitution, although he has not had much training in social welfare. Under our constitution the courts are subservient to the legislature and the legislature in turn is subservient to the will of the people.

What do we find under this bill? I have been looking through the bill and, while I am criticizing it, I would give it somewhat qualified support. I wish to offer some constructive suggestions to improve it to the government. The first payments under the bill will not be made before July 1, 1945. They have been postponed until that date. There will have been an election before then. The people will have to decide in the ballot boxes once for all whether we are to have a totalitarian socialist state, whether we are to have the programme that has been proposed by hon. gentlemen to my left, whether we are to see in this country the socialization of all services, and whether the Canadian people are to be called upon to exchange for those social services all the liberties that have been won for them down through the years, and submit to regimentation along various lines.

In a dispatch to all Canadian papers from the external affairs department on July 18, one of the reasons advanced for the postpone-

ment of the payment of family allowances until July 1, 1945, is that the government hopes that all Canadian soldiers will be home by that time. That is what is reported to have been said by a government spokesman at a press conference. Well, there is no mandate whatsoever from the people to pass a bill of this kind.

Why have we the right to impose $700,000,000 on the already overburdened taxpayers of this country, with the controls, regimentation, artificial burdens, barriers and restraints of trade that are now placed upon the taxpayers? Real estate in every municipality in Canada is overburdened with federal problems like this. Why should the city of Toronto have to pay millions of dollars and hand out the dole and all that kind of thing for years, when now the federal parliament are bearing the full burden here as this bill promises to do? The government gave only forty per cent for unemployment, after promising to give it all and end it, and saddled forty per cent on the province and twenty per cent on the municipalities. The weakness of this bill is that it sets up a huge bureaucracy control system. There is duplication in it. The bill has the following elaborate definitions: "Allowance, child, institution, maintains, minister, parent, registrations," and so on. How many more registrations are we to have? We have had the census; we have had the unemployment report of the Rowell report; we have had the plebiscite and all these things, and now we shall have a new registration system according to the definition of one section of the bill. Then the bill divides the children into four or five classes. One class is to receive $5 per child per month; another class, $6; another class, $7; another class, $8, and so on.

Instead of having this extensive control board and duplication of services, why do they not make those cash grants direct to the municipalities through the provinces instead of spending two or three hundred millions in the way indicated in this bill? I venture to say they could do the work for one-tenth of the cost if the work were given to the welfare organizations that I have suggested here to-night, the municipalities and the provinces. Much economy could be effected in that way, and only the actual needy provided for.

Under section 9, "powers of minister", they are going to set up a vast body of officials who will make rules and regulations of all kinds. Under section 10 they can arrange with the provinces for the carrying out of the operations of the measure. They make the rules and regulations. There is no definite indication that this $200,000,000 will be well spent. Some get it and some do not. They say that everybody who can qualify under the section will get it.

When you come to the astronomical figures like that $200,000,000, there is less likelihood that it will be well spent. The disposal of that money will no doubt be by the means test. What about the division of powers? They are going to give to those standing bureaucrats and others the responsibility for spending money voted by parliament.

With respect to the extensive social services of the municipality of Toronto that I shall refer to to-night, one of the main ones in our city is a fine medical health department costing millions of dollars in the past twenty-five years. There is a food inspector, nurses' branch, nutrition branch, dental and medical services, a meat inspector, milk inspector, urban electrification and rural electrification, low cost housing, fuel supply, removal of slums, new sewer supply for the large cities and surrounding districts, pure water supply, transportation system that did so much for housing. Gainful employment for all would do more for the benefit of the working classes than anything else in the history of this country in the way of doles and cash allowances. In our city the fine streetcar system, including buses and radials, under the transportation commission transports passengers for one fare that cost five or six fares throughout the city before. Taking over of the radials there and removing the light, power and transportation franchises in the counties of Peel, York and Ontario into a civic and district transportation system built up the suburbs. All these things have assisted in the building up of small homes. The up-to-date administration of the health department made it one of the finest on the continent. Education has been well looked after. The public schools, separate schools, secondary schools have all been looked after. There was medical and dental inspection in the schools, free textbooks and no fees to pay. Some people were thirty years of age before they ever saw a dentist. Child welfare and nutrition were taken care of. Milk and meals were supplied in the schools. I would say to the hon. member for Edmonton East (Mrs. Casselman) that the social services she spoke of have been given the people of Toronto for many years past. In 1910 I became a member and chairman of the board of health, and as alderman, controller and mayor I took a large part in the work of the organization of that department in placing Doctor Hastings in charge. He became one of the greatest medical health officers on the continent.

There is no doubt that had this bill gone to a committee one-third would cover the cost

of it as it will be or less after the coming election, and about one-third of its cost will have to be assessed against the provinces and the municipalities. A means test will no doubt have to be provided as with other social bills I have mentioned. In our high schools and other schools for some years they have had free textbooks, no fees in any of those schools, and the boon of all these things has been to the working classes of this country.

I am driven to the conclusion, Mr. Speaker, that we have been overlooking the war altogether. Generals Beveridge and Marsh are the leading generals of this country to-day. We seem to have forgotten the administration of the war altogether, although it is primary and other things secondary. With an election coming on, we seem to have forgotten all about the war and about the young people who are overseas in Italy, Normandy, Flanders and other places. I have received letters from some of these boys and they have been wondering what is to happen to them when they get home from the war, whether they will have not only to serve through the war and suffer over there but also have to pay for it when they come back sick and disabled.

If the bill that is before us is to be supplementary and complementary to the low existing wage scale it might have some merit. The minimum wage rates are under the absolute control of the provinces, and excellent work has been accomplished in that connection. I am sorry that this particular bill did not go to the provinces, because I know for a fact that in so far as the legal aspect of it is concerned the province of Ontario has been asking, as others have, for a conference on this subject since the first of the year. With regard to the low wages and the war, there is no doubt that although the workers' wages have gone up, the cost of living has gone up with them, notwithstanding the index. In this particular bill $480 is the limit for a family. Where are they going to get a house for that to-day? There are no houses no matter what you pay for them. That is one of the main social problems before us, proper housing and fuel. There is more ill-health caused by bad housing, lack of ventilation, lack of fuel for nine months of the year than anything else, as any medical officer of health can tell you. In this country fuel is needed for nearly nine months of the year. People can do without food for a day, but they cannot do without a house to live in and little fuel with the temperature as it is for nearly nine months of the year.

This war is not being fought for certain plans, profiles and blueprints of socialism. That is not what we are fighting for in this war. With regard to those various reports, the Beveridge report is not adapted to this country. It is all very well for us to refer to it, but it is not adapted to this country or to the constitution of this country or to the working classes of this country. Many labour unions have opposed family allowances. They think it will weaken their programme on which they have made progress so far, of better wages and gainful employment with the social services I mentioned and security. Many trades unions take this view which I have supported for many years and some are opposed to family allowances. It will be found that the cost of all those control boards under this bill is going to be fabulous and there will be duplication. With all these controls and boards on all these measures the poor will get very little out of it.

One of the finest institutions in Canada for the care of children is the hospital for sick children in Toronto, which was established by the late John Ross Robertson, and which has become a model for the whole continent. That institution is supported by voluntary subscriptions, and a new building is very badly needed. Eighty per cent of the child patients receive free treatment, while most of the remaining twenty per cent pay very little. I see many of these children, the out-patients, going on the street-car to receive their treatment. I am strongly in favour of helping the families, many of whom are suffering at the present time, but I think considerable economies could be effected in connection with these social measures if we were given a more precise outline of how they are to work. At the present time, of course, there is a great scarcity of domestic help in this country; even those who may be ill and have large families to look after cannot get any assistance, and that situation affects the hospitals and all other social services as well.

The other day the Minister of Finance was refcrring to the housing situation, but little if anything has been done about it. The Prime Minister of Great Britain has proposed to erect 500,000 prefabricated houses there, but our industries are not likely to receive any large orders for materials entering into such houses unless we aid industry, housing and reconstruction. I doubt if we shall get very much out of that Churchill order, owing to the scarcity of labour and material, any more than we received much benefit from the great orders placed in connection with civil aviation before the war commenced. It was said by a great British statesman two years ago that we should exercise a great deal of caution before making far-reaching decisions in time

of war, because such decisions are apt to be ill-judged since at a time like this no one is perfectly normal.

The present proposal is fashioned more or less after the Beveridge report, which has been the subject of several debates in the British House of Commons, one of which was referred to by the hon. member for Halton (Mr. Cleaver) the other night. On February 26, 1943, in this connection Sir John Anderson, lord president of the council, had this to say:

> They (the government) had come to one clear and definite conclusion, that whatever might be decided about cash allowances, by far the best and most effective measure within the limit of its possibilities is the fullest development of the various child welfare services which bring the benefits directly to the children.

That statement was confirmed in the British house later on, although different opinions were also expressed. On March 21, 1943, Mr. Churchill had this to say:

> We must beware of trying to build a society in which nobody counts for anything except a politician or an official, a society where enterprise gains no reward and thrift no privileges. I say "trying to build" because of all races in the world our people would be the last to consent to be governed by a bureaucracy. Freedom is their life blood.

That has been the creed of the people of Canada for many years past. Now are we going to give up all our liberties and become a totalitarian state? I say we are not; and it is a case of liberty and freedom on one hand versus state control of our lives on the other. We should restore the right to possess private property, since the real happiness is in gainful work and service to one's fellows, and socialization and the totalitarian state are foreign to our soil and our way of living in Canada.

Mr. W. C. MACDONALD (Halifax): Mr. Speaker, I was pleased to hear the hon. member for Broadview (Mr. Church) suggest that the constitutional problem does not arise in connection with the measure now under consideration. I quite agree with that statement. I am convinced that the parliament of Canada has full power to legislate in respect of family allowances, and that the bill now before us contains nothing which could be considered in any way an invasion of the provincial field of legislation.

In my remarks this evening I intend to deal with the measure on its merits. At the beginning of the session we were invited to consider a social security and human welfare programme which I think was the finest and most progressive programme ever presented to this house. Some may say that the war is not yet won, and that legislation having to do with social security and human welfare might very well wait until it is over. But while the time of victory is not certain, all signs indicate that victory is now in sight. Moreover, social security and a national minimum of human welfare, together with a closer approach to equality of opportunity, are all part of the new order of which the Prime Minister (Mr. Mackenzie King) has spoken and which our men in uniform as well as the civilians of this country will expect to find when the war is over. The Prime Minister has said too that unless the new order is already on its way before the end of the war we may look for it in vain.

Part of the government's great programme of social reform is this provision for family allowances, designed to assist families whose incomes are low. The scheme is comprehensive, as is quite fitting. The bill provides that the allowances will be paid to families irrespective of family income. There is no limit to the number of children in each family for whom provision is made, although the same amount will not necessarily be paid in respect of each child. The allowances must be applied by the parents, or such other person authorized to receive them, for the maintenance, education and advancement of the children. They may be discontinued or paid to some other person if the Minister of National Health and Welfare is satisfied that the children are not receiving the full benefit. Surely there is nothing wrong in that. These payments will be exempt from taxation. They cannot be assigned or given away as security. The allowances will be paid in respect of children of members of the armed forces and will be in addition to dependents' allowances now provided for their families.

I wish now to give briefly some of my reasons for supporting this measure. It will be generally agreed, I think, that whatever will promote the welfare of the Canadian children is for the good of the country. I would submit that one most effective way of promoting the welfare of our children is to increase the incomes of families of low incomes, in which these children are to be found.

Mr. HOMUTH: Is this the best way to do it?

Mr. MACDONALD (Halifax): It is one excellent way to do it. I do not know of any better way, because family allowances will do this, through the increase in the incomes of these low-income families. They will be able to give their children a better deal. They will be able to provide for them better food, better clothing and better housing, and give them better education. All this will mean

healthier children. The allowances will permit the children to have a much better chance of success in after years, and to have happier lives.

Family requirements vary according to the number of children, and it is of the utmost importance that provision be made to secure a minimum level of maintenance for the children themselves. An increase in wages of the head of a family will not meet that situation. Wages are based on many factors. They are based on the skill of the workman, the type of work in which he is engaged, and on many other conditions.

It is quite obvious, too, that industry, thrift and self-denial are themselves not sufficient to ensure security. Many people, through no fault of their own, but by reason of illness, unemployment or possibly unlucky investments, find themselves at times in need of assistance. In a household where the head of a family is able to provide for all reasonable requirements, one would expect to find contentment, and a happy environment in which the children might properly be brought up. On the other hand, if the head of that family is unable to make adequate provision for family requirements, the children may grow up in fear, and with a sense of frustration. The formative years of their lives pass quickly, and in after years they may have to overcome a feeling of inferiority.

It is important that the children in their sensitive years should not feel that family allowances are given on compassionate grounds, and that they can know that the allowances are received by their parents as of right. The provision in the bill that allowances are to be paid to families irrespective of income should commend itself to every hon. member.

There is a further consideration. Many heads of families in need of allowances are not wage-earners at all. I have in mind the farmers and the fishermen, and I shall have something more to say about these two classes in a moment or two. Before doing so, however, I wish to suggest, at the risk of repetition, that this legislation will help to create employment in Canada after the war. Our fighting men and women, our war workers and children coming of age will expect, and rightly so, that there will be jobs for them to do. We cannot afford to have it otherwise.

The $200,000,000 a year which it is estimated this programme will cost, will remain in Canada; it will be spent here. That money will be spent on food, clothing and other family necessities, the supplying of which will in turn help our farmers, fishermen, businessmen and manufacturers. Family allowances will increase the purchasing power of the people. If in the process they also assist in bringing about a more even distribution of our national income, so much the better.

There are some who complain about the cost of the programme. But if we are to have this great measure of social reform we must be prepared to pay for it. So that we cannot afford to abandon our efforts to raise the standard of family life for the masses of the people. We are able to say that in proportion to our population we have put forth the greatest war effort of any of the allied countries. Are we to confess that we cannot raise the money necessary to carry out this great social reform? We have been able to find all the money required for the war effort. If we were called upon to-morrow to supply additional tanks and ships we would not throw up our hands, and say that the money was not available.

In this connection I should like to read a passage from a book written by the Right Hon. Winston Churchill in 1921. This is the book entitled "Aftermath." In the second chapter, speaking about the organization and the machinery at the disposal of the British government on Armistice day, he said this:

> There was very little in the productive sphere they could not at this time actually do. A requisition for instance for half a million houses would not have seemed more difficult to comply with than those we were already in process of executing for a hundred thousand aeroplanes, or twenty thousand guns, or the medium artillery of the American army, or two million tons of projectiles. But a new set of conditions began to rule from eleven o'clock onwards. The money-cost, which had never been considered by us to be a factor capable of limiting a supply of the armies, asserted a claim to priority from the moment the fighting stopped.

I suggest it all sums up to this, that if family allowances will ensure a national minimum of welfare for our children we should go forward with our programme, and not abandon it because of monetary consideration.

I would congratulate the Prime Minister (Mr. Mackenzie King) and the government upon the courage and vision they have shown in introducing this measure, and in taking steps to see that it is put into effect without any delay. I would submit that the programme of family allowances is inherently sound and in the national interest. I should like, however, this evening to consider it for a few minutes more from a provincial point of view. I hold in my hand a very fine book entitled "The Economic Effects of the War on the Maritime Provinces of Canada," by Professor B. S. Kierstead. His study was made at the invitation of the institute of public affairs at Dalhousie university. One of the chapters

in the book deals with fisheries, and was written by Professor Stewart Bates, professor of commerce at Dalhousie university, and now economic adviser to the Department of Fisheries in Ottawa. Professor Bates, after referring to the state of the fishing industry at the outbreak of the war, goes on to say:

> The money income derived from catching and processing fish in the shore communities averaged less than $300 per annum per man while that of fishermen in larger centres, like that of Halifax and Lunenburg, although averaging $1,000 on bigger vessels, was still low compared to other trades of comparable skill, risk and hardship.

I have referred to the maritime fishing industry because the fishermen are a class who will benefit greatly by family allowances but whose status would not necessarily be affected by an increase in wage levels. In 1939 there were, in Nova Scotia alone, 17,335 inshore and offshore fishermen. I should mention also our farmers. They are also a class not necessarily benefited by an increase in wage levels but who will be greatly benefited by family allowances.

I should like to refer to the report of the Rowell-Sirois commission on dominion-provincial relations. This report shows that education and welfare expenditures in Nova Scotia are materially below the per capita average for Canada. In the words of the report, "the province shares with New Brunswick the unhappy distinction of having the longest unfavourable economic history of any Canadian province." The per capita wealth of Nova Scotia and the annual income of Nova Scotians are lower than that of most provinces. At the same time living costs are high. In peace time our provincial revenues were insufficient to do more than take care of our normal requirements. They could not possibly support a programme of family allowances such as is proposed. Other provinces with greater resources and more buoyant revenues might be able to do so.

In Nova Scotia where education and welfare expenditures are below the national per capita average, the establishment of a national minimum level of well-being for children would be of tremendous benefit to our people. There is a tendency these days for provinces and municipalities to bring all their problems to Ottawa for solution. Here is a proposal by Ottawa to take care of one of our most pressing and urgent provincial requirements—an improvement in the standard of life of our young children. I welcome and support the splendid programme of family allowances that is proposed.

Let me add one more word. While only 29·63 per cent of the total population of Canada is under sixteen, slightly more than thirty-one per cent of the total population of Nova Scotia is under that age. These figures are based on those given in a return made by the Minister of Trade and Commerce (Mr. MacKinnon) to a question asked by the hon. member for Parkdale (Mr. Bruce), to be found on page 4144 of *Hansard* of June 26 and on the figures to be found in the official handbook, "Canada, 1944", published under the authority of the Minister of Trade and Commerce.

In conclusion, I would say that when one views this measure from all angles it can be safely said that the family allowance programme will be of great benefit to Nova Scotia, financed as it will be by all the people of Canada.

It is fitting that this bill should be sponsored by our beloved Prime Minister. His whole life has been consecrated to the cause of human welfare. He has given magnificent leadership to his country throughout the war. The people of Canada are happy in the certain knowledge that he will continue to lead them, not only until the end of the war, but also in the task of winning the peace that is sure to come.

Mr. J. A. ROSS (Souris): Mr. Speaker, I desire to make a few observations on this bill No. 161, to provide for family allowances. The Atlantic charter and the four freedoms expressed an ideal, and we now have a great opportunity to assist in the progress, achievement and welfare of the common man of our country and his dependents. May I say that I have always favoured some form of family assistance.

As a municipal official I had an experience, which I believe is equalled by few members of the present house, during the great devastation and depression—the greatest since confederation—which prevailed in the southern part of the prairie provinces. As a result of the contact I had with many families I became impressed with the necessity for some assistance along family lines. During the years of the depression this same government headed by the same Prime Minister (Mr. Mackenzie King) set up what was known as the Rowell-Sirois commission to study conditions in Canada from coast to coast. They spent a great deal of time in receiving many briefs from leading organizations throughout Canada and they duly made their report to the government. I am sorry to think that the present government have completely ignored that report. They have done worse than that; they have added to the difficulties which that report pointed out, by implementing the recommendations of the social insurance commission of the province of Quebec.

The report of that commission was referred to this afternoon by my colleague, the hon. member for Lake Centre (Mr. Diefenbaker). At page 70 of the 1933 second edition of the report of that commission it recommended family allowances rather than providing the same standard of industrial wages which prevailed in other provinces of the dominion. It is pointed out that with uniform rates of wages Quebec could not compete in industrial output with the other provinces. That is scarcely in keeping with the argument which was advanced just before the dinner recess by the hon. member for Bellechasse (Mr. Picard).

My chief criticism of this bill is that it does not create a standard of wages throughout the dominion. This is lacking in various provinces at this time. We tried to provide for this in our amendment which was ruled out of order, and our appeal from the Speaker's decision was voted down by this government. We thought these allowances should not be paid until there was full collaboration with the various provinces and then only after the federal Minister of Labour was satisfied that there were uniform standards of wages prevailing in the various provinces.

I am satisfied that there are people in many parts of this country who would raise larger families if they were assured of an adequate income. I remember a by-election in my native province of Manitoba last year when one of the socialist members was campaigning and endeavouring to prevail on the sympathies of a large audience in the southern part of my province. They had not been in the northern part of Manitoba. I have considerable respect for this gentleman, but he was reported in the press as pointing out the medieval conditions existing in Flin Flon in northern Manitoba. I happened to be in that town at the time he made his speech and I made it my business to find out the conditions which prevailed at that time. I was amazed to find just what the Hudson Bay Mining and Smelting company, a capitalistic enterprise, had done for the people in that centre.

These people had splendid homes with modern conveniences which they were able to obtain at reasonable rentals. There were also recreational, educational, health and other facilities provided by this company. Most of the young parents were raising fine, healthy families. To me it was an outstanding example of what could be done in a community. It was not in keeping with the thought expressed by that speaker in that by-election who was trying to arouse feeling against capitalism in this country. To me it was evident what could be done in this country if we had a proper standard of wages throughout Canada. The nation would benefit greatly as a result of healthier and larger families.

Again, it was pointed out by my colleague the hon. member for Lake Centre (Mr. Diefenbaker) that in 1939 the parliamentary secretary to the Prime Minister (Mr. Claxton), in a presentation to the Sirois commission, pointed out the unconstitutionality of such a measure as that which is now proposed to this house.

It was also pointed out by my colleague the hon. member for Vancouver South (Mr. Green), who, I think, said he had been elected to parliament in 1935, that the first act of the present Prime Minister and his government after being returned to power in 1935 was to scuttle the reform legislation of the Bennett government, and that on constitutional grounds. I believe that is exactly the situation which prevails with this measure to-day. I listened carefully to the arguments of the Minister of Justice (Mr. St. Laurent) on this subject, and I must confess that they did not impress me. I am still convinced that this measure is unconstitutional. To prove our sincerity in this matter, we proposed an amendment which we thought would make the scheme more workable and which would enable assistance to apply to these people immediately rather than making them wait until July, 1945.

Moreover, I have spoken about my experience during the great devastation and depression in the prairie provinces during the early thirties.

I have been perusing old volumes of *Hansard,* and I have found a speech by the present Prime Minister (Mr. Mackenzie King) under date of February 24, 1930. It is reported in *Hansard* of that date at page 38. He asserted that relief problems were a matter for the municipalities; if they could not handle the situation, then it was a matter for the provinces; if they could not handle it, then it was a matter for the federal government, and in the meantime people should mind their own business. Those are the words of the present Prime Minister, to whom we listened three days ago proposing this bill and emphasizing his consistent stand for humanity during his career in this country.

Mr. FRASER (Peterborough West): And he is not listening to you now.

Mr. ROSS (Souris): Well, I would not suppose that he would be. To me this bill is not realistic. I took some time in the last session of parliament to discuss social security. I pointed out at that time that the present

Prime Minister had then been in public office for approximately twenty-four years—it will be twenty-five years on August 7 next—approximately eighteen of those years as Prime Minister of this country; approximately seven years as leader of the opposition. It is strange, when he had all these proposals in 1919, that we should have to wait until the eve of an election for a bill such as this, and that, moreover, it should not take effect until July 1, 1945. The Prime Minister in some heat, the other day, telling us of all he had done for humanity, took us through his record. He told us that he had served from 1908 to 1911; then there was a lapse until 1919, when he became leader of this great party. I believe that then he wrote this book "Industry and Humanity", and spent some years in the country to the south of us, studying social problems—the years from 1914 to 1918, or something.

Mr. MACKENZIE KING: May I interrupt my hon. friend. He is repeating something, whether consciously or not, which is wholly untrue. My hon. friend says that I spent some years, between 1914 and 1918, in another country. I did nothing of the kind. I spent those years for the most part in Canada. The book to which my hon. friend refers was written in Canada—every line of it. It is perfectly true that I did some work pertaining to industrial relations and war industries outside Canada in that period; but at no time since I came to reside in Ottawa in 1900 have I given up my residence in this city; at no time between 1914 and 1918 did I reside anywhere other than Ottawa, except temporarily.

Mr. ROSS (Souris): I did not say, or did not intend to say that the book had been written other than in Canada. What the Prime Minister said he did during this period can be found on page 5338 of *Hansard*. He said he would not go into detail but he had spent considerable time studying social problems, in the nation to the south of us.

Mr. MACKENZIE KING: My hon. friend says I spent some years.

Mr. ROSS (Souris): The right hon. gentleman said he had spent that period in another country. What I said will be found in *Hansard* to-morrow and can be checked. I said this book was written at this time; I did not say, in the country to the south of us. I said he spent considerable time there, and the Prime Minister's record will be found in the book in the parliamentary library from which I got these facts, and I do not think I went far astray. I am simply going through what he said with considerable heat the other day during the presentation of this bill, "putting my party first and the country second". I have always considered that his loyalty was with party first.

Some hon. MEMBERS: Oh, oh.

Mr. ROSS (Souris): What I said with respect to party first when the Prime Minister interrupted me will be found in *Hansard* at page 5339.

Mr. MACKENZIE KING: The hon. member said to-night that I spoke "with considerable heat". That is something which hon. gentlemen opposite are seeking to repeat and repeat and repeat.

Mr. MACKENZIE (Vancouver Centre): Part of the propaganda.

Mr. MACKENZIE KING: Part of their propaganda. I wish to say to my hon. friend that I spoke in no heat whatever in connection with this debate, and when hon. gentlemen seek to convey that impression by their words they are seeking to misrepresent the facts.

Mr. ROSS (Souris): I am prepared to say, "in a manner of eloquence", if it pleases the right hon. gentleman better. We are entitled to our own interpretation. I spoke on social security some seventeen or eighteen months ago—to be exact, on March 4—when I pointed out the record of the Prime Minister and what he had done for social security during these many years.

I have already referred to the report of the Rowell commission, which points out the great difficulties prevailing in this country and the impossibility of many provinces carrying out their functions in respect of social security as they would like to do; and I say that these difficulties have now been accentuated. I have set forth our proposal for collaboration with these provinces, which I think would be much more satisfactory than the proposed bill.

Other speakers have referred to the lack of nutrition in many families throughout Canada. I believe that the records of the department of the Minister of Pensions and National Health will prove that, for one reason or another, approximately half the families of this country lack adequate nutrition. I realize that some have told us that we have the highest standards in the world.

Mr. GARDINER: That is why the hon. member for Yorkton (Mr. Castleden) looks so well.

Mr. ROSS (Souris): In an article sponsored by the government it is stated that, of twenty-six leading countries of the world, only four have a record of maternal deaths worse than Canada's. In four years, 1932 to 1935, Canada

lost 70,000 infants under one year of age and another 33,000 mothers and still-born infants. Without going into other details, I think this proves what should be done to create health facilities in this country. Government investigation of Canadian children has shown, as I have already stated, that half of the nation's families are undernourished for one reason or another. It is also pointed out in the same article to which I have referred how much further advanced is the nation to the south of us in these matters than we are in Canada, how little we have done correspondingly and how much less money we have spent in this respect.

I wanted to make my position on this bill quite clear. As I stated at the beginning, I have always been in favour of family assistance. I have been opposed to this bill in detail, but I am going to support it because half a loaf is better than no bread and I am in favour of the objective. Speaking some eighteen months ago, I took exactly the same stand on the constitutional set-up as I am taking at this moment. On that occasion I said:

> I have already indicated, when speaking on the debate in reply to the speech from the throne,—

That is, in 1943.

> —that if social security legislation is to function properly, the British North America Act should be amended. If that is not done, the dominion and the provinces must get together and agree on certain matters—which to date they have not done.

That was some seventeen months ago and it has not yet been done.

> In the programme of the Progressive Conservative party as laid down in Winnipeg in December, 1942, we recognized the obligation of government to make available to every citizen adequate medical, dental, nursing, hospital and pre-natal care, and to further advance public health and nutritional principles so that health may be safeguarded.

I think that makes my stand perfectly clear and shows why I am supporting this bill. If I took up further time at this stage, Mr. Speaker, I would be only repeating many of the arguments that have already been advanced, and I do not care to do that at this time. I shall have some questions to ask when we are considering the bill in detail, but at the moment I would refer to one section to which reference was made by my colleague the member for Vancouver South, relating to the dependents of those now in the services. As he said, the government have all these records, and dependents' allowances are being paid in many cases. If this measure is to be put into effect and made really worth while, these dependents' allowances should be paid immediately. Another point was that the children of Canadian servicemen born in Britain are not entitled to family allowance until they return to Canada. That is unjust, and if this bill is to become law, these provisions should be made at this time.

Mr. M. E. McGARRY (Inverness-Richmond): I have no desire to prolong the debate before the house, but I wish to offer a few brief remarks on what I consider to be the most important measure designed for the social and economic welfare of the nation which probably has even been brought before this house. That Canada is a resourceful country is something that has never been denied and is a matter of world-wide knowledge. There is no doubt about it that nature has been very bountiful in her gifts to this great dominion, but a superabundance of resources, diversified as they may be, will not alone achieve greatness for Canada. In order to exploit these resources we must have a healthy, vigorous, intelligent citizenship. The adage that the health of the nation is the wealth of the nation has never been marred by the ages; it is just as terse a truth to-day as it was 100 years ago, and the greatest student of economics will point out that the most valuable asset that a nation possesses is a healthy, vigorous, intelligent population; while on the other hand a puny, unintelligent population is the nation's greatest liability.

This bill is designed to improve our social and economic conditions, but under present conditions it is very difficult to enlist into this great and noble programme of betterment every person who is interested in this admirable forward movement. It is impossible under our present conditions to afford equality of opportunity for all who I know are willing to enter into this crusade. Our wage regulations to-day are not flexible enough to take care of the wide discrepancy between the cost of living and his income for the man with a family in the low wage scale, because his income cannot be supplemented and he is not on an equality in earning, from the point of view of the cost of living, with the bachelor, with the young man with no dependents, or the married man who has no family. I believe there is no other corrective for this discrepancy than this very measure that has been brought down to-day. We say that the all-important thing is to have a healthy, intelligent nation. Take the father of a family in the low wage category. He has to accept the same income as the young man who has no depend-

ents. How is that father going to carry on his domestic obligations and the charges that fall upon him in supporting his family and educating his children? If we are going to propagate and improve the health of our nation, the greatest requisite of all is proper nutrition of the children when they are in their formative years. This bill makes provision for those who cannot afford to give proper, adequate nutrition to their children.

Let us turn next to the question of education. There are many families who will participate in these allowances who can give adequate and proper nutrition to their children. What happens in those cases? These allowances contribute to the better education of their children. If these families can afford to nourish their children they can set aside this allowance so that it will accumulate into a repository that can be utilized later for the advanced education of their children. Those of us who have had experience in teaching school have often been very sorry when we found young children in the lower grades who demonstrated mental acuteness and gave evidence sometimes of the promise of a worthwhile manhood, and who should have had the advantage of going into advanced education. But what happened when they were through with common school education? They were forced to retire from the field of education, and the result is to-day we have some men who inherently are extremely bright but who have had to retire to the pick-and-shovel class simply because they did not have anything to start them on their way. I myself have known young men who, I believe, if they had had enough money to start in their first collegiate year, would have shown such mental assets that many philanthropists, recognizing their ability, would have carried them right through their collegiate course.

With regard to the health side, those of us who have had the experience of practising medicine, particularly in general practice, have seen hundreds of cases of young men and women who I really think went down to an early death because they did not have the resistance to the disease that laid siege to them on account of the lack of proper nutrition in their formative years. As I said at the beginning, I am absolutely of opinion that there never was a measure brought into this house or any other house of parliament that has the same virtue as this measure with which we are now dealing.

Some mention has been made of the cost. Some raised the objection that we are spending $200,000,000, but we must realize that we are spending almost that amount of money every day on a programme of death and destruction, almost as much in one day on a programme of death and destruction as we are to pay under this measure in a whole year, a measure that is intended to bring about in this Canada of ours what we think is the initiation of a new day and a new heaven and a new earth. When we consider the dividends that will be paid on this small expenditure of money in the way of better health, less hospitalization, less medical costs, less loss of man-power days, I think every hon. member and every individual in Canada will feel that the expenditure is well justified.

Another objection that is advanced against this measure is that there is some fear that the mothers will not make proper use of this money. Having had some experience with mothers in their homes and with their families, I say that I have every confidence in the mothers. I know the solicitude that they have for their children. These mothers who are so tolerant of the restrictions that have been placed upon them during the stress and strain of war, those mothers who have done so much to contribute to this war effort, can be well trusted with every dollar of this money. They will see that it is put aside and used in behalf of the welfare of their children.

We have listened to some other objections. We have heard the constitutional feature of it advanced to-day. I am not a lawyer and I will not enter into that field, but I have confidence in our chief. I do not think he would bring this measure into the house and make the forecast that he made if he did not feel that it was constitutionally operative. I have listened to men on this side of the house who, I think, are just as good authorities as any on the other side of the house. They were supported by the ablest lawyers of the British empire and I am perfectly satisfied that this measure is constitutionally sound.

Then we heard another complaint that this is a matter of bribe. Do you imagine, Mr. Speaker, that our chieftain who has led this great party for twenty-five years would be silly enough on the eve of an election to bribe children who are in the cradle to-day in order to get their votes at the next election? To my mind that is very silly. I will offer this warning to the people who use that as a hurdle to the advancement of this measure, that it is hopeless to expect that when these children come to voting age, which will be twenty-one years from now, they can count on their support for having offered this objection to this great measure which is designed to help the youth of the land.

The hon. member for Parkdale (Mr. Bruce) says that this measure of social welfare should

not be brought in at all. He says that in the city of Toronto they have public welfare institutions which are looking after their children. Well, the city of Toronto does not comprise the whole of Canada, and if those philanthropic institutions in Toronto want to carry on with their philanthropy they can do so, despite the fact that this measure comes into effect, a measure in behalf of the youth of the whole of Canada.

The hon. member for Souris (Mr. Ross) suggested that instead of this measure there should be a uniform standard of wages. Well, that will not help the situation of the man who has a large family compared with the man who has no domestic obligations of that kind. What this bill is designed to do is to bring about equality of opportunity and the establishment of a uniform wage rate would leave matters exactly where they are to-day. As I said at the outset, Mr. Speaker, I believe that this is the most important social welfare measure that has ever been brought into this house or into any other house. Despite the criticisms offered and the hurdles that some hon. members have cast in its path, I believe it is so good and popular and so full of virtue that there is not a man or a woman who sits in this house that would dare undertake to vote against it.

Mr. ROSS (Souris): On a question of privilege, the last speaker said that I suggested that uniform wages should be instituted rather than any family payments. I said that the measure of family allowances should be used to help create a standard of wages. He misquoted me. I know he does not want to be unfair.

Mr. A. H. BENCE (Saskatoon City): In my opinion the vast resources of this country require a very much greater population than we have at the present time. That increase in population can be obtained only through two means: first of all, through immigration and, second, by raising the birthrate of this country. I believe in the principle of properly selected immigration. At the same time I believe it is essential in the interest of the future of this country that we should give further encouragement to the matter of the production of our children. I want to take this opportunity to point out that in my opinion the birth rate, particularly in the English-speaking sections of this country, is not nearly as high as it should be. At the risk of appearing impertinent I suggest that there are many people in this country who have failed to assume their proper responsibility in regard to the survival of our nation. Many people may suggest that this is none of my business; but in view of the information given to us, which indicates that the birthrate, particularly in the English-speaking sections, is going down considerably, I believe that it is a matter of concern, and that any person who has the future of his country at heart should at least draw to the attention of the people of Canada this alarming situation. I was particularly struck with the words of the Prime Minister (Mr. Mackenzie King) in dealing with this measure at page 5330 of *Hansard,* when he said:

> I draw attention particularly to the following statement. According to the 1941 census, of the gainfully employed, 48 per cent are single; 39 per cent of the married or widowed have no children under sixteen and 40 per cent of those with children under sixteen have only one child. What this means is that 84 per cent of the children in Canada under sixteen are dependent upon only 19 per cent of the gainfully employed. In other words, the major burden of raising the next generation and perpetuating the Canadian nation falls on less than one-fifth of our working population.

I suggest that this statement should arouse the thinking people of this country. The other day I noticed some figures supplied by the bureau of statistics which indicated that the ratio of children under seventeen per family for the whole of Canada is only 2·06, while in only one province, namely Quebec, is the ratio greater than two per family. No doubt I will invite criticism in making this suggestion to the people of Canada, but I believe they must reconsider their position with respect to whether or not they are going to limit their families to none or one or two children so that they may be able to continue to live in comparative luxury, or whether they are prepared more adequately to discharge their obligation to the nation, even though that may mean a more restricted standard of living as far as they personally are concerned. In offering that suggestion I do not wish to be misunderstood. My criticism is levelled against all of us, not by any means excluding myself.

With respect to the measure now before the house, of course in my opinion it is not a proper solution of the problem with which we are confronted. Obviously a proper solution would be to raise wage levels and incomes of the people of Canada, and bring about a better distribution of the productivity of the country across the various classes. Too many people do not now receive a return in proportion to the efforts they put forth on behalf of this nation. I believe that if we had a proper standard of distribution of the productivity of this nation there would be no necessity for a measure of this kind; but realizing that we have not reached this happy state, that we have not reached the point where there is a

proper relationship as between the earners of this country, I am prepared to support a measure which will put the people in the lower income brackets in a position to raise children without materially reducing their standard of living. To the extent that this proposed legislation will assist parents to bring up their children under better conditions, both physically and morally, I am prepared to support it.

Mr. MARTIN: Your leader will soon be left alone.

Mr. BENCE: I can assure you that my leader will not be left alone. If you want me to go into some of the arguments he placed before this house I shall be glad to do so, because I agree with them. In a few moments I am going to indicate why I believe the proposed legislation was not properly considered before being brought into this house, and if I may I am going to suggest that the Prime Minister and the administration should have gone into the matter much more carefully before introducing it.

In addition to assisting those in the low income groups at least to retain their standard of living when they are prepared to discharge their great obligation by raising children, this legislation does something else for which I am prepared to support it. That is, it endeavours to solve the problem of the distribution of purchasing power in the country. While I believe that the administration should have brought in a measure which would have dealt with that problem directly rather than indirectly, still because in a measure this legislation does help to spread purchasing power across the whole of the people, I am prepared to support it. But I repeat the assertion I made in the first place, that the welfare of our people should be predicated upon a better system of distribution of the wealth of the country, according to the contribution each makes to the production of those things which are required in the life of this nation. I believe also that our success or failure in the reconstruction period will depend upon whether or not we raise the lower wage levels of our people. I agree with the conclusion reached by the chairman of the reconstruction council of my own province, who indicated that if we expect to achieve that measure of prosperity we all anticipate and hope for, we shall have to do something to ensure that the wage levels in the lower brackets of this country are increased.

In that connection I am concerned, as other hon. members have been, with the possible effect of this legislation upon the wage levels of the country. I believe that the fears which have been expressed by the hon. member for Lake Centre (Mr. Diefenbaker), and by many labour leaders throughout the country are entirely justified. When I began to consider this angle of the matter I wondered what was the position with respect to that application to the national war labour board by the railway employees of Canada, which I believe is causing the administration considerable concern at the present time. I am wondering whether or not there is a possibility that the decision on that matter, which has been held up for some time, was being delayed until this legislation had been adopted by the parliament of Canada. If that is so, I want to protest very strongly against it. I say that because the matter of family allowances, which would not come into effect until a year from now, certainly can have nothing to do with the question as to whether or not a body of men are entitled to an increase in their pay at this time.

I agree with those who have suggested that the whole matter of labour relations and other matters affecting the provinces should have been reviewed with the provinces before this legislation was brought to the House of Commons, in order that some method might have been achieved under which we would have had a minimum standard of wages, and a uniformity of legislation with respect to the many social welfare problems confronting the Canadian people. I believe that those provinces should have been consulted, because they are interested in many angles of the question. Any matter which relates to the social welfare of our people is a matter concerning which, in our opinion, the provinces should have been consulted. Surely the matter of family allowances, which will take such a large portion of the taxpayers' money, should have been considered in relation to all the other social necessities over which the provinces have control and jurisdiction.

The whole matter of this legislation has been approached piecemeal. Why was the subject of family allowances picked out and thrown into the picture? Why at the same time were not some of the other problems with which we are so very much concerned, dealt with? Why was not the matter of finance carefully considered with the provinces? Why were not jurisdictional differences considered? Why were not the peculiar needs of each of the respective provinces gone into carefully before any decision was made to spend $200,000,000 on this scheme? In my opinion it was too bad that a well integrated and cohesive system of social security was

not worked out, and a concrete plan presented to parliament before one angle of it was thrown into the legislative sea.

As Mr. Marsh points out in his report on social security for Canada—and this is found at page 88, where he deals with cash allowances as part of a social security system:

> The third method is to recognize children's allowances in forthright fashion, as a specific social security measure justified on its own merits. What is envisaged in this report is a children's allowance system considered as a unit along with unemployment insurance, health insurance, disability insurance, and other measures in the social security system, but geared into them at every point where they belong. Not only is this logical, but it will contribute immensely to administrative simplicity and efficiency if this plan is adopted. This has now been indicated at many points in preceding sections, and requires no further emphasis.

Where in the present system of social welfare measures have we any integration whatsoever, so far as the dominion and the provinces are concerned? I suggest we have none. We just grab here and grab there, do this and do that, without any consideration of the vast, broad picture involved.

I am particularly interested in the implementing of most of the recommendations proposed in the report of the royal commission on dominion-provincial relations, commonly known as the Sirois report. It is my understanding that this commission studied the whole problem, and made recommendations with respect to the reallocation of responsibilities ,and the sources of revenue of the provinces and the dominion. Those of us who come from the province of Saskatchewan feel keenly about the implementing of that report. We have felt that if many of the recommendations made had been adopted we would have obtained a place in the confederation which would be much fairer than the one we have had heretofore. We have found out that as a result of the peculiar situation in which we are placed, the responsibilities we have been asked to share under confederation are far greater than we are able to discharge in relation to our income.

That report, as I understand it, contemplated a broad approach to the whole question of social security, and, I believe, even had in mind the solution of the type of problems with which we are faced to-day in connection with family allowances. As an indication to the house of the state of mind of those who prepared the report, I should like to quote briefly from the recommendations made in connection with financing provincial and municipal social services. We find this at page 44 of book II of the recommendations:

> Our financial recommendations aim to place every province in a position to finance its own social welfare programme in accordance with average Canadian standards, and to make such adjustments with its municipalities in the financing of this programme as seems to it reasonable. Moreover, provision for periodical revision of adjustment grants and for emergency grants should enable each province not only to protect its standards in social services, but also to improve them at the average pace maintained by the provinces as a whole. This method we believe will ensure to the provinces not only the capacity to provide reasonable welfare services for their people, but complete autonomy in the formulation of their social welfare policies, in the choice between alternative services and between alternative methods, and in the administration of their services.

And then it went on to say:

> This does not rule out the possibility of dominion assistance by grants-in-aid for particular services (e.g. mothers' allowances or special health measures) should the dominion so decide. It is indeed possible that dominion assistance of this sort might be a means of improving, or coordinating, or equalizing particular provincial services, and it is possible that the national interest might on occasion justify such a step.

I suggest it is obvious from that report that the commission had clearly in mind the thought that there would be a getting together of the provinces and the dominion for the purpose of solving these problems as a whole. It is my belief that the Prime Minister would have been far better off in the long run if this plan had come out of a dominion-provincial conference, after the whole matter of social welfare, finance and reallocation of jurisdiction had been carefully gone into, and agreement arrived at.

It seems to me the main premise for the solution of most of our social welfare problems lies in a consideration of the recommendations of that report, and a working out of a scheme which will eradicate the present constitutional difficulties. After all, there are many other things we must consider besides family allowances, important as they are. There is, for instance, the matter of education. There is the matter of a badly needed increase in the payment of old age pensions. There is the matter of blind pensions, and some sort of aid for people who are totally incapacitated and who have no means with which to keep themselves. There are many other social problems which should have been worked out before it was decided to spend $200,000,000 on this particular project.

I should like to know how the expenditure of $200,000,000 will affect these other measures. How will it affect the question of whether or

not we shall be able to give the provinces those things which possibly we had in mind in the way of new fields of taxation and that kind of thing? When the provinces come for aid in connection with these various matters will they be told that we are now spending $200,000,000 on family allowances and that, therefore, we have no money for them? When we reiterate our demands for a decent old age pension, shall we be told that the money is not available because $200,000,000 is being spent on family allowances?

If the administration say that they cannot do this, there are one or two questions I wish to ask. First, why not? Second, if you cannot do it, why was that position not considered before you embarked on this very large expenditure? As a matter of fact the old age pensioners of this country cost the dominion government only $31,569,780, or, in round figures, about thirty-one and a half million dollars. When we are going to spend $200,000,000 on our children I can see no reason why we should not spend the money required to assist our older people. In view of the arguments that have been advanced in this house with respect to the constitution and the availability of finances, we should not have to listen to excuses that this matter has to be put off to a future date.

Before I close this particular phase of the matter I should like to ask the administration a further question. Will the cost of the legislation that is now before us prejudice in any way the implementing of the Sirois commission report?

I agree with those who have suggested that this legislation places too much power in the hands of the minister. I concur with those who have advanced arguments that the legislation is too bare, that we should have before us most if not all of the regulations which will affect the lives of the children and the parents to whom these grants will be given. In view of the fact that the minister has the power to withhold payment, if he wants to, from vast numbers of people, it is not too much to ask that this house should have all the information available and all the regulations the administration can place before the country at this time.

Before the bill is finally passed I believe it should go back for redrafting in order that some of these matters may be ironed out, and in order that the regulations which the government has in mind may be presented to this house before the bill is made law.

Before I close I wish to say a word about the constitutional angle. This matter was covered most admirably this afternoon by the hon. member for Lake Centre, and I do not propose to traverse all the arguments he presented. I know the Minister of Justice (Mr. St. Laurent) treated the leader of the opposition (Mr. Graydon) with a certain amount of scorn when he suggested that this legislation was not constitutional. I know the hon. member for St. Lawrence-St. George (Mr. Claxton) just brushed aside the possibility of its not being constitutional.

But in view of the position which was advanced this afternoon by the hon. member for Lake Centre; in view of the stand taken by the Prime Minister in 1931 when the old age pensions legislation was being considered; in view of the statement that he made then to the house to the effect that to be on the safe side the whole matter should be considered from the constitutional angle and if the government was going to pay 100 per cent of the old age pensions then the British North America Act would have to be changed; in view of the statements contained in the report made by Senator Gouin and the hon. member for St. Lawrence-St. George to the government in connection with the Sirois commission report, and further, in view of the grave doubts which have been expressed with respect to the constitutionality of the old age pensions legislation, I suggest that the Prime Minister should have the matter reviewed from a constitutional point of view before this legislation is put into effect.

I say that because it would be a terrible thing if, after the scheme had been put into effect, it was found that it was not constitutional. I suppose any taxpayer who felt aggrieved at the legislation could easily take steps in that regard. If the Prime Minister feels about this legislation as he has felt about similar legislation in the past, then I beileve he will take this step before it is put into effect.

I assert again that if it is definitely clear that the legislation is constitutional, then the Prime Minister should, in conjunction with the Minister of Finance (Mr. Ilsley), reconsider the position which has been expressed in this house on many occasions during this parliament by the Minister of Finance as to whether or not the administration will take over the old age pensions and pay an amount sufficient for these old people to live on.

I am going to vote for this measure because I believe in the principle of granting assistance to the children of our country. Our children are the greatest asset that this country has. I am going to vote for this measure for the reasons I expressed a short time ago, because I believe it will assist in solving one of our greatest problems, the proper distribution of purchasing power. But I believe it has been

hastily put together. I believe it should have been prepared in conjunction and collaboration with the provinces.

I believe the Prime Minister might yet take steps to discuss with the provinces the various problems which I have outlined. Bad as it is in the sense that I have indicated, and containing the loopholes which I believe are there, nevertheless as far as I am concerned I am not prepared to vote against legislation which will in a measure assist our children and our poor people. I believe that it should be part of a properly integrated social security scheme worked out, as I have indicated, in conjunction with the provinces. But as far as the principle that lies behind it is concerned, as far as the intent with respect to the placing of the people of this country in a position where they can have and maintain children decently and adequately is concerned, then I am prepared to support the bill.

Mr. W. A. TUCKER (Rosthern): Mr. Speaker, I would like first of all to congratulate the ministry upon its courage in introducing this bill at this time. I say that particularly because of the various threats which were made when the bill was first proposed and which have been echoed inside and outside this house. One of the most potent ones that was brought forward and held over the heads of the ministry was that it would affect the unity of Canada. The support which this measure has received from all parts of the house has shown that the decision of the ministry to introduce this bill has been more than vindicated. I am quite sure that if there had been anything vitally wrong with this measure the opposition parties would have screwed up their courage to the point of voting against it. But from what I can see there is not a single party in this house, in spite of all the threats and hints which were made beforehand, that is actually going to oppose the measure when it comes to a vote. So that once more the courage and wisdom of this administration are being vindicated for all the country to see.

With regard to the constitutional argument I believe that a reading of the various decisions made in recent years demonstrates that our dominion can spend its money to promote the welfare of its citizens, under "peace, order and good government", without having to get consent of any Province in the way which is proposed. But the hon. member for Saskatoon City (Mr. Bence) has depicted the terrible situation which would develop if these allowances were commenced and later it were found that the bill was unconstitutional. I do not think that situation would be quite so terrible as the hon. member suggests. If this measure gets the strong support of the house and the senate which it appears it is going to get, it will be apparent that the almost unanimous opinion of this parliament, expressed by both houses, is that it should be put through by the dominion parliament; and the ease with which, in a similar case, we got the necessary amendment of the constitution in order to enact the unemployment insurance measure shows that we can easily secure a confirmatory amendment of the British North America Act if there were any question about the constitutionality of this measure. It is strange that under these circumstances, seeing that we have, as a matter of fact, absolute control of our constitution, and when all parties uphold this measure, we should spend hours and hours debating whether we have the right to put it through. A simple resolution of this house and the other house is all that would be required.

Mr. BENCE: There would have to be first the consent of the provinces.

Mr. TUCKER: No. We did not have to get the consent of the provinces with regard to various amendments of the British North America Act which we obtained in past years, and we certainly would not have to get it in regard to this measure. When opposition members are reduced to that argument in order to oppose this bill it shows a bankruptcy of thought and policy.

Mr. BENCE: Will the hon. member permit a question?

Mr. TUCKER: Yes.

Mr. BENCE: If this measure were declared unconstitutional, would the hon. member be in favour of changing the constitution without the consent of the provinces?

Mr. TUCKER: My answer to that is that when the Canadian people want this measure, as will appear from its passing almost unanimously in this house and the other house; when there is apparently no opposition from the provinces to the dominion taking this tremendous responsibility upon itself, I would have no hesitation in upholding, just as I support this bill, the necessary change in the constitution if such were necessary in order to bring the legislation within the powers of this parliament. Why should I not do so? If a bill like this were put before the British parliament, the very fact that people voted for it would indicate that they wanted to have it in force. If I vote for this bill in this parliament it is a sign that I

want to have it in force in Canada. If it were necessary to pass a resolution after we pass this bill in order that we may have the power to put it into force, I would just as readily support that resolution as I would support the bill itself. I hope that is an answer to the hon. member's question.

Mr. BENCE: That is not an answer to the question. I asked the hon. member if he would obtain the consent of the provinces before putting through the amendment to the constitution.

Mr. TUCKER: I do not think it is necessary to obtain the consent of the provinces to put into effect a measure such as this. But if there were any doubt about the matter, or if the payment of these allowances were in danger of being interrupted, I do not think any province would stand in the way or ask to be consulted. And if, in a great humanitarian measure like this, any province did stand in the way, I would say that its objection should not prevail against the will of the Canadian people.

An hon. member said something about the birthrate of this country; and what he said applies, I think, not only in Canada but throughout the white world. When I was recently attending the international monetary conference I had occasion at different times to talk to some of the Indian and Chinese delegates. One of the things which both of them emphasized was this, that practically every fourth person in the world is an Indian and every fourth person in the world is a Chinese. That, of course, indicates that one person out of every two in the world is either Chinese or an Indian. These people are basing their claims to certain things upon their share of the earth's population. Their delegates also pointed out to me that it is coming to be realized that the people of these races are not inferior, in ability to fight and defend themselves, to the white races. It was very clear to me that if the white race hopes to maintain its place in the world it must cease its present practice of limiting its families, or the time will come when it will have to yield its present position to the other races.

I agree with the hon. member for Saskatoon City in his suggestion that the implementing of the recommendations in the Sirois report should not be hindered through the passing of this bill, and I do not believe that such is the intention of the government. The whole basis of the recommendations in that report, as I understood it, was to provide the various provinces with the means of doing as well by their citizens in the realm of jurisdiction confided to them as any other part of the dominion is able to do. It is well recognized that, owing to fiscal and tariff arrangements in this country, the tendency is to concentrate great wealth in certain provinces, and if other provinces do not have access to the taxes levied upon those centres of wealth they will not be able to discharge their obligations under the constitution as well as provinces in more favoured areas. But these obligations are among the most important of any which are confided to either the dominion or the provinces. Education and medical attention are obviously among the most important obligations of any government. They are confided to our provinces, and one of the grievances of the western provinces has been that they have not had the means of providing the same standard of education or of medical attention to their children as has been possible in the more wealthy provinces of central Canada.

I said, in one of my first speeches after I had the honour of being elected to this house, and before I realized what was going to be required of some of our western Canadian boys, that I deplored the apparent assumption that there is such a thing as a second-class citizen as well as a first-class citizen in this country, that it was all right for a lad to be brought up and educated in Saskatchewan with not quite so good a chance as a person in the more favoured provinces. I said that if we were to have a united and harmonious confederation we had to treat all parts of our country the same, and do away with the idea that there should be parts of the country where some people were treated better than others.

Nowadays, hardly a week passes without its coming to my attention that some of these young lads who were brought up in Saskatchewan in the depression days, who often did not have enough to eat or the wherewithal to get a decent education, have given their lives for a country which told them and their parents in the days of the depression that they could not find the money to enable their parents to give them enough food and medical attention to bring them up as children should be brought up. That, I hope, and in fact I am sure, has been borne home to every person in the more favoured provinces. Of those lads who were denied those privileges, many are to-day defending this country; many of them have already given their lives in its defence; and never again must it be said to any Canadian family that we have not the money to provide them with the bare necessities of life so that they may have food and clothing, a reasonable education and medical attention in order

that they may arrive at complete manhood and womanhood in the full possession of health and strength.

It is something for which I have been thankful ever since I came to this house that we have at the head of this administration a man who felt as our Prime Minister (Mr. Mackenzie King) does, about the poor of this land. If as many things as we should like to see done for the poor have not been accomplished, I am sure it was not his fault, and to-day I rejoice in this measure and am thankful that he heads this administration, because in a great measure he is responsible for bringing it in at this particular time. I deplore the attitude of those who ask, why the haste? I would say on the contrary, why has there been a delay? I cannot understand the members of the Progressive Conservative party asking, why the haste? I am glad that the measure has now been brought in. I am happy that it is being done now, and I express my humble and deep appreciation of this administration in acknowledging this achievement. I am glad they did not listen to any quibbles about constitutional obstacles.

I remember very well when the same arguments were advanced in connection with old age pensions, that we had not the constitutional power to do such things. If our present leader had not decided to go ahead with the old age pension legislation, regardless of such arguments about jurisdictional problems—and such arguments were advanced then, just as they are being advanced now in connection with this proposed measure—I suppose we would never have had old age pensions to-day. Many times as I talk to old people to-day and see how much better their last days have been because of the old age pension they receive from month to month, I have thanked God that the Prime Minister felt as he does toward the poor of this country, so that he saw to it that the evening of their lives was made happier and more comfortable by reason of old age pensions, and that he had not listened to quibbles and arguments that we had not the constitutional power. I remember it was argued at that time that that legislation might be declared ultra vires, just as it is said that the legislation before us at the moment will be ruled ultra vires. But I have not seen any province object to it, nor have I seen it ruled ultra vires; and certainly if the grant made in connection with old age pensions is not ultra vires, and no attempt has been made to declare it ultra vires, there is even less likelihood of this measure being so ruled.

There is another suggestion, why take up this particular bit of legislation? There are many other problems, it is said. Well, I do not think much attention should be paid to that argument. You cannot make a better beginning than to make sure that the children of the country are well looked after through a minimum measure of well-being. Surely it is not suggested that we should not do anything until we are able to do everything. You have to start somewhere. We have looked after unemployment insurance and old age pensions, and now we are starting to look after the minimum standard of well-being for the children of the nation. In my opinion that is the greatest measure for the good of the nation in the days that lie ahead, greater than any other measure that has been introduced into this parliament since confederation.

I commend the speech of the leader of the government when he introduced the bill, pointing out how an investment in the health of our children, in the food, clothing, shelter, medical attention and so on which they require, would bear rich dividends in the days that lie ahead. Thinking back over the period of depression in Saskatchewan and of some of my neighbours, some of the casual labouring people who were trying to bring up families of five and six, and knowing, as we all do in a small town, pretty intimately the circumstances of everybody, I knew the income of some of those people, and I often wondered how in the world they managed to clothe and feed their children and send them to school as well as they were doing. Some of those children were brought up on incomes which I am sure hon. members would regard as impossible; nevertheless they went to school and did well, and they have gone into the world and become good citizens. Many of them, as I have said, are in the armed forces and some have already been decorated in this war.

When I hear people who are highly placed, enjoying good incomes, saying that we dare not trust such people with the money because they will not use it to help their children, that it will not be properly applied, I should like to have some of these members see what was accomplished by some of those neighbours of mine with the little amount they had from year to year. I know of families during those depression years, the families of returned soldiers who were getting very small pensions, some of them having to live on the war veterans' allowance, which was around $40 a month, and some of the heads of those families could not get other work and had to subsist on that allowance of $40 a month. I have known a family where that was practically the only income for several years and they had five children. Somehow or another,

those children were looked after and brought up and to-day two of those boys are overseas fighting for their country.

I do not know of a single pensioner or returned soldier who is in receipt of money from the government in the way of pensions or war veterans' allowance, where practically every bit of money that came into the house did not go to look after the children, to procure food and clothing and provide education and who has not been grateful for that assistance. I think the money paid by this country in pensions to returned soldiers of the last war, apart from the fact that it was an obligation to those men, has already borne fruit in this war in the type of children brought up in those homes, where there was a measure of gratitude to the country for looking after them when they needed looking after.

The Prime Minister dealt eloquently in his speech with this aspect of the matter, and I do not think that people who are in receipt of a good income, or who have confidence in their ability to earn a good income, can have any appreciation of the haunting fear that stalks a household where a man has to live on casual earnings and where very often, if he does not earn even $5, the question presents itself, where will they be able to provide for the children the following day? I suggest to you, Mr. Speaker, that in a country as rich as Canada that sort of situation is not good enough for the kind of people that we have here, people who have shown themselves to be capable of almost measureless self-sacrifice in connection with this war. Canada owes something better than that to the kind of citizens we have in this country, as they have shown themselves to be in the last war and in this war. I rejoice that now there is going to be given to all citizens of Canada some measure of security such as was given in the war veterans' allowances or to those in receipt of pensions in the past few years.

We see that striving for security on the part of some of the highly placed citizens of our country. We see that on the part of the judges who wanted to see that their families were looked after. This parliament does not hesitate to take steps to see to it that people placed in those positions receive a certain amount of security. We see it with regard to the civil servants who serve their country in the civil service. We do not hesitate to appropriate money to see to it that they are looked after in their old age. Surely the average taxpayer who is not in receipt of an income from the country but who, in fact, helps to build up the nation and contributes toward the income of the country, is entitled to the minimum standard of living.

[Mr. Tucker.]

In addition to the benefit which this will give to the children of the nation, there is that element of the banishing of fear from the homes, the banishing of fear from the hearts and minds of the parents of the children and from the children themselves. That alone is a great step forward. After all, in this country we do not let our people starve to death. I have wondered why it is that we have not before this given them some measure of security by telling them that they can rely upon us, not as a matter of charity, but in this wealthy country of ours where we produce ample food, clothes and shelter for all our people we could tell them that if, through no fault of their own, they are unable to earn these things themselves they are going to have it as a matter of right; and to the extent that this measure does not give that minimum standard of livelihood to the people of this country I would hope that it would be supplemented by other measures which would give that minimum standard of life.

One of the arguments that have been used throughout the country against the present system is that we have want in the midst of plenty; that we produce more food than we can possibly use ourselves, more clothes, more shelter, plenty of doctors to look after the medical needs of our people, plenty of teachers to look after their educational needs, and that if we do not then give a reasonable standard of living to all our people our system is not functioning properly. That is a reasonable argument. The organization of the state exists to serve the people, and it must be so organized as to serve the people. If it is not organized to serve the people and give them what they are able to produce as a people, give them security, give them that minimum standard of living, then they will change the organization of the state. Some people ask "Why was not this done before?" My answer to that is that we live in a democratic state, and while there may be far-sighted people who perhaps many, many years ago would have liked to give this minimum standard of welfare to our people, we know that throughout the country there were the fearful ones who said: "Where is the money to come from?" and all that sort of thing. They thwarted the will of those who realized that these things were possible. I rejoice that at last that bogey has been laid to rest once and for all; that never again will it be used as an argument against giving the standard of living that this nation is able to provide for its people; that we cannot find the money to do it. To those people who worry about the $200,000,000 that is to be spent per year on this measure, I say that the only limitation upon the good things of life

that we should provide for our people should be the limitation on what we are able to provide for them by our industry within Canada and our ability to produce here and procure goods from outside the country with our production within the country.

Of course, living in a country such as ours, that means that if we are to have a high standard of living we must have world trade, and I rejoice in the attitude of our party because I realize that it is fundamental, if we are to have a high standard of living, to be able to trade our great surpluses for the surpluses of other countries that produce things we cannot produce. But while we are striving for an increase in world trade to raise the standard of living of all our people we should never lose sight of the fact, as the Prime Minister pointed out, that we produce most of the basic necessities of life in abundance within Canada. I rejoice that by this measure we are now going to help to supply those basic necessaries of life to all of the children of this land of ours. I hope that once and for all that argument is going to be laid to rest, that we are such a stupid people that we permit our children to go in want alongside granaries bursting with grain and other foodstuffs that are spoiling, and that that situation will not prevail in the future.

One argument that has been used against this bill is that it will destroy the self-reliance of our people. I think that was well answered by the Prime Minister. I think, Mr. Speaker, that for one man who has been made strong by adversity there is at least one man who has been broken by adversity.

Mr. MACKENZIE KING: One? Thousands.

Mr. TUCKER: Perhaps many more than one. It will be found, I think, that it is the strong of this world, those who manage to bend environment to their own advantage, who glory in their strength, who talk about the fact that every man should stand on his own feet, not realizing that people are all different, physically, mentally and otherwise. That some people by their physical ability, their health and strength or by their mental ability are able to build up a competence for themselves is true. Surely the organized state should say to the man who has found it too difficult to look after the family which he has, by his own unaided efforts, "You are making a great contribution to the future of your country; you are doing the best you can; to the extent that you are falling short, the state, which is your fellow-citizens, will come to your rescue and see to it that those future citizens whom you have brought into the world and have in your charge do not come to want." I suggest that if you say to a man, "No matter whether you have health or strength; no matter whether you live or die, your children are assured of enough food, enough clothes and shelter, and their mother will not be in want," that man will face the future in good heart. He will be ready in time of need to go to the defence of his country because he feels that his country has stood by him and has always guaranteed him a living for his loved ones. He will serve his family, his community and his nation with more devotion than one could ever expect of a man who felt that he had to carry the load himself without hope of help from his fellow citizens.

Therefore I say it is entirely fitting, at a time like this, that we should say to the fathers and mothers of this land, "We are going to ensure you a minimum standard of living for your children, no matter whether or not you have health, whether you live or die." I rejoice in this measure for that reason. Not only will it strengthen the future citizens of this country; it will strengthen the present citizens and increase their devotion to their community and their country, and their joy in life. After all, we know that one of the things that detract from the joy of life is worry over what the future may bring, not only to yourself but to your loved ones. If you can be sure that the future has nothing bad in store for your loved ones in the event of anything happening to you, then you can apply yourself to the tasks of the day with a light heart, without being harassed by fear for the future.

I do not say this measure goes as far as I should like to see it go in that regard, but as with other measures I have supported since I have been in this house I realize there has to be a beginning. I have been very happy to support the beginnings of many worthwhile projects since I have had the privilege and honour of sitting in this house under the leadership of the Prime Minister, and I am grateful for that privilege. These measures have not always gone as far as I should like to see them go, but at least they were a start in the right direction, and as they have worked out well they have been extended.

The argument has been advanced that this work could be better done through the social agencies. Some people who live in the larger cities of this country talk about their splendid schools, about the noon lunches that are provided for children, about the medical attention they receive and about all the other things that are provided for children in these larger centres, and then ask why we are going ahead

with a measure like this. It must be that they have never left the large cities, or, if they have gone through the country, they have kept their eyes closed. Services such as they describe cannot be provided in the small urban centres or the rural sections of this country. A very large proportion of our people live in those small urban centres and rural areas; and the social agencies built up in the large centres could not begin to take the place of these grants, which will enable parents to provide their children with more of the basic necessities of life.

Mention was made of food and clothing, but other difficulties were experienced in Saskatchewan even before the war. Because of the lack of money and purchasing power in the hands of the farmers in many of the rural areas of Saskatchewan, doctors found that they could not make enough out of their practices to pay expenses, and they had to leave. For distances of perhaps fifty to sixty miles there would be no doctor at all. In the winter time, after the roads were closed, the women in isolated farm homes would be snowbound, with the nearest doctor perhaps fifty miles away, knowing full well that if anything happened to one of the children or to themselves the crisis would have to be faced without medical help. If this purchasing power is placed in the hands of our people it will enable all districts to be better served as far as medical attention goes.

It is well known that there has been great disparity between the income of the rural areas and that of the urban areas. It is also well known that families in rural areas are larger, on the average, than those in urban areas. This measure will tend to overcome that disparity in income, and for that reason also I welcome it. It will help substantially in redressing that balance. In western Canada we experience crop failures from time to time, and our people are most grateful for the Prairie Farm Assistance Act, which gives them a certain amount of security in the event of the occurrence of that disaster. But the payments are not large, and these additional allowances will give them an even greater feeling of security. This will greatly add to the joy of living on our western prairies.

I have been discouraged and surprised by the attitude of a few labour leaders in this country who have opposed this measure. They may feel that by organizing they can drive up wages; but do they not realize that great numbers of people, including the casual wage-earning class, the so-called white collar class, and the people on our farms, cannot be assisted by their organizations? Surely their opposition to this measure, if we look at it purely from their own point of view, should have been tempered by the thought that, after all, the greater part of the population of this country cannot organize in labour unions but is going to receive a tremendous benefit under this legislation. When they study the figures which have been given in this debate I hope they will withdraw the opposition they have expressed toward this most statesmanlike legislation.

In moving the second reading of this bill the Prime Minister referred to the Atlantic charter. I well remember when the Atlantic charter was signed and the suggestion was made that we were going to devote ourselves to bringing about freedom from fear and freedom from want among our people. At that time we felt that if we could bring about some amelioration of those conditions among our people it would be perhaps some compensation for the measureless misery and suffering of this war. If now, having held out those hopes to this nation, we do not follow through with measures which will bring about freedom from fear and freedom from want, we shall create a feeling from one end of this country to the other that our leaders have not been sincere with the people. I rejoice that this spirit of following through in connection with those hopes and promises which were held out to our beleaguered people in the dark days of 1940 has been made manifest as the star guiding this administration in the measures it is now taking looking to the well-being of our people.

The ACTING SPEAKER (Mr. Golding): Order. The hon. member's time has expired.

Mr. TUCKER: Surely, Mr. Speaker, the sacrifices made by our people at home; their willingness to devote themselves to the welfare of their country; the spirit in which many have left their loved ones, their children and gone forward into the hell of battle; the willingness with which our young people have risked everything they possess, all merit the support of this house and of future houses for all measures which will ensure that this devotion is properly requited by a grateful people.

Mr. G. E. WOOD (Brant): Mr. Speaker, it is with a measure of pride that I take this opportunity of supporting this most humanitarian piece of legislation, and also supporting my distinguished leader in this measure which I believe is dear to his heart. May I congratulate the hon. member for Rosthern (Mr. Tucker) upon the vigorous and splendid manner in which he marshalled his thoughts when speaking on this measure. I must con-

fess some jealousy of his ability along those lines, but I would also say that it was most pleasing to listen to him.

In the short time I have at my disposal I shall endeavour to express my views, the views of a common person, one who has never experienced poverty, who has never enjoyed luxury, who has always had plenty to eat, plenty to wear and plenty to do. I have always, however, understood the positions of those who have not been as fortunate as I have.

I am inclined to the view that our Prime Minister (Mr. Mackenzie King), my disguished leader, has taken his present attitude because of his memory of things which might have happened in his early family life. Only recently I had occasion to look into the early history of Canada, particularly as it relates to the Indians in my constituency, and the manner in which those who held legislative positions in the country at that time, a time when my leader's grandfather was endeavouring to champion the rights of the common people to responsible government, filched from the Indians $160,000. That was the same group which probably was responsible for the exile of the grandfather of our present leader. Because of that, the birth of his mother took place in poverty-stricken conditions, and under circumstances which almost cost her life. Had that happened we would not have had in Canada to-day this distinguished Prime Minister. I am inclined to the view that the fact we all cherish championing contributions our forefathers have made in the past prompted him to give consideration to that which is so near to him.

I mention this because, in my duty as a member of parliament, I discovered these things. That is what prompted me to think this legislation is the product of that experience, and I believe it is what prompted my leader to advance it. From the point of view of the farmer, as the hon. member for Rosthern has pointed out, this legislation is something which the farmers, and those others who obtain a good share of their living in kind, but not in money, will accept readily. It will enable them to secure for their children some of those better things in life, and possibly make it possible to give a more balanced ration, and thereby to develop healthier children.

I am inclined to think this is one of the first measures in which the farmer has been permitted to share and share alike with urban folk. I was interested in the comment of the hon. member for Saskatoon City (Mr. Bence). Had I been a Conservative, myself, I think I would be opposing this legislation, on the grounds of paternalism, charity, and all the things that go with it. Fortunately, however, I do not happen to be a Conservative, and I cannot accept the view of a former speaker to the effect that a division has been closely drawn in orthodox thinking. I still say that Liberalism is a state of mind, and I do not think it can be changed. It is, in fact, a progressive state of mind, one of those things with which we are born. We all have in us the positive and negative sides. At times there are places for Conservatism, times when we must consolidate the ground won by advanced Liberal thought.

But in these times we are looking for further advancement. When the hon. member for Saskatoon City made the claim that the solution of our problems was to be found in increasing wages—

Mr. BENCE: I said one of them.

Mr. WOOD: Well, all right, one of them. I have not been able to accept that view. It would be a very nice one to accept, of course, because everybody likes to have more money either in wages or from the sale of his produce. But we must remember that increased wages increase costs of production and the purchasing power of the dollar is immediately destroyed. There is just so much national wealth, and when one person gets more than his share the other fellow has to do with less. If we are to compete in the open markets of the world in the disposal of our surplus products, we must remember that we have to consider costs of production. People who are buying our produce are not going to consider our standard of living. It will be a clear-cut business proposition, and we would be wise to keep that thought in mind. After all, if the labouring man can buy the necessities of life at a lower price, he is already enjoying an increase in wages by virtue of that increased purchasing power.

Another reason for my acceptance of this legislation is the encouragement it must give to Canadian-born children. It has been my experience that men born and reared in this country generally enjoy a certain standard of living and of ideals. Those who come in through a method of immigration import with them many of those characteristics and ideas which infect the country to-day. It might be wise to make an analysis of our parliamentary guide. I believe, if we did that, it would be found that my statement is borne out to a very great extent.

Those old pioneers, people who thought in the orthodox fashion, came to this country and cut down the stubborn forests. They did not ask for any special privileges; they did not ask to have things other people had. They took over their land, and produced those things

which would increase their standard of living. They did not ask for a share of the production, or for a share of what other people had already earned. They did not become socialistic, or place themselves in a position to take what generations had sacrificed to develop.

I believe we can maintain a Canadian standard of ideals by encouraging more Canadian-born children. As the hon. member for Rosthern said, many people ask, How are we going to finance this? Because of advanced systems of transportation and communication we have to-day large companies, some of which have developed on an international scale. Sometimes they corral to themselves a monopoly of business, and by virtue of that fact create great volume of wealth. I take the view that because the law has protected those great companies, and has permitted them to continue in the enjoyment of their great possessions, the same law should enable them to share some of their wealth with those who are less fortunate. It is only just and reasonable to expect that they will take those who are not so fortunate by the hand and help them over the rough places of life. It seems to me that this legislation is visionary in that respect. We have in Canada to-day three thousand more factories than we had when the war broke out. Many of them have developed into large businesses and by virtue of that fact they have been able to get for themselves a great deal of wealth. The weapon of taxation will be used to see that that wealth is redistributed to those who need it most, to the homes with the greatest number of children and where the need is greatest.

Another argument in favour of this bill is that quite often when the family is young the earning power of the father is at its lowest point. He has not yet come to that age in life where he is able to realize upon his efforts and experience, and that is the time when he finds his burden is the greatest.

There is one thing I deplore, the argument that this legislation will create national disunity. It is unfortunate that attention is drawn to people who live within certain boundary lines. After all, the choice of where we are born or who our parents are to be is not our own. I think it is up to us to be broad-minded and fair enough to realize that at least all people are entitled to their share of the good things of life.

The *Globe and Mail* quite often print a column entitled, "In case you are interested." I do not know whether the local representative of that paper is in his place, but I should like to call his attention to something which possibly he can have printed to-morrow in the *Globe and Mail*. If there is one column in any paper that has done more to bring about disunity it is that column in that morning paper. Quite often they refer to Quebec in a roundabout way. Here is something I should like to draw to their attention.

Being a farmer I have always been interested in the federal farm loan legislation. I placed a question upon the order paper, and the reply I received indicated that there were 5,527 farm loans in the province of Quebec, and 2,530 in Ontario, less than half. The total amount of the loans in Quebec was $13,500,000, while those in Ontario totalled a little over $6,000,000. Here is the point I want to draw to the attention of the editors of, "In case you are interested." I am bringing this out because I am an Ontario farmer. In spite of the fact that Quebec has twice as many loans totalling more than twice the amount of the Ontario loans, the arrears of payments in 1943 were $70,040 as compared with $164,000 for Ontario.

I do not publish that information with any measure of pride, but when it came to my attention I felt that there must be something about the philosophy of the people of Quebec, something about their family life which made them honest enough to try to pay their debts. That, in my view, is a worth-while object and one which enhances their integrity.

There is another thing I should like to draw to the attention of the *Globe and Mail* in case they run out of material for the column, "In case you are interested." No nation is particularly great because of its material wealth, a nation's greatness is measured by the quality of its people. I consider that this legislation will enable our people to maintain their families in a standard better than they would otherwise be able to do.

I see my time is limited, but there is one thing I should like to direct attention to which came to my mind recently. It may be considered crude for me to refer to this matter but I think it is quite important. We subsidize many other things, so surely our children are entitled to consideration for they are the most important. In Ontario the farmers receive a subsidy for producing bacon hogs. First we receive $3 from the federal government for producing a grade A hog; we receive $1 from the province; we receive $2.25 in freight on the 1,000 pounds of grain we feed per pig; we receive another $3 for the twenty bushels with the fifteen cent per bushel ceiling price that is granted; this totals to a little over $9 per pig. I always read the *Globe and Mail* when I have breakfast—

Mr. MAYBANK: The hon. member would not suggest for a moment that there is as much fun in a little pig as there is in a child?

Mr. WOOD: I am just trying to show which is the most important. I noticed on page 19 of the *Globe and Mail* a little item referring to a prolific sow that produced a litter of eighteen pigs. If that could be duplicated every six months that family of pigs would earn a subsidy of $324 per annum. If we can do that for our swine production, surely there should be no objection to this legislation.

On motion of Mr. Wood the debate was adjourned.

EMBASSIES

ANNOUNCEMENT OF EXCHANGE OF DIPLOMATIC MISSIONS AND APPOINTMENT OF AMBASSADOR TO PERU

Right Hon. W. L. MACKENZIE KING (Secretary of State for External Affairs): Hon. members will recall that, during the discussion of the Department of External Affairs estimates under the war appropriation bill last year, reference was made to the development of direct diplomatic relations between Canada and certain Latin-American countries, and that I informed the house at that time that we hoped to exchange diplomatic missions with Peru.

I have pleasure in informing the house that Doctor Henry Laureys has been appointed the first Canadian ambassador to Peru.

Doctor Laureys returned in the spring of this year from South Africa where he served as the first High Commissioner for Canada for over four years. Doctor Laureys had a distinguished academic career as dean of the school of higher commercial studies at the university of Montreal before he entered the public service, and has made a wide study of international, economic and commercial problems.

The Peruvian government has appointed Doctor Humberto Fernandez Davila as charge d'affairs ad interim at Ottawa pending the appointment of a Peruvian ambassador.

APPOINTMENT OF MINISTER AT EMBASSY TO UNITED STATES

Right Hon. W. L. MACKENZIE KING (Secretary of State for External Affairs): I have also pleasure in announcing that Mr. L. B. Pearson, minister-counsellor at the Canadian embassy in Washington, has been appointed minister at the embassy.

Mr. Pearson has already had a long and distinguished career in the Canadian external affairs service, both in Ottawa and abroad. For the last two years he has been second in command at the embassy in Washington, and charge d'affaires when the ambassador is absent. Since his appointment to Washington he has represented Canada at the first meeting of the council of the united nations relief and rehabilitation administration and has served as chairman of the supplies committee of that organization. He was also a member of the Canadian delegation to the Hot Springs conference on food and agriculture, and has served as chairman of the interim commission set up to complete plans for the establishment of a united nations food and agriculture organization.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, July 28, 1944

REPORTS OF COMMITTEE

Fourth report of standing committee on standing orders.—Mr. Golding.

Fourth report of standing committee on banking and commerce.—Mr. Moore.

ROYAL CANADIAN AIR FORCE

POSTHUMOUS AWARD OF VICTORIA CROSS TO FLIGHT LIEUTENANT EDWARD DAVID HORNELL

Hon. CYRUS MACMILLAN (Parliamentary Assistant to Minister of National Defence for Air): Mr. Speaker, on behalf of the Minister of National Defence for Air it is my proud privilege and honour to inform the house that the highest decoration for valour, the Victoria Cross, has been awarded posthumously Edward David Hornell, of Mimico, Ontario, formerly residing at Harbord street, Toronto.

With the consent of the house I should like to place on *Hansard* the citation referring to the gallant and distinguished conduct of Flight Lieutenant Hornell, on the night and day of June 24 last.

Flight Lieutenant Hornell was captain and first pilot of a twin-engine amphibian aircraft engaged in anti-submarine patrol over northern waters.

The patrol had lasted some hours when a fully-surfaced U-boat was sighted travelling at high speed on the port beam. Flight Lieutenant Hornell at once turned to the attack. The U-boat altered course. The aircraft had been seen and there could be no surprise. The U-boat opened up with anti-aircraft fire which became increasingly fierce and accurate.

The front guns of the aircraft replied; then its starboard gun jammed, leaving only one gun effective. Hits were obtained on and around

the conning tower of the U-boat, but the aircraft was itself hit, two large holes appearing in the starboard wing.

Ignoring the enemy's fire, Flight Lieutenant Hornell carefully manoeuvred for the attack. Oil was pouring from his starboard wing; and his petrol tanks were endangered. Meanwhile the aircraft was hit again and again by the U-boat's guns. Holed in many places, it was vibrating violently and became very difficult to control.

Nevertheless, the captain decided to press home his attack, knowing that with every moment the chances of escape for him and his gallant crew would grow more slender. He brought his aircraft down very low and released his depth charges in a perfect "straddle". The bows of the U-boat were lifted out of the water; it sank, and members of the crew were seen in the sea.

Flight Lieutenant Hornell contrived, by superhuman efforts at the controls, to gain a little height. Fire in the starboard wing had grown more intense and the vibration had increased. Then the burning engine fell off. The plight of aircraft and crew was now desperate. With the utmost coolness, the captain took his aircraft into the wind and, despite manifold dangers, brought it safely down on a heavy swell.

Badly damaged and blazing furiously, the aircraft rapidly settled. After the ordeal by fire came ordeal by water. There was only one serviceable dinghy and this could not hold all the crew, so they took turns in the water holding onto the sides. On one occasion the dinghy capsized in rough seas and was righted only with great difficulty. Two of the crew succumbed from exposure. An airborne lifeboat was dropped to them but it fell some 500 yards down wind.

The airmen struggled vainly to reach it and Flight Lieutenant Hornell, who throughout had encouraged them by his cheerfulness and inspiring leadership, proposed to swim to it, though he was nearly exhausted. He was with difficulty restrained. The survivors were finally rescued after they had been in the water twenty-one hours. By this time Flight Lieutenant Hornell was blinded and completely exhausted. He died shortly after being picked up. Flight Lieutenant Hornell had completed sixty operational missions, involving six hundred hours flying. He well knew the danger and the difficulties attending attacks on submarines. By pressing home a skilful and successful attack against fierce opposition, with his aircraft in precarious condition, and by fortifying and encouraging his comrades in the subsequent ordeal, this officer displayed valour and devotion to duty of the highest order.

The members of the crew who died with him were Donald Stewart Scott of Almonte, Ontario, and Fernand St. Laurent, of Father Point, Quebec. The surviving members of the crew are Bernard Charles Denomy, of Chatham, Ontario, who was awarded the Distinguished Service Order; Graham Campbell, of Saskatoon, Saskatchewan, who was awarded the Distinguished Flying Cross; Sidney Edward Matheson, of Nelson British Columbia, who was awarded the Distinguished Flying Cross; Flight Sergeant Israel Joseph Bodnoff, of Ottawa, who was awarded the Distinguished Flying Medal, and Sidney Reginald Cole, of Long Branch, Ontario, who was awarded the Distinguished Flying Medal.

May I add just one word, Mr. Speaker? We rejoice, I am sure, in the rescue of the living; we deeply sympathize with the kindred of the dead. This story of courage which I have just read is typical of the spirit of Canada. May it live forever as a perpetual inspiration in the heart and memory of the land they loved, Canada, the land they died to save!

Mr. GORDON GRAYDON (Leader of the Opposition): The announcement of the parliamentary assistant that the highest of all recognitions for gallantry and devotion to duty, the Victoria Cross, had been awarded posthumously to one of Canada's valiant and intrepid young airmen serves to focus attention once more upon what this young generation of Canadians are going through and sacrificing for us all.

To Flight Lieutenant Hornell's parents goes out our genuine sympathy in their tragic loss. Deep as will be their sorrow, they will have the consolation that their boy was not afraid to die that others might live.

At many a remembrance day ceremony across Canada since the last war people with tear-dimmed eyes have sung this hymn, one verse of which seems singularly appropriate in view of Flight Lieutenant Hornell's brave and unselfish service, and I repeat it to this house:

> Proudly you gathered, rank on rank to war,
> As who had heard God's message from afar;
> All you had hoped for, all you had, you gave
> To save mankind—yourself you scorned to save.

PRIVATE BILLS

FIRST READING—SENATE BILLS

Bill No. 172, for the relief of Ruth Usher Garson.—Mr. Factor.

Bill No. 173, for the relief of Albert Daniel Joseph Doherty.—Mr. Fulford.

Bill No. 174, for the relief of Rosie Vogel Blatt.—Mr. Fulford.

Bill No. 175, for the relief of William McKenzie White.—Mr. McIlraith.

Bill No. 176, for the relief of Zoe Irene McFarland Craig.—Mr. Fulford.

Bill No. 177, for the relief of George Henry Olaf Rundle.—Mr. Isnor.

SELECTIVE SERVICE

REPORT ON EXECUTION OF WARRANTS BY R.C.M.P. AFTER FUNERAL SERVICE

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to ask the Minister of Justice a question in regard to the investigation he has conducted into the actions of certain officials of national selective service at Balsam Creek, Ontario, regarding one Morrison, arrested for infractions of national selective service regulations, either during or after performing a funeral service.

Hon. L. S. ST. LAURENT (Minister of Justice): When my estimates were under consideration the hon. member asked me if an investigation had been made of the newspaper report of this incident. I told him then that to my knowledge no investigation had been made but that I would look into it at once. An investigation has now been made and I have received the following report from the commissioner of the Royal Canadian Mounted Police:

I have had this matter investigated and the following are the circumstances in connection therewith:

On July 7 an obituary item appeared in the North Bay *Nugget* to the effect that a funeral would take place on July 9 ten miles from North Bay and that the person officiating would be one Donald Morrison for whom a warrant as a delinquent had been received by our North Bay detachment on March 23 last.

The enforcement officer of the national selective service at North Bay, who observed this obituary notice, perceived that the list of those attending included two other persons for whose arrest warrants were held. He communicated with the regional enforcement officer, and was instructed to attend with police officers and check on men of military age in an endeavour to apprehend Morrison and others for whose arrest warrants had been issued. The officer first referred to accordingly approached the Ontario provincial police and the military provost police and our own detachment, with the result that two members of each of the three forces and the enforcement officer, together with the enforcement liaison officer of the selective service, attended the funeral. The funeral proceeded, and it was after the ceremony was over that a check was made as those in attendance were leaving the cemetery. Apparently some of the individuals for whom warrants had been issued got away by crossing the fields, although an effort was made to detain these men. Mr. Morrison was the only one, however, who was arrested.

I may say that at the time the question was asked in the house by Mr. Diefenbaker, particulars regarding this matter had not come to hand.

While I consider the actions of those conducting this check, under the circumstances, to be devoid of all decency and sentiment, I should say that our constable had been criticized by the local selective service officials for alleged neglect in executing the said warrants. This resulted in an inquiry which indicated that the charges were unfounded. However, I consider this no excuse for the actions of the members of this force, as they should have refused flatly, under the circumstances, to carry out the instructions of the selective service officials. I have ordered severe disciplinary measures to be taken against members of the R.C.M. police involved, including the transfer of the personnel to headquarters.

Mr. HAZEN: I should like to ask the Minister of Justice a question arising out of a statement he made a few minutes ago about the incident at the funeral at Balsam Creek, Ontario, in which the Royal Canadian Mounted Police took part. I understood him to say, and this is what I would like cleared up, that the police were disciplined for executing a warrant after the funeral. Is that correct? Were they disciplined for executing a warrant for arrest after the funeral?

Mr. ST. LAURENT: They were disciplined by the commissioner for executing a warrant in a cemetery after the funeral had taken place.

Mr. HAZEN: Is there anything particularly objectionable about that?

Mr. ST. LAURENT: Each one must determine that according to his sense of what is decent.

SOLDIER SETTLERS

REPRESENTATIONS WITH RESPECT TO GRANTING OF CLEAR TITLE TO LANDS

On the orders of the day:

Mr. ROBERT FAIR (Battle River): I should like to ask the Minister of Mines and Resources what action has been taken by the government with respect to the brief presented to a committee of the cabinet on May 23 last by a delegation representing the soldier settlers' association of Canada, asking among other things for clear title to their lands.

Hon. T. A. CRERAR (Minister of Mines and Resources): The matter is still under consideration. This delegation presented their memorandum to six members of the government on the date mentioned by the hon. member. Unfortunately since then, due to the absence of the director of the Veterans Land Act and my own absence for a week, we have not had an opportunity to meet and consider the representations with a view to making a report to council, but that will be done as soon as it is convenient to do so. The hon. member is aware, as is every other hon. member, that in these closing days of the session we are all working under considerable pressure.

ALASKA HIGHWAY

FURTHER REPORT AS TO DESTRUCTION OR ABANDONMENT OF STORES

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): The Minister of Mines and Resources told us, I think, that he would endeavour to obtain some report on the rumours in circulation regarding the disposition of equipment from the Alaska highway. I believe he said he would have something on Thursday. Will he give us any information he has obtained?

Hon. T. A. CRERAR (Minister of Mines and Resources): I referred the matter to the Prime Minister's office, because probably it comes more under external affairs than under any other department, and I shall bring it again to the notice of the Prime Minister. He was not in the house yesterday morning when orders were called and is not here this morning, but I have no doubt he has a reply to the query which he may give later to-day or to-morrow.

Mr. GRAYDON: From information I get now it would appear that this matter actually is being held up by some department or departments of this government. Apparently the war assets corporation or some similar body is not allowed to purchase these goods from the United States government and resell them in the usual way. The minister might look into that also.

Mr. CRERAR: I shall be glad to have that matter brought to the attention of those who have to do with it. But, as I stated the other day, this property belongs to the government of the United States.

Mr. HANSON (York-Sunbury): We all know that.

Mr. CRERAR: Well, then—

Mr. HANSON (York-Sunbury): But it cannot be disposed of; it is being destroyed, and people think that is wrong.

Mr. CRERAR: That may be, but surely my hon. friend realizes that some aspects of the matter may make it difficult for this government to decisively intervene. What I rather object to is the inference that may be drawn from the remarks of the leader of the opposition that in some way the government here is responsible for this situation.

Mr. GRAYDON: I think that is the case.

Mr. CRERAR: Then all I can say is that the leader of the opposition is making a very considerable assumption.

[Mr. Crerar.]

[Later]:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, on Tuesday last reference was made by the hon. leader of the opposition and the hon. member for Rosetown-Biggar (Mr. Coldwell) to reports to the effect that certain stores and equipment used in the construction of the Alaska highway by the United States had been destroyed and that residents of the Peace River district were facing threats of prosecution by the United States federal bureau of investigation for having recovered from army dumps goods allegedly discarded.

This matter had also been brought to my attention by the hon. member for Cariboo (Mr. Turgeon), in whose constituency these actions are alleged to have occurred.

When these reports were received that useful stores were being destroyed, the special commissioner for defence projects in northwest Canada was asked to investigate and, as I informed the house on July 10, he replied that he had been unable to obtain evidence to substantiate these charges. He has, however, continued his investigations and now reports that United States officers are engaged in closing up one hundred and fifty construction camps, segregating and concentrating all usable material of economic value at thirty collection points for later disposal. When the United States army has completed these operations and has provided lists of surplus equipment which it does not wish to remove to the United States, it may prove practicable for the Canadian government to take custody of this material, dispose of it, and turn over to the United States government the net proceeds of sale, after deducting sales expenses and such duties and taxes as may be assessed. Discussions to this end are now under way between the two governments and it is hoped that an agreement will shortly be reached.

With regard to the specific charges that usable stores have been destroyed, the United States authorities advise that explicit instructions have been issued to their officers in the field that everything of economic value should be salvaged. Infected blankets and clothing and foodstuffs unfit for human consumption are, however, being destroyed. It is, of course, possible that errors of judgment have been made in carrying out these instructions. Officers of the United States northwest service command and representatives of the war department from Washington are now making a complete investigation of charges of improper destruction and waste. Their findings will be communicated to the special commissioner.

As for heavy equipment such as tractors and bulldozers, I may say that a good many of these machines have already been made available to the Canadian government for use on defence projects. I have every confidence that the usable remainder will, in due course, be salvaged and put to profitable employment.

With reference to the allegation that agents of the United States federal bureau of investigation have been examining the situation, and that they have made threats of prosecution against Canadians who have been combing the army dumps in the area concerned, I am informed by the special commissioner that there is no evidence to support these assertions. In any event, as hon. members will understand, officers of the federal bureau of investigation would have no authority in Canada to take such action as has been alleged.

As hon. members know, supplies and equipment for the use of United States armed forces in Canada have been admitted free of all duties and taxes on the express condition that they were required for the exclusive use of those forces. With the gradual completion of the defence programmes in the northwest, there are bound to be surplus items of equipment and supplies left at isolated outposts and construction camps in the north country. These will probably include articles of every sort, some new, some used, some scrap and some repairable. The cost of transporting these articles, frequently by air, to the place they now are has been very high. It may often not be worth while to ship them back to the United States. However, under the law such supplies cannot be disposed of in Canada to other users than the United States army except after appraisal and payment of the usual duties and taxes which they would have had to pay if they had been ordered from the United States for private use in the first instance.

As I have said, the Canadian government has taken the initiative in proposing to the United States an over-all agreement which would provide an orderly procedure for the salvaging of United States surplus stocks in Canada. I am hopeful that definite arrangements may soon be made in this matter. We should recognize, however, that even such an agreement will not fully meet all the difficulties of a complicated and unusual situation. I have, therefore, instructed the departments of government concerned to try to work out some practical and realistic arrangements so that the requirements of the revenue laws do not in any circumstances result in the unnecessary destruction of goods that could be put to useful local purposes.

Mr. GREEN: May I point out to the Prime Minister in connection with his statement that there is a press dispatch in the lower right-hand corner of page 12 of this evening's Ottawa *Journal* about the same matter. It is headed "Says medical supplies thrown away in Alaska", and the item reads:

> Vancouver, July 27. Large amounts of medical supplies were among material thrown on a big dump of unused United States Army goods near Dawson Creek, B.C.—
>
> It was not in Alaska at all.
>
> —Peter H. Schroeder, Dawson Creek trucking contractor, said here to-day.
>
> "Enough stuff was tossed away to stock a drug store for 10 years," he said.

Perhaps this also might be investigated.

Mr. MACKENZIE KING: It would come under what I have already suggested.

METHYL ALCOHOL

ALLEGED FAILURE TO HAVE CONTAINERS LABELLED "POISON"

On the orders of the day:

Hon. L. S. ST. LAURENT (Minister of Justice): When my estimates were under consideration the other day the hon. member for Saint John-Albert (Mr. Hazen) asked if any invesigation had been made into a poisoning incident which arose through the drinking of methyl hydrate, which had been shipped in containers which did not bear the word "poison". I inquired into the matter and found that an investigation had been made and a report submitted to the Department of National Revenue for their consideration. I am told that instructions now have been given by the Department of National Revenue to have a prosecution instituted against the suppliers of this substance.

PROVINCIAL ELECTIONS

STATEMENTS OF MR. DUMOULIN AND MR. SAURIOL —INCIDENT AT LETHBRIDGE MEETING

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Is the Minister of Justice yet in a position to give us any report on the investigation he is making with respect to Mr. Jacques Dumoulin?

Hon. L. S. ST. LAURENT (Minister of Justice): I think I should endeavour to dispose of this matter definitely, if I can. I find that it was first referred to in the house by the leader of the opposition on Tuesday, July 18, as appears at page 4973 of *Hansard*. I happened to be away at that time attending the monetary conference at Bretton Woods, and I did not have an opportunity of seeing

the Canadian newspapers. I must confess that for some time past I have been devoting very little time to looking at the newspapers. When I returned on Thursday morning the matter was again referred to. My attention had not been called by anyone to what had taken place on the preceding Tuesday. Probably I was at fault, but I must confess again that I did not take time to read *Hansard* for the three days I was away.

On Thursday that question was coupled by the leader of the opposition with another, concerning an incident which was reported as having occurred at a political meeting in Lethbridge, where another provincial election is to take place, and it was suggested that the Lethbridge incident should be investigated also. I had not seen any Canadian newspapers for four or five days, and though perhaps to a certain extent I was mistaken I took this to be good-natured political raillery and answered that I thought the keeping of peace and order under ordinary circumstances was the responsibility of the attorneys general, and that if I attempted to investigate every brawl that occurred across the country soon I would be charged with meddling in things that were no concern of mine.

The leader of the opposition again referred to the Dumoulin case when my estimates were under consideration on July 21, saying that he asked the question because Mr. Dumoulin was a member or a supporter of the Quebec government; that appears at page 5245 of *Hansard*. Again I took the statement to be the kind of good-natured political raillery in which we sometimes indulge, and let it pass. Last Monday the leader of the opposition asked if I had an investigation made. I was surprised and said I had never undertaken to have any investigation made, and I had not yet seen what the leader of the opposition had said on the first occasion. But I said I would get the papers; and he having stated that there was something reported which in his opinion should be investigated, I would see if I could agree with the impression he had gathered from the newspaper report. I then got a clipping from the newspaper *L'Evenement* which was the first report of the incident. I was scandalized at what I saw there, because I know this particular Mr. Dumoulin; I have known him as a lawyer for over twenty-five years and from time to time heard some of his speeches. A few weeks or months ago he was guest speaker at a luncheon at the Empire club of Toronto; and as I say, this report did not sound like something he would say. But of course the island of Orleans is not the Empire club of Toronto.

I do not know positively whether he did say what this newspaper reports, or whether he did not say it. But I had investigations made immediately, and it has been ascertained that there was only one newspaper reporter present at the island of Orleans, and he has unfortunately destroyed his notes. The island of Orleans is a very charming island of four or five agricultural parishes. There is one other industry there—a small wooden-boat shipyard that has been in existence since the very early start of the colony. In that yard lifeboats and boats of the kind—and since the beginning of the war some other boats—have been made and repaired. But essentially it is an agricultural community.

Now, the only reporter at the meeting was a Mr. Clement Brown. Mr. Clement Brown was interviewed. He said that he had made notes while Mr. Dumoulin was speaking, but that he had destroyed his notes immediately after he made his report for his newspaper, and that he could not swear to any verbatim statement attributing it to Mr. Dumoulin. He did remember that Mr. Dumoulin had said:

> I have done everything to help the youths, sons of farmers to be exempted, none of those who called upon me for assistance and who had a right to a postponement, have been mobilized, and they are to-day still on the farms.

Well, that did not seem to be so very bad, because I doubt if there are many hon. members in the house representing rural constituencies who have not from time to time been asked to make representations on behalf of bona fide farmers' sons. The meeting had been attended by, among others, the mayor of the municipality in which it was held, and the mayor of the adjoining municipality. They were interviewed, and they both said that Mr. Dumoulin had not made the other statement attributed to him in the newspaper report. I have a complete report here. Yesterday I showed it to the leader of the opposition. I do not think it is something which should be tabled. But if there is any other hon. member who would like to see it I shall be only too glad to show it to him.

The result is that it certainly could not be established in a court of justice that statements contrary to the defence of Canada regulations were made on that occasion.

May I go one step farther, and in doing so I invoke a question of personal privilege. On

Wednesday a newspaper published in my home city of Quebec carried a leading editorial, over half a column, in respect of this incident.

Mr. GRAYDON: Which paper?

Mr. ST. LAURENT: The *Chronicle-Telegraph*. It states:

To hold Mr. St. Laurent responsible for the outcome of legal proceedings would be unreasonable. In the event of an investigation being held, we have perfect confidence in the ability of the defendant who may have been sailing close to the wind to free himself on one technical ground or another. But all the more on this account the minister could afford to make a show of doing his duty by undertaking to consult the officers of his department, instead of curtly snubbing the opposition for doing their duty in questioning him.

I certainly had no intention of snubbing the opposition, or anyone; and I hope that impression was not conveyed to the leader of the opposition with whom I had the exchange in that connection.

Mr. GRAYDON: Perhaps the newspaper may have meant, from that, that the minister was pretty quick to say that he was going to make no investigation in respect to it.

Mr. ST. LAURENT: I did not say I was going to make no investigation. I said I had not undertaken to make any.

Mr. GRAYDON: That is not my recollection, but I shall not quarrel with the minister.

Mr. ST. LAURENT: And the editorial continues:

That the position of Mr. St. Laurent is a difficult one, in view of electoral complications, no one can gainsay. But the obligations of his office are unchanged on that account. And if any man would insist on justice being done "though the heavens fall", that man is he, admiring observers of his previous career would have sworn. That he has not shown himself strong enough to do so is unfortunate for Canada and as already suggested, keenly disappointing to themselves.

I do not mind personal criticism; that is of no real importance. But, Mr. Speaker, even during election time we should maintain some sense of proportion and perspective. And I submit that what is unfortunate is not that Mr. Dumoulin is not prosecuted, but perhaps, that so many of us in Canada appear to be too unwilling to give to matters which are important the whole of our time and attention in the order of their respective importance.

Mr. HANSON (York-Sunbury): I would not be so thin-skinned.

Mr. GRAYDON: With respect to the Dumoulin matter, may I say that the investigation, as I see it, is not very complete, nor is it very conclusive. One thing that strikes me is that Mr. Dumoulin himself has never come out and denied the statement that he is alleged to have made.

Mr. MACKENZIE (Vancouver Centre): I am sick and tired of hearing the Quebec election fought every day across the floor of this house.

Mr. CHURCH: I would like to ask the Minister of Justice if he could tell us—

Mr. SPEAKER: Order. The hon. member for Rosetown-Biggar has the floor.

Mr. GRAYDON: The Minister of Justice has raised some question as to the stand I took regarding the Dumoulin matter when it was brought up in the house and about which an editorial appeared in a Quebec newspaper. At page 5252 of *Hansard*, of July 24, I asked this question:

Has the Minister of Justice any report to make on the progress that has been made in the investigation of statements alleged to have been uttered by Jacques Dumoulin in the Quebec election?

The Minister of Justice replied, and it is upon this reply I think that the editorial was based:

I am not having any investigation made as to the statement alleged to have been made by Jacques Dumoulin in the Quebec election, nor have I ever stated that I was going to.

Mr. ST. LAURENT: That was a statement that was absolutely true. There was no investigation being made at that time. That was not a refusal to make an investigation.

Mr. GRAYDON: May I say this?

Some hon. MEMBERS: Order.

Mr. GRAYDON: I know, Mr. Speaker, that we have had a long series of questions on the order of the day, but this is extremely important. I just want to say this. The Minister of Justice says that he did not refuse. I would like to know what he meant when he said this:

I am not having any investigation made as to the statement alleged to have been made by Jacques Dumoulin.

That is what I took as a straight refusal.

Mr. ST. LAURENT: That is quite clear. It is a statement that at that time I was not having any investigation made and was therefore not in a position to be receiving a report.

Mr. GRAYDON: When somebody says he is not going to do something, I take that as a refusal.

Mr. ST. LAURENT: I did not say that I was not going to. I said that I was not having any investigation made at that time.

Mr. GRAYDON: And that you were not going to do it.

Mr. ST. LAURENT: I did not say that.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, since the incident which occurred at Lethbridge has apparently been mentioned in the house, I crave the privilege this morning of saying just a few words. The incident as reported in the newspaper was an entire distortion of that affair. During the course of my speech in Lethbridge I had occasion to refer to the rise of racial animosity in Canada, and the persecution of minorities. I referred specifically to a speech made by the hon. member for Wetaskiwin (Mr. Jaques) on July 12, 1943, and reported in *Hansard*. At that point Mr. Landeryou, Social Credit candidate, said, "That's a lie."

Mr. CRUICKSHANK: Wasn't it?

Mr. COLDWELL: No, it was not. And I repeated the reference to the protocols of Zion, which the hon. member had placed upon the record. The interrupter made the same remark. I then said, "You will either withdraw that remark, apologize for that remark, or you will leave the meeting." I then sat down. I waited a full minute or more, during which time some people in the audience were endeavouring to persuade the interrupter either to apologize or leave. Then the chairman rose and said, "The interrupter has had time to consider what he will do. I give him another five seconds to rise and apologize, or be shown out."

Mr. GRAYDON: Was it "shown" or "shoved"?

Mr. COLDWELL: "Shown". Then ushers took him, without undue violence, from the hall. On the outside of the building he became abusive, and accused some of our people there of being fascists. Then I am told a man—

Mr. REID: Mr. Speaker, on a point of order—

Some hon. MEMBERS: Order.

Mr. COLDWELL: —who had already had three sons overseas—one killed, one missing, and another who was now serving, struck him. It was on the outside of the hall. That is what occurred.

Mr. GRAYDON: Mr. Speaker is on his feet.

[Mr. Graydon.]

Mr. REID: My point of order is this: can a matter that occurred outside this house be debated in the house?

Mr. GRAYDON: You will be given just five seconds if you are not careful.

Mr. REID: I have another story to tell. If this is going to be a free for all, let us get in on it.

Mr. COLDWELL: May I say that—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The question was raised before in the house by the leader of the opposition on a question addressed to the Minister of Justice. It has been raised again to-day, and I thought it was only fair that the hon. member should have an opportunity to speak.

Mr. GARDINER: On the point of order, this incident that is being recited is just typical of dozens of incidents put on by the C.C.F. all over western Canada.

Mr. COLDWELL: That is not true.

Mr. GARDINER: I have been called a liar from the audience by C.C.F. organizers at least twenty times within the last ten years. There is nothing new about that at all. He is simply getting back what he organized in western Canada.

Mr. COLDWELL: I have no knowledge of any such incidents. May I say that if I were the Minister of Agriculture and anyone called me a liar he would not remain in my presence any length of time.

Mr. REID: No; you would get strong-arm men to do it.

Mr. GARDINER: The Liberal party to which I belong has never organized storm troopers in western Canada to throw anybody out. When I want anyone thrown out of my meetings I throw them out myself.

Mr. COLDWELL: That is why no one ever gets flung out.

INQUIRY OF THE MINISTRY

INTERNMENT: CAMILLIEN HOUDE—REPORTED STATEMENT OF JACQUES SAURIOL

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the Minister of Justice a question. Has he come to any decision with regard to the release of ex-Mayor Houde of Montreal before the last day for nominations, next Tuesday, for the Quebec elections? Second, has any action been taken in connection with the press report of a statement of Jacques

Sauriol, referred to yesterday? Mr. Houde only said what many others said of the late plebiscite in and out of this house.

Hon. L. S. ST. LAURENT (Minister of Justice): In reply to the first question, I have not arrived at any conclusion as yet. In reply to the second question, I have come to the conclusion that it would not be proper to institute proceedings against Mr. Sauriol. I received a report on this matter from the counsel who is usually employed by the Royal Canadian Mounted Police in Montreal which has impressed me with the undesirability of instituting proceedings. I dislike taking up so much time with these matters, but it must be done if they are to be finally disposed of. The counsel considers that it would be doubtful whether or not he could establish his facts upon the reports he has received from the Royal Canadian Mounted Police. In addition, he writes:

As to the expediency of taking action, the following comments may be considered by the authorities:

It is a well known rule that under our criminal law, any one, whether the victim or not of an offence, may take action.

This discretionary power brings to the fore the question of the advisability of proceeding in any case.

This discretion is a right vested in any citizen as well as in those who have the responsibility of the admission of justice. It belongs to them all, once satisfied that the evidence justifies them to take action, to decide whether or not such action should be taken.

As far as the authorities are concerned, their decision must not be guided simply by the specific case under consideration, but must be inspired by the broader view of good government. For such decision they are answerable to the people who have entrusted to them the responsibility of governing.

This right to take action has been restricted in a number of offences under the Criminal Code of Canada and under the defence of Canada regulations, in certain matters such as in the present. And for the prosecution of certain offences, consent from the responsible authorities is required.

In confining this discretionary power to the governing authorities in these particular cases, the legislator has given more importance to the feature of expediency, and has left it entirely to the governing authorities to decide whether in any case, taking action would be a remedy worse than the evil.

The occasion which gave rise to the speech referred to is the provincial general election. While the occasion is not a defence for violation of the law, yet, it cannot be denied that on such occasion, it is according to the principles and customs, that greater tolerance be granted to the people to give their views and discuss the status of those who have governed them.

Election time is, in fact, the only time when a free people can discuss public matters for the purpose of the very creation and establishment of the next government.

The occasion becomes the rational foundation of that tolerance. This, again, does not justify the violation of the law, but it increases the degree of wisdom needed for the government, to use adequately the discretionary power given to it to take or not to take action, and it would appear better and more in line with a free constitutional foundation of power to make a mistake in granting too much tolerance, than to make a mistake in restricting it too much.

Furthermore, the action of the authorities will be much more publicized than the speech of one Jacques Sauriol and the speech, by the action of the authorities, will be given the real publicity.

Again, the action of the authorities will have a reaction, and it is logical to expect the general electoral campaign to be a proper occasion, if not the ideal occasion, for further violations.

The effect of the speech of Sauriol is known, and is not, as far as we know, of any importance. The effect of an arrest is not known but can be anticipated as fostering the movement and inflaming declarations to come.

I do not think the attack on the federal police has, in any way, touched the stability of its good character and reputation, and when this temporary situation created by the election will be over, Sauriol's speech will have been forgotten.

May I say, in support of this opinion, that these views on the expediency of proceeding are absolutely in line with the reason of existence of regulation 39 itself.

The purpose of the regulation is definitely to assure the efficient prosecution of the war, and in deciding as to what action can be taken, the same aim has to be kept in mind.

The very question for the authorities to decide is whether taking action, under these circumstances which are temporary in character will not be more harmful than refraining from taking it.

On consideration of that opinion I have come to the conclusion that the taking of action might be more harmful in its result than to refrain from taking it at this time.

Mr. DIEFENBAKER: Whose opinion is that?

Mr. ST. LAURENT: That is the opinion of Mr. Gerald Fauteux, K.C., Montreal, who for some years past has been the counsel consulted by the Royal Canadian Mounted Police.

Mr. DIEFENBAKER: Why should not the same principle be applied so far as these simple Jehovah's Witnesses are concerned?

Mr. ST. LAURENT: The members of Jehovah's Witneses against whom warrants had been issued were defaulters under the National Resources Mobilization Act.

Mr. DIEFENBAKER: And this is sedition.

Mr. ST. LAURENT: It is considered by the authorities that those who have been requested to comply with the National Resources Mobilization Act and have failed to do so should be brought to justice.

Mr. DIEFENBAKER: And sedition should not be prosecuted.

CRIMINAL CODE

CONCURRENCE IN SENATE AMENDMENT

Hon. L. S. ST. LAURENT (Minister of Justice) moved the second reading of and concurrence in an amendment made by the senate to bill No. 139, to amend the Criminal Code.

He said: The amendment will be found at page 598 of the *Votes and Proceedings* of Monday, July 24.

Mr. GRAYDON: Perhaps the minister will give us some idea of the purpose of the amendment.

Mr. ST. LAURENT: The section amended is one which provided for transferring appeals from summary convictions, which formerly in the province of Quebec went to the court of king's bench, crown side, to the superior court. The court of king's bench, crown side, in the rural districts sometimes does not sit for many months; sometimes more than a year passes without a session of the court. But the superior court, which is the trial court and is presided over by the same justices who sit in the court of king's bench, crown side, has much more frequent sessions. So for the purpose of expediting the disposal of appeals from summary convictions the criminal code was being amended to substitute the superior court as the court to be appealed to for the court of king's bench, crown side. In Montreal and in Quebec the superior court sits from September 10 to December 20 and from January 10 to June 20 without interruption, and our view was that each day was a session. But there was doubt expressed on that point by the hon. member for Charlevoix-Saguenay (Mr. Dorion), and to clear up that doubt we are having inserted that the first day of each week will be deemed to be the first day of a session. That will determine when the appeal must come on for hearing.

Mr. GRAYDON: I take it that the minister is satisfied with the amendment as passed by the senate?

[Mr. McIlraith.]

Mr. ST. LAURENT: Yes. It makes it perfectly clear that the first day of each week will be the beginning of the session, and that will definitely determine without possibility of dispute when the appeals should come on for hearing.

Motion agreed to, amendment read the second time and concurred in.

EXPORT CREDITS INSURANCE

MEASURE TO FACILITATE AND DEVELOP TRADE BETWEEN CANADA AND OTHER COUNTRIES

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient for the purpose of facilitating and developing trade between Canada and any other country to introduce a measure:

1. To incorporate the Export Credit Insurance Corporation for the purpose of entering into contracts of insurance with exporters to insure against the risk of loss involved in contracts for the export of Canadian-produced goods.

The capital stock and the paid in capital surplus of the corporation each amounting to five million dollars shall be subscribed by the Minister of Trade and Commerce from time to time and paid therefor by the Minister of Finance with provision also for loans not to exceed in the aggregate, outstanding at any one time, an amount equal to five times the aggregate of the paid-up capital and surplus of the corporation;

2. To authorize the Minister of Finance during the three years next ensuing after the coming into force of this act, to—

(a) guarantee the obligations of the government or an agency of the government of any such other country to pay the cost of Canadian produced goods under a contract to purchase such goods from an exporter;

(b) make a loan to the government or any agency of the government of any such other country to enable such government or such agency to purchase from an exporter and to pay the cost of Canadian produced goods; or

(c) purchase, acquire or guarantee any security issued by the government or by the agency of the government of any such other country to any person in Canada in payment of the cost of Canadian produced goods exported or to be exported to such other country;

provided that the government of such other country requests the government of Canada to give such guarantee, make such loan, or purchase, acquire or guarantee such securities and undertakes to indemnify the government of Canada against loss in connection therewith.

The aggregate amount of such guarantees outstanding at any time shall not exceed two hundred million dollars and the aggregate of the amount of loans made and outstanding at any time and the value of securities purchased or acquired and held at any one time shall not exceed one hundred million dollars.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, this resolution embodies a new principle with respect to facilitating imports from Canada to other countries. I think that most members of the house have been anxiously waiting for the skeleton structure of this legislation to be presented to the house so that we may gain some conception of what the real motive underlying the introduction of this type of legislation is. I think that most members of the house will be anxious that whatever can be done by the government to facilitate our export trade should be done. I do not think there will be any disagreement over that either in this house or in the country. We are anxious, of course, to scrutinize the methods which the government proposes to employ to carry out this very laudable end. I think it will be helpful at this stage if the minister would outline in skeleton form just what the government has in mind with respect to its general policy on export trade.

Mr. MacKINNON (Edmonton West): I think the matter could be more profitably discussed when the bill is before us for second reading. At that time I purpose making a statement outlining the objects of the bill. I hope that that will be satisfactory for the time being.

Mr. GRAYDON: I think it will be, provided we have at the appropriate stage a statement from the minister giving full details in connection with the government policy. I quite appreciate that there is no special reason why there should be a duplicate debate, especially at this stage in the session; but perhaps, if the minister will undertake that when second reading is commenced he will give a full statement, that will be satisfactory.

Mr. MacKINNON (Edmonton West): Yes; I shall be glad to do that.

Motion agreed to and the house went into committee, Mr. Bradette in the chair.

Mr. GREEN: I doubt very much if it is wise to have this resolution go through without one or two explanations being given by the minister. I should like to ask him one or two questions in connection with the resolution. The first paragraph reads that it is expedient to introduce a measure—

> To incorporate the export credit insurance corporation for the purpose of entering into contracts of insurance with exporters to insure against the risk of loss involved in contracts for the export of Canadian produced goods.

Will the minister tell us what type of insurance contracts are to be entered into?

Mr. MacKINNON (Edmonton West): The explanation I intended to make on the second reading of the bill will fully cover that; I will go into it thoroughly. I will say—and I do not want this to start a general discussion on the bill, but in answer to the hon. member's question—that it is a proposal to insure contracts for the sale of goods by Canadian exporters to residents of other countries.

Mr. GREEN: The reason I ask this question is that I represent a constituency which is vitally interested in export trade. Our harbour is probably the most important feature, in a business way, about the whole of greater Vancouver, and we are very much interested in this measure. It is all very well to make an explanation on second reading, but it does help one a great deal in studying a bill and preparing to make remarks upon it if some preliminary explanation is given on the resolution stage. I think the minister should make at least some explanation at the present time. He says that the Export Credit Insurance Corporation is to have power to enter into contracts of insurance with exporters. Does that mean, contracts with individual firms, contracts of insurance insuring the transactions of individual firms against loss of any kind, or does it mean insuring the carriage of goods overseas? Just what is meant?

Mr. MacKINNON (Edmonton West): I would be very grateful if the hon. member would let this stand until the second reading, when an explanation will be made and an opportunity for discussion given. The explanation I have already made in reply to the hon. member's question answers, I think, the question he just asked. What is proposed is the insurance of an agreement to sell goods by a Canadian exporter or producer or manufacturer to a customer in another country.

Mr. GREEN: I suggest to the minister that he give us his explanation now. It will make it far easier for us to understand the bill when it comes down; and there is not much time now for studying these bills. Certainly it would facilitate the passage of the bill if an explanation were made at this stage.

Mr. MacKINNON (Edmonton West): I am quite ready to go on if it is the wish of the committee that I do so now. I thought it would save double discussion on the points, but if, as the hon. member suggests, it may shorten the later discussion I shall be very glad to make a statement now.

Mr. GRAYDON: I think the minister should do so if any members of the committee desire it.

Mr. STIRLING: May I make this point with the minister, as I warmly support the representations of the hon. member for Vancouver South. Both of us come from constituencies far removed from here; and if the minister can give his explanatory notes on the resolution stage, the people we represent here will have some opportunity of seeing what the thing is about before the bill is in their hands.

Mr. MacKINNON (Edmonton West): Mr. Chairman, the bill covered by this resolution provides the measure that was forecast in the speech from the throne for the purpose of establishing a system of export credits and of export credit insurance. The need for and the purposes of this bill should require very little explanation or justification.

Canada is now the third trading nation of the world. Our export trade is now running at a level considerably in excess of three billion dollars annually. This represents in value more than double the export trade we possessed at any time in the 20 years from 1919 to 1939.

As we approach, and later enter, the post-war period Canada is bound to experience a fall in exports of those kinds of goods that represent purely war-time trade, and every effort must be made, without delay, to see that the volume of our commercial exports increases as rapidly as possible. Every possible support must be given to the enterprise and sales efforts of Canadian exporters.

A considerable number of countries will emerge from this conflict with their financial resources greatly impaired. Particularly during the transition period from war to peace, trade with many countries is likely to be uncertain either because of unsettled internal conditions in those countries, or because of measures taken by them to control trade and exchange. As a result Canadian exporters would be quite justified in being hesitant to offer goods because of the risks involved or because private financial institutions are reluctant to grant the necessary credit facilities. In this way valuable and inherently sound export business may be lost at a time when it may be imperative to develop overseas markets for the output of our greatly expanded productive capacity.

The present measure is intended to meet this situation in two ways. First, it provides the authority to set up an Export Credit Insurance Corporation. Before the war some form of export credit insurance was made available to their exporters by governments in many countries. Our information indicates that there were some 18 or more countries which operated export credit insurance schemes of one type or another. The essence of export credit insurance is that the exporter enters into an export sales contract with an importer in another country and is able to insure himself on a premium basis in respect of the payment risks that are involved. The Export Credit Insurance Corporation that is to be set up in Canada is intended to develop for the assistance of Canadian exporters an insurance business of this kind, and it is the intention that it shall operate on a self-sustaining basis, but that it shall be essentially non-profit-making. After careful consideration it has been decided that the credit insurance business can best be handled by placing the enterprise and responsibility in the hands of the corporation, rather than a board or other form of administration that would be merely a part of one of the government departments.

Mr. GREEN: This is to be a government corporation?

Mr. MacKINNON (Edmonton West): Yes. Secondly, the bill empowers the governor in council, on the recommendation of the Minister of Finance and with the concurrence of the Minister of Trade and Commerce, to give direct credit assistance to the governments of other countries or their agencies for the purpose of facilitating Canadian export trade. The establishment of the Export Credit Insurance Corporation alone is not sufficient to meet the circumstances with which we will be faced. The insurance scheme will assist trade with countries where the importers already have funds with which to make purchases in Canada, but it will probably be the case in many countries that not only will the importers be stripped of their financial resources but, as I have already mentioned, the governments themselves of these countries will emerge from the war period with their financial resources greatly impaired. It is with that condition in mind that it is considered essential to have the power to extend direct credit assistance by loans, guarantees, or by the other methods provided in the bill to enable the governments of other countries or their accepted agencies to place orders with Canadian exporters.

This second part of the bill—under which the provision of direct credit assistance is authorized—is intended to apply only for a three-year period, as it is expected that the main need for direct credits will arise during the unsettled conditions of the transitional post-war years. As conditions become more stabilized greater dependence could be placed upon the export credit insurance provisions alone to provide the main means of maintain-

ing and developing Canadian export trade, in so far as it may prove necessary to continue to give export credit assistance in any form.

Mr. GREEN: The plan is twofold. In the first place this Export Credit Insurance Corporation will insure the business of the exporters, and then for a period of three years the Canadian government will lend money say to the Belgian government or to any other government, with which money the Belgian government can buy goods from Canadian firms.

Mr. MacKINNON (Edmonton West): Quite.

Mr. GREEN: Or it may be done in the way of a guarantee—

Mr. MacKINNON (Edmonton West): Yes.

Mr. GREEN: —of the purchases by the Belgian government. Why are those loans and guarantees restricted to governments or governmental agencies. In the normal course of business goods are exported by a Canadian exporter to a Belgian importer. Apparently there is no provision for helping to develop that trade. The loan now goes to the Belgian government.

Mr. MacKINNON (Edmonton West): My hon. friend has just referred to what is covered in part I of the bill. Part I of the bill provides for the insurance of a contract entered into by a shipper in Canada with an importer or a purchaser in another country. Part II of the bill provides for a loan to the government to enable the purchaser in that country to pay for goods purchased in Canada.

Mr. GREEN: There is no intention of lending to foreign firms?

Mr. MacKINNON (Edmonton West): No.

Mr. GREEN: The loan will be made only to a foreign government?

Mr. MacKINNON (Edmonton West): Yes, or their agencies.

Mr. GREEN: The second portion of the plan is more or less of a mutual aid proposition?

Mr. MacKINNON (Edmonton West): Yes.

Mr. GREEN: In effect the Canadian government will buy the goods from the Canadian firms, trusting that the purchase price will eventually be paid by the government of the foreign country. Is not that what it means?

Mr. MacKINNON (Edmonton West): Possibly, in a roundabout way; but actually what will happen is this. The Canadian government purposes making a loan to the foreign government, the proceeds of which will be used for the payment of goods imported from Canada so that the exporter in Canada will be paid.

Mr. GREEN: What supervision will there be over those loans so that we shall be sure that the money is used by the foreign government for the purchase of Canadian goods?

Mr. MacKINNON (Edmonton West): That will all be covered in the bill when I bring it down.

Mr. GREEN: That is covered in the bill?

Mr. MacKINNON (Edmonton West): Yes.

Mr. CHURCH: I should like to ask the minister two or three questions about this proposal. I fail to see how this is going to facilitate trade and exports to these countries at the present time. As you know, Mr. Chairman, they have what they call section 7 of the lend-lease agreement in which Great Britain and the United States are interested. Some of the countries are empire countries and some are other classes of countries. This government is going to guarantee $200,000,000 and the amount outstanding on loans made at any one time is not to exceed $100,000,000. This is the very subject matter that has been covered by the conference going on in the United States on international finance lend-lease matters for the past month.

In this resolution we are dealing with a guarantee of a loan to an export insurance corporation to a great many countries that are within the empire, some of them dominions, crown colonies and dependencies, others invaded countries. The other countries are countries that formerly came under the most favoured nation treaty so far as exports and imports are concerned. Others are in a different class. Many of those countries have been devastated by the axis powers during this war. Some of the countries covered by this proposed export corporation are in the Pacific. I doubt whether New Zealand and Australia have a separate lend-lease agreement as is proposed here. This is distinctly such a separate lend-lease agreement with no guarantee of repayment of loans. It seems to me, Mr. Chairman, to be embarking on a separatist policy toward those other countries not within the empire and giving them some special form of treatment under a separate lend-lease arrangement with no chance of any payment back. While we believe in some of the prin-

ciples of the Atlantic charter it will be left to Britain and the dominions to carry the bag after the elections are held next November in the country of our great ally to the south.

Section 7 of the lend-lease agreement covers the very countries which are named in this resolution; it covers the very same territory. As I said the other night we should first decide—and it has to be decided before this corporation can operate—what the policy of the government regarding empire countries is going to be after the war. What is the policy going to be regarding Russia and the United States? Russia has an agreement with Britain, outside of section 7 of the lend-lease agreement, for trade with Russia, to which the dominions are not yet a party, for twenty years. It was made in Moscow last year. The United States is going to have a similar agreement. I think we should have all the cards laid on the table, because the way we are spending money we are just approaching a totalitarian socialist state in so far as capital and maintenance and everything else is concerned, without proper protection. If this continues, no business man will be able to carry on his business. Who are the exporters of this country? Many of them have been driven to the wall by high taxation. Look over the exports at the present time. I think they have been very well covered by the lend-lease agreement. We had a similar situation after the last war, and some of the money has not been paid back yet.

I do not wish to delay the passage of this resolution, but I hope when the bill is introduced it will give us a little more information than is contained in the resolution. I will tell you this; the way we are doing business at the present time, outside of section 7 of the lend-lease agreement to which the United States is committed, I believe we are going to get into a whole lot of trouble. I doubt whether it is going to mean anything. Take the case of the Pacific. Some of this corporation's work will be in the Pacific. Russia is not at war with Japan, and Russia may be out of it when the time comes to take advantage of this legislation. Are we going to stand all the risk in the Pacific? Are we going to stand behind guarantees to the amount of $200,000,000, with another $100,000,000 in loans? The war with Japan may continue for a year or two after the war with Germany is over, for the situation in the east is very difficult. Japan still has a very powerful fleet. Suppose some of our ships carrying these goods are sunk; is this country going to stand the loss? Or is Canada going to embark upon a lend-lease policy of its own, lending money to all sorts of countries, many of them unfortunately bankrupt? These are some of the questions that will have to be dealt with, and I should like a reply from the minister.

Mr. MacKINNON (Edmonton West): I might reply very briefly at the moment because, as the hon. member has just said, all these matters can be discussed when the bill is in committee. To deal with just a couple of points, this measure is just supplementary to other legislation, and in no way cancels that other legislation. The hon. member suggested that this legislation might be against the best interests of the United Kingdom. I would reply that similar legislation is in effect in the United Kingdom at the present time.

Mr. CASTLEDEN: I understand that under this legislation the government will be underwriting risks in the export business which private enterprise will not underwrite. Is that the idea?

Mr. MacKINNON (Edmonton West): That is the intention; not all, but selected contracts. All these matters will be dealt with when the bill itself is brought down.

Mr. CASTLEDEN: The purpose of the second part of the bill, then, is to insure against loss by making loans to those countries to which the exports are to be made?

Mr. MacKINNON (Edmonton West): It is anticipated that part 1 of the bill will not become operative to any great extent for the time being.

Mr. GREEN: That is the insurance feature?

Mr. MacKINNON (Edmonton West): Yes. Part 2 will be operative during the transition period. The first part of the bill is essentially peace-time legislation; the second is not.

Mr. GREEN: Will the minister—

The CHAIRMAN: I would refer hon. members to standing order 69 of Beauchesne, citation 740:

> Unless the motion for leave be opposed, this is not the time for a lengthened debate on its merits. When an important measure is offered by a minster or other member, this opportunity is frequently taken for a full exposition of its character and objects; but otherwise, debate should be avoided at this stage, unless it is expected that the motion will be negatived, and that no future occasion will arise for discussion.

The minister distinctly stated his hope that the discussion going on now might take place on second reading of the bill, so I would ask hon. members to avoid any duplication of discussion.

Mr. GREEN: Surely we are not going to be choked off like that. On second reading of

a bill there is no opportunity to ask a minister questions, and I submit that we are entirely within our rights in asking such questions at this stage. So far not a question has been asked that does not deal directly with this resolution.

The CHAIRMAN: The bill will be before the committee on second reading.

Mr. GREEN: Questions cannot be asked on second reading. Just because the session is drawing to a close is no reason why these important measures should be rushed through the house. We have taken only a few minutes so far.

The CHAIRMAN: I know that in the mood of hon. members at present they do not want repetition. Sometimes the same discussion is repeated when the bill itself is before the committee.

Mr. GREEN: I have been here from the Pacific coast for six months; I have listened to repetitions lasting not half an hour but two or three weeks. Now when a question comes up which is of vital interest to my whole province and to all the exporting firms of Canada I suggest is a queer time to try to choke off any discussion. I do not care what may be the mood of hon. members—

The CHAIRMAN: I hope the hon. member will withdraw the words "choke off." It is the last thing in the world I would want to do. I simply read citation 740 in connection with the resolution now before the committee.

Mr. GREEN: The chairman said the mood of the house was not in favour of any repetition. The mood of the house does not have very much to do with the rules of debate. Representing constituencies, we have certain rights here, and so far as I am concerned I do not propose to have those rights done away with.

The CHAIRMAN: There is no question of withdrawing any rights. The chair just referred to the standing order; I need not repeat that reference at this time. It is not the intention to take away any of the rights of the members of the committee.

Mr. McILRAITH: On a point of order, Mr. Chairman, after you read the relevant paragraph from the rules the hon. member for Vancouver South said, "We are not going to be choked off like that," obviously having direct reference to the chairman. I am sure it was not the intention of the hon. member to make such a reference to the chairman of the committee of the whole of the House of Commons; yet that was the import of his words.

Mr. GREEN: That was exactly what I meant, and I think that would be the effect if we were prevented now from further discussing this resolution. I should like to ask the minister whether or not the new export credit insurance corporation will be able to pick and choose the contracts that it will insure. I take it that the commercial banks will be ready to provide credit for all sales that are reasonably sound and that the insurance provided by the government will be required only in connection with sales that are not so sound. May I ask the minister whether or not that is the case.

Mr. McILRAITH: Before we get away from the point of order, surely there is some obligation on the part of hon. members with respect to the chair in connection with proceedings in committee. It is perhaps quite natural that the chairman would hesitate to ask for the withdrawal of remarks pertaining to himself, but are we to let reflections on this institution pass unnoticed, such as the one uttered a few moments ago, that the chairman of this committee was attempting to choke off discussion by reading a paragraph from the rules of the House of Commons? Is that not a pretty serious thing? I understood you, Mr. Chairman, to read a paragraph from the rules of the house; and for an hon. member to remark that by doing so you are choking off discussion from any section of the house is something which I do not think any hon. member, in any part of the house, can afford to let pass. I am sure that on mature thought the hon. member for Vancouver South will agree that he did not mean it in that way, but when he reads the record he will see how serious it is. I would ask that the words be withdrawn.

Mr. BLACK (Yukon): I am happy to say that I have not heard you, Mr. Chairman, object to the statement made by the hon. member for Vancouver South, who said that if hon. members could not question the minister bringing in this resolution, whose department it affects, discussion is prevented or in other words choked off. I do not see why the hon. member for Ottawa West should be so exercised over the use of the words "choked off," because in effect that is what the prevention of further discussion of this resolution amounts to. I do not think the chairman could take any offence from the words used by the hon.

member for Vancouver South, notwithstanding the attempt of the hon. member for Ottawa West to make an occasion of it.

The CHAIRMAN: On the point of order raised by the hon. member for Ottawa West, it is not the intention of the chair to press the point, for I am sure the hon. member for Vancouver South realizes that the chairman would be the last person to attempt in any way to curb the deliberations of the committee. However, I believe there are times when it is the duty of the chairman to bring to the attention of the committee certain rules concerning the debates and the subject matter under discussion.

Mr. GREEN: It is interesting to see the hon. member for Ottawa West rise in his seat at this stage of the session and try to correct some of the rest of us.

Mr. McILRAITH: The hon. member for Ottawa West has some rights.

Mr. GREEN: Many of us live thousands of miles away from Ottawa, and attend regularly. But he is not to be seen in the chamber very often.

Mr. McILRAITH: Mr. Chairman, on a point of order, there is no member of the House of Commons who has attended the sessions of parliament more regularly than I have. Surely the hon. member's statement is grossly inaccurate. That statement could not be made without being challenged.

Mr. MACKENZIE (Vancouver Centre): I can challenge what the hon. member for Vancouver South says, and I can vouch for what the hon. member for Ottawa West has said. He is in the house nearly all the time.

Mr. GREEN: I am here a good deal of the time, and I am only speaking from my own observations.

Mr. MACKENZIE (Vancouver Centre): A very unfair statement.

Mr. GREEN: Perhaps the minister would answer the question.

Mr. MacKINNON (Edmonton West): The bill provides for the right of selection of risks.

Mr. GREEN: Is it a fact that the better risks will be handled by the banks?

Mr. MacKINNON (Edmonton West): I think the bank itself might be insured on risks. I am not saying that definitely, but—

Mr. GREEN: The new corporation will be able to insure the commercial banks against loss.

Mr. MacKINNON (Edmonton West): I would think so.

Mr. GREEN: Is that the way an insurance contract would be written, as a general rule?

Mr. MacKINNON (Edmonton West): No. Provision is made for right of selection of risk between the manufacturer or producer in Canada, and his customer in the other countries.

Mr. GREEN: In the case of a loan to a foreign government for the purpose of purchasing Canadian goods, is the Canadian government to be in a position to say from what firm the foreign government will purchase the goods in Canada?

Mr. MacKINNON (Edmonton West): I do not think the Canadian government would interest itself on behalf of any individual firm in Canada. It would be an arrangement with the other country to enable that other country to provide Canadian funds to pay any exporter in Canada.

Mr. GREEN: Will the government have any control over purchases within Canada? That is, will the government have power to say from what firms these purchases are to be made?

Mr. MacKINNON (Edmonton West): I do not think the government would attempt to do that.

Mr. GREEN: Is this loan provision to apply to all foreign governments? For example, is it to apply to the government of a country which is able to pay for the goods, or is it only to apply to the countries which have been bankrupted by the war.

Mr. MacKINNON (Edmonton West): These loans will all be considered on their merits, by the government. There is no obligation to make any loan. It will all be as a matter of negotiation.

Mr. GREEN: That is, it might apply to France, or to Great Britain or to the United States? At the present time the minister is not in a position to say that there will be any distinction between governments?

Mr. MacKINNON (Edmonton West): No.

Mr. STIRLING: Is this bill to cover manufactured articles as well as natural products and agricultural products? Is it to cover all exports from Canada?

Mr. MacKINNON (Edmonton West): I believe manufactured products.

Mr. STIRLING: Only?

Mr. MacKINNON (Edmonton West): Yes.

Mr. FAIR: Have losses been sustained by the British government in the operation of legislation similar to this?

Mr. MacKINNON (Edmonton West): I believe I shall be able to make a statement on that. I am not sure, but I think the officials in my department have some information on the point. My understanding is that the losses have been kept down to a very small point.

Mr. ROSS (Souris): Would this apply to sales of wheat?

Mr. MacKINNON (Edmonton West): No.

Mr. ROSS (Souris): Not at all?

Mr. MacKINNON (Edmonton West): No. I do not think it applies to sales of wheat.

Mr. SENN: Does it apply to any agricultural product, whether manufactured or in its natural state, or is it for other manufactured goods?

Mr. MacKINNON (Edmonton West): My understanding—and of course I am speaking this morning without having assistants in front of me—is that manufactured products only are to be dealt with.

Mr. SENN: But there are manufactured products such as canned goods. I suppose bacon, when it is cured, would be considered as a manufactured product? Does it apply to that class of goods, or to goods which are not agricultural in any sense of the term?

Mr. MacKINNON (Edmonton West): It applies to products which cannot ordinarily be handled through the regular channels. It applies particularly to countries which are not in a position to pay cash now but which, it is considered, will be in a position within a reasonable length of time.

Mr. ROSS (Souris): That is not a very clear statement. The statement the minister has just made indicates that probably the greatest requirements of those countries will be for processed agricultural products, such as those mentioned by the hon. member for Haldimand. They will require bacon, processed beef, and various other agricultural products, including canned vegetables.

Mr. SENN: And flour.

Mr. ROSS (Souris): It has been made clear for some time that those will be the goods for which those countries will want credits. Surely we are not going to pass a bill of this kind without making provision for goods for which we have been led to believe for years there would be a market. We have understood that goods of this kind would be required for months and years following the cessation of hostilities.

Mr. MacKINNON (Edmonton West): No; it does not necessarily mean that. I might add that we are not asking for the passage of the bill at this time. We are only asking that it be advanced one stage, so that the bill can be dealt wtih.

Mr. GREEN: Does it apply also to purchases by united nations relief agencies? Will the sales to those agencies be supported or guaranteed in any way?

Mr. MacKINNON (Edmonton West): No; it will be entirely supplementary to and outside of that.

Mr. SENN: If the resolution passes the committee stage we will have no other opportunity to get information.

Mr. MacKINNON (Edmonton West): Oh, yes, you will.

Mr. SENN: Not until the principle of the bill has been passed on second reading. We will have to assent to second reading, which adopts the principle of the bill. If I thought for one moment that no class of agricultural products was going to be included in the bill I would be inclined to vote against it. We have been led to believe, as the hon. member for Souris has pointed out, that following the war there would be a great demand for agricultural products of this country from other countries which will be badly in need of them, countries which have been overrun by the enemy. If no provision is made in the bill to support the export of those goods produced by farmers, I would be inclined to vote against it.

Mr. GARDINER: Mr. Chairman, I have before me a certain bill which is supposed partly to deal with the question raised by the hon. member. The present position in connection with bacon, cheese and other farm products of that type is that we enter into agreements with the governments of the countries with which we are dealing. It is assumed that a certain amount of that will be done in the period following the war. The products dealt with in that way do not come under this bill. My understanding is that products, which do come under the bill, are not dealt with that way. The bill providing for the handling of floor prices on farm commodities following the war does touch upon the point which has been discussed.

Mr. PERLEY: Then we may take it from the statement of the Minister of Agriculture that actually there will be three boards marketing agricultural products. First there will be the wheat board, which is not men-

tioned in either the bill sponsored by the Minister of Agriculture or that sponsored by the Minister of Trade and Commerce. Then we have bill 168, which is to be considered next, and which sets up a board to buy and sell farm products. Now we have one suggested by the Minister of Trade and Commerce. We will have three boards marketing agricultural products, and I think we should have a definite statement as to how they will cooperate and what understanding there will be between them.

Mr. GARDINER: My understanding is that the bill to be founded upon this resolution will be a bill to establish credits. It will be recalled that at the end of the last war there were credits arranged with certain countries to which we wanted to send certain products, one of which was wheat. It may be necessary to make certain financial arrangements in order to make it possible for a country to buy our products. As far as the agreements in connection with the products discussed a few moments ago are concerned, that is, bacon, cheese, butter, canned milk and things of that kind, they are made under the boards now set up and they will be continued to be made in that way at least until the end of the war. There is a possibility that may be carried on in the same way from then on, provided that other countries wish to deal in that manner. If Britain still wants to buy surplus products direct from the government, then I suppose we will try to sell to them in that way, and boards may be set up through the agency of the legislation which I am bringing down in connection with floor prices arrangements.

Mr. MacKINNON (Edmonton West): I have just been advised that there is no limitation on the type of products.

Mr. STIRLING: Natural products or anything like that?

Mr. MacKINNON (Edmonton West): No limitation on the products.

Mr. RALSTON: Obviously the resolution does not limit it by its terms; it is Canadian-produced products.

Mr. STIRLING: The minister stated—

Mr. RALSTON: I am simply saying that the resolution does not limit it. The minister said that he was speaking without his assistants before him and without the bill before him, but I am pointing out to the committee that if they pass the resolution its terms are not necessarily limited to manufactured products; it covers Canadian-produced goods.

[Mr. Perley.]

Mr. STIRLING: I agree entirely with what the Minister of National Defence has said, but what he and others do not seem to understand is that some of us come from constituencies far away. We are in the dying days of the session, possibly, and unless we can get some definite information at this stage we will have no opportunity of understanding the bill nor shall we be able to send it out until it has been introduced.

Mr. RALSTON: I am suggesting that the resolution is not restricted to manufactured goods, so that the committee or the house would not be debarred when the minister brings down the bill from pointing out that they have not tied their hands by passing the resolution. The resolution in its terms is wide enough to cover everything, including farm products. I got the impression that the committee felt that in passing the resolution in this form they would debar themselves from asking afterwards that farm products be included. I am pointing out that that is not so, that the wording is wide enough to cover all products.

Mr. GREEN: Is it the intention that all goods, manufactured or otherwise, shall be covered by the bill?

Mr. MacKINNON (Edmonton West): I am so informed.

Mr. BURTON: If it is at all possible, we should have this bill in our hands in ample time.

Mr. MacKINNON (Edmonton West): I am informed that the bill is printed and will be distributed.

Resolution reported, read the second time and concurred in. Mr. MacKinnon (Edmonton West) thereupon moved for leave to introduce bill No. 178, to incorporate the Export Credits Insurance Corporation and to promote the revival of trade by the provision of dominion government guarantees to encourage exports from Canada.

Motion agreed to and bill read the first time.

CIVIL SERVICE SUPERANNUATION

EXTENSION OF OPERATION OF ACT—FURTHER PROVISIONS AS TO CONTRIBUTIONS, ETC.

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of Bill No. 171, to amend the Civil Service Superannuation Act.

Mr. G. J. McILRAITH (Ottawa West): Mr. Speaker—

Mr. ROSS (Souris): A reversal of form.

Mr. McILRAITH: It is no reversal of form. I do not quite understand the hon. member's remark, nor do I think it has the merit of brilliance or humour. I suggest it is not of much value, either to the person uttering it or to those listening to it.

No bill that has come before this house this year has given me the personal gratification that this present bill to amend the Civil Service Superannuation Act, 1924, has given. It provides for the extension of the principles of that act to a large number of employees of the public service who hitherto were not entitled to contribute to the fund set up under the act. The experience of the last twenty years has shown the value of this, both to employees and employers alike.

Perhaps it is fair to say that because of the location of the constituency which I have the honour to represent I have had more opportunity than most hon. members to see the actual working of this act. That experience has given me a great appreciation of the act. At the time the act was introduced it was the most advanced piece of legislation of its type in existence in the country. While I have no means of obtaining accurate information on the point or proving it, I genuinely believe that the act had a considerable influence upon private industry across Canada and was followed widely by private employers to the benefit of those employers and their employees.

The 1924 act was the result of recommendations contained in the report of a special committee of the House of Commons appointed to inquire into the operation of the Civil Service Act, which committee was headed by the late Hon. James Malcolm. I should like to read two brief paragraphs of the report of that committee which was made in 1923. The first reads:

> It is admitted by all who have investigated civil service conditions, not only in Canada, but in other countries as well, that a superannuation scheme is an essential part of the regulative machinery. This conclusion is in accord with the experience of private corporations in dealing with large groups of employees.

And again:

> The general principles on which modern superannuation schemes are based appear to be fairly definitely agreed upon. The basis most favoured is that under which both the employees and the employer contribute to the support of the scheme, the entire cost as a rule being borne approximately equally by both. The benefits provided for include allowances on retirement after attainment of a stipulated age; allowances to widows and minor children in the event of the death of the employee during service or after retirement, the widow's allowance being usually one-half of the employee's allowance; and allowances to the employees on retirement from disability regardless of age. There is also usually provision made for the return of the employee's contributions without interest in the event of his voluntary retirement after a minimum period of service has been rendered.
>
> Your committee is of the opinion that the adoption of a superannuation scheme substantially on the lines of that above described would remove one of the greatest deterrents to efficiency and curtailment of staffs in many of the departments of the public service and it therefore recommends that such a scheme be adopted by parliament at the earliest possible date.

That was the purpose of the original superannuation act of 1924. It is not my intention to deal with the history of retirement provisions prior to that time, but if anyone is interested in that matter the various references are well summarized in the speech of Mr. Malcolm on the 1924 bill, and they will be found at page 3977 of the 1924 *Hansard*.

The twenty years' experience in the administration of the act has shown its absolute soundness in principle, as viewed not only from the standpoint of the employees in relieving them from the worries and fears attendant upon separation from their employment in whatever circumstances, but also from the point of view of the employer in bringing about increased efficiency in the various government departments. I spoke on two previous occasions about some particular classes and some particular aspects of the matter. But particularly was it true that the benefits of the act were not applied to a wide enough number of employees. The existing act, in its definition of "civil servant" to be found in section 2 uses this language referring to employee, "who is in receipt of a stated annual salary." That provision had the effect of excluding large numbers of employees who were paid otherwise than by a stated annual salary, although generally speaking they were in the same position as these receiving a "stated annual salary." That point, I am very happy to say, is adequately dealt with in the new bill.

Another important effect of the bill now before us, is to give opportunity to come under the superannuation act to persons contributing to the old retirement fund, who, although given an opportunity at the time of the passage of the act in 1924 so to elect within a limited period, for some reason or other did not do so—these reasons are many and varied and there is not much point in going into them at the moment. That is adequately dealt with in the new bill.

Then there is the question of the minimum return of contributions. That is a slightly more technical part of the subject. There was considerable difficulty about groups of contributors who were not entitled to receive any

benefit from the act after having contributed for great numbers of years. That is well dealt with in the bill, as well as a great number of other matters that experience has shown needed correction.

I do not want to approach this measure in any partisan spirit, but it is a matter of considerable pride to me as a follower of this party to know that the act of 1924 was brought in by a Liberal government under the leadership of the present Prime Minister (Mr. Mackenzie King) and that this extraordinarily beneficial legislation has been a Liberal measure. I feel that my party can justifiably take pride in that, because the act, with this amending bill, constitutes the most advanced piece of legislation in any country dealing with this aspect of the relationship between government as employer and its employees. That is something I hope Canadians, when they think about other countries, will bear in mind with respect to this legislation.

My only regret about the whole matter is that we have not as yet schemes of this sort in force in all places of employment throughout the country. I for one, and I am sure it is the desire of every hon. member here, wish that all employees wherever they may be found in Canada could have similar rights in their own employment. I think that experience generally has shown that such schemes as are in force in many large companies have been most beneficial. Our Superannuation Act is a perfect example of what can be done by many working together, all contributing their portion to the fund, and the employer doing likewise. The many can do so much that is utterly impossible for any one to do by himself. I appreciate the desire of the house to get on with its other business and I shall not, therefore, further extend my remarks at this time.

On motion of Mr. Boucher the debate was adjourned.

At one o'clock the house took recess.

The house resumed at three o'clock.

FAMILY ALLOWANCES

PROVISION FOR PAYMENTS IN RESPECT OF CHILDREN UNDER SIXTEEN

The house resumed from Thursday, July 27, consideration of the motion of Mr. Mackenzie King for the second reading of bill No. 161, to provide for family allowances.

Mr. G. E. WOOD (Brant): Mr. Speaker, last night at the adjournment of the debate I was discussing some of the reasons why I believe that the family allowance legislation would be beneficial, and examining some of the criticisms of those opposed to this bill. If I were inclined to offer a suggestion, it would be that this type of legislation should be extended by associating with it a scheme of contributory old age pensions, the income derived from which might serve in some degree as a revolving fund for payment of children's allowances. In my opinion the fact that the state has undertaken to provide for family allowances obligates those who are to enjoy that privilege to contribute, through some appropriate measure and suitable machinery, towards their own social security at the time when they retire from the activities of life. I have always believed that every man should provide something for his own security, and that it should not be left to the state to bear the cost of old age pensions without the individual making some contribution through his own efforts to reaping this reward when he comes to the time of retirement.

We have heard objections from those who think that this will be an expensive scheme. The important principle is to see that the wealth of our country is well and reasonably spent. The fact that Canada expends $350 million annually on intoxicating liquors is enough to silence those who think we cannot afford to expend $200 million upon the nation's greatest resource, its children. At any rate there cannot be a valid objection to this measure from the people who condone an indulgence which in my belief often impairs natural ability and dethrones the God-given gift of reason.

I remember reading somewhere about a deputation which waited upon Lord John Russell to voice their objections to certain taxation. His reply was, "You may rely upon it that the government of this country does not tax the working classes to anything like the extent to which they tax themselves in their expenditure on intoxicating drink alone."

As regards the element of thrift which is involved in the requirement that people shall do something to provide for their own security, it may be remembered that Richard Cobden once said there were two classes of society; those who have saved and those who have spent, those that are thrifty and those that are extravagant. All our great institutions, all our mills, our factories, our homes, have been founded by those who saved their money and, in building these institutions, provided labour with the means of employment.

There still remains plenty of evidence that thrift and enterprise are useful and commendable. Thrift is still necessary, and, as I have said, if I were to make any suggestion it would be to supplement this measure with a national scheme of contributory old age pensions, to give the people an opportunity to provide for their own security in their declining years.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker I should like my first word in closing this debate on the second reading of the family allowances bill to be one of appreciation of the attitude which the house generally has taken toward the measure. I particularly wish to thank the members of my own party for the united and loyal manner in which they have supported the measure and also for the able way in which, through their speeches, they have explained essential features of the bill itself and the fundamental principles which underlie it. Their addresses reflect credit upon this House of Commons. May I say to the members of the Cooperative Commonwealth Federation, to the Social Credit group and to independent members who have spoken that I am also pleased that they have indicated their intention to support unitedly and unanimously the second reading of this measure.

With regard to my hon. friends of the official opposition I should also like to express my appreciation to those of their number who have supported the measure in principle and have given reasons for that support. I must confess that, in some respects, my feelings have been rather of amusement than surprise at the attitude which as an opposition they have adopted. When I read the statement made by the leader of the Progressive Conservative party, who referred to the measure as a species of political bribe, before there had been any opportunity of discussing it in this parliament, indeed before its terms had been made public, when he said that he hoped the day was coming when there would be an end to this legal bribery of the electorate, I thought that those who profess to be his followers in this house would have championed his position. I thought that if this was a species of political bribery we would have had one gallant gentleman after the other rising in his place and giving reasons to this house why this measure should not be supported. The fact that they did not is, I say, to their credit. Perhaps it was because of the intimation I gave them that what their leader had said was a reflection upon the membership of this house, and would reflect in particular on any hon. member who might take the same attitude. It is quite clear that no hon. member in his place in this house has wished to repeat any such allegation on the floor of parliament.

The members of the official opposition did briefly, in a sort of fashion, indicate that they thought there were better means of dealing with the quesion. I was a little surprised to hear the leader of the opposition (Mr. Graydon) say that this measure was not one of social justice. I hope that will not cause him to refrain from supporting it when it comes to a vote on the second reading. He has probably heard enough in the debate to cause him to change his mind on that score, as a good many others have evidently changed theirs. If this measure is not one of social justice I cannot understand how anyone in this house would desire to support it. But as I say, if the leader of the opposition has changed his mind on that score, as he probably has we shall see definitely when the division takes place.

My hon. friend was followed by one other champion of the point of view of a past age, the hon. member for Parkdale (Mr. Bruce). I myself think it is fortunate we have the hon. member for Parkdale in this house because he does belong so obviously to a past era. As I listened to him giving his arguments against this particular measure I could not but think of the familiar lines; they appear in Dickens' "The Chimes" of just a century ago:

> Bless the squire and his relations,
> And always know our proper stations.

There is another line or two:

> Oh, let us love our occupations,
> Live upon our daily rations.

In other words, in the hon. member's mind the whole of society is to be classified in strata—those with high sounding titles and many possessions are to be at the top, and those who are unfortunate enough not to possess much of this world's goods are to be classified as belonging to the lower stratum of society. That point of view, which unfortunately is still held by far too many, was clearly set forth in what the hon. member for Parkdale said in the course of his remarks.

However, Mr. Speaker, there ended the brave attack by the opposition on the measure. As I remember it, there was on the part of hon. gentlemen opposite complete silence for a day. Hon. members on this side of the house continued to give reasons why they believed it was in the public interest that this measure should be supported. That period of silence of a day having elapsed,

we then had an entirely different attitude assumed by other hon. gentlemen opposite. In the speech of the leader of the opposition there was the old familiar exception taken to the measure as being unconstitutional. As I recollect it, that was the line taken up by the next speaker, the hon. member for Lake Centre (Mr. Diefenbaker). I have already said to my hon. friend that I thought he made out about as good a case as could be made out for the position that he was seeking to put forward; but that obviously it was such a weak position that it was not possible even for him to make a case.

The argument that this measure is unconstitutional, or may be unconstitutional, and for that reason should be referred by the government to the supreme court before it is permitted to find its place on the statutes or to come into force, has been supported by the hon. member for Lake Centre by the statement that a similar course was suggested by myself when I was in opposition with reference to the legislation that was brought forward by the former Prime Minister, now Lord Bennett, with regard to unemployment and social insurance legislation. Well, there is just this difference between the two measures. The legislation that was introduced by Mr. Bennett was obviously unconstitutional. This legislation is obviously constitutional. In order to make apparent to everyone that Mr. Bennett's legislation was ultra vires of this parliament it was necessary to have it referred to the supreme court. The supreme court gave a decision on it—one that I imagine every legal expert knew would be given—that the legislation was ultra vires of this parliament. What was the reason for that decision? The reason, essentially, was that the legislation inserted a condition in agreements between employers and employees in the different provinces to which the legislation was intended to apply. That was an interference with property and civil rights. The insertion of a condition by the federal government which affected the agreements between parties was obviously an invasion of the rights of the provinces in the field in which they had competent and exclusive legislative jurisdiction, and therefore it was ultra vires. But this legislation contains nothing of that kind which would justify any question as to its constitutionality.

Mr. DIEFENBAKER: Would the Prime Minister permit just one question?

Mr. MACKENZIE KING: Yes.

Mr. DIEFENBAKER: If that be so, why did the Prime Minister submit to the supreme court and to the privy council various other matters of social legislation introduced by the Bennett administration which those courts found to be constitutional?

Mr. MACKENZIE KING: Well, I cannot recall at the moment, but I am pretty sure it was done in an attempt to clear up the whole situation once and for all. I would hope that my hon. friend would have been the first to profit by the opinion given by the supreme court, and that he would not have found it necessary even to suggest that this particular measure was unconstitutional. The supreme court has made it perfectly clear, and certainly the judicial committee of the privy council, which is the highest court, has made it perfectly clear that this parliament is at all times free to make a grant of its own money in any way that this parliament may determine. This is a free grant. It is a grant made from this parliament by virtue of its control over its own money. There is no court that I know of in the world that has questioned that right so far as this parliament is concerned or were it similarly circumstanced so far as the parliament of the United Kingdom is concerned. So that the raising of a constitutional issue amounts simply to throwing up a sort of smoke-screen, arising out of differences of view in the past, instead of constituting an effort to eliminate smoke-screens altogether in facing the future order, and seeking to find the best way to further that new order for the well-being of the Canadian people.

I need not say more about this matter except to refer to the question of government authority as exercised in the case of old age pensions. That has been quoted against this particular measure. The action of this parliament with respect to old age pensions only confirms what I have said about the right of this parliament to do what it pleases in the way of making grants. In that case parliament made a grant to the provincial governments.

Mr. HANSON (York-Sunbury): I do not want to interfere with my right hon. friend—

Mr. MACKENZIE KING: If you don't, don't speak.

Mr. HANSON (York-Sunbury): That is rather an abrupt reply. I do not want to divert the Prime Minister's attention from his speech, but may I say to him that the grant was made as a grant in aid because of the opinion of the Department of Justice that you could not take the money of the taxpayers and give it to individuals for this purpose. That was why the government of the day adopted the principle of grants in aid. I am sure I am right about that.

Mr. MACKENZIE KING: I do not think my hon. friend is quite right about that. When he said he did not wish to interrupt I was a little doubtful, because I have had so many experiences with him in that regard; if he wishes later on to comment on what I am saying now he will be free to do so. I repeat that this parliament voted the money for old age pensions as a grant to the provinces. They accepted the grant and undertook to administer the old age pension scheme. It was within the competence of this parliament to make that grant, and it is equally within the competence of the present parliament to make grants for the purpose of children's allowances.

I should like to say a word to my hon. friend the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) and some of the members of his party in reference, not so much to any criticism they offered, as to a sort of credit they have been seeking to take unto themselves to which I do not think they are entitled. During the course of the debate one after the other of the members of that party made it a point to say that only since their group came into existence has the public begun to appreciate the importance of human resources as contrasted with natural resources, suggesting that it is they who have been the first to place the emphasis upon human well-being, and that we must be grateful to them for having given the human factor the importance it has assumed to-day.

Well, as a matter of interest I have looked up a debate in this house in which, when I was Minister of Labour, I took a leading part in 1911. I am going to read a paragraph from what I said at that time, in order to let hon. members see for themselves just how long before some of them were born the party on this side of the house was advocating full attention being given to human resources and human problems as contrasted with natural resources and purely material considerations. The debate had to do with the manufacture of matches. It had been discovered that the use of white phosphorus occasioned a frightful disease to the workers in match-making establishments. When I became Minister of Labour, being familiar with action that had been taken at the International Labour Office in Switzerland with respect to a substitute for white phosphorus which would avoid a serious occupational disease, I sought in this parliament to have that substitute used. Under the jurisdiction this parliament had—I need not go into the details at the moment—it was possible to have the measure considered as one concerning trade and commerce. It is of interest to note that at that time the same exception to proceeding was taken by hon. gentlemen opposite as is being taken by their successors to-day, namely, to question its constitutionality; they doubted very much if the ministry had the right to interfere in a matter of the kind. Let me read a paragraph to illustrate the sort of thing the Liberal party was trying to cope with. The condition of the workers in that industry was so horrible that as Minister of Labour I would not believe what my own officers told me as to those conditions, which they themselves had investigated, and before speaking in this house, I personally visited the homes of some of the people who were working in the establishment in which white phosphorus was being used in the manufacture of matches. This is what I said in the house at that time:

> When I read that report I hardly believed the statements that were made in it, and I decided that before I would mention the subject in this house I would verify the statements myself. The two last cases, I think, were about as bad as any reported in the list, so I went to the homes of these people myself and had a conversation with them. I will vouch from personal observation for the truth of every statement that is contained in the account of the two last cases I have read. One of the women I talked with had both of her jaws removed entirely and had the abscesses in her mouth to which I made reference. The bones taken from that woman's face are at the present moment in my office. That woman is supported by a sister who has to earn the food required for each of them, and she has been rendered an invalid for the rest of her life. I went to the other home and I talked with this woman, who had lain in bed for four years. At the present time she is the only support of her mother, and she is able to earn $4 a week. She is without a lower jaw at all and she told me that during her illness she pulled her jaw out with her own hands, such was the condition of the bones at that time.
>
> It is not a pleasant task to bring facts of this kind before the house, but I must say that when I came back from attending a conference at which this subject was being discussed and these facts were put before me, I felt I would be negligent in the duty I owed this country if I hesitated to bring into parliament for the sake of concealing facts of this kind similar legislation to that which has been enacted in Great Britain.

Now will my hon. friends of the C.C.F. please listen to the next paragraph:

> We talk a great deal in these days about the conservation of natural resources, but I think that more important than the conservation of natural resources is the conservation of human resources, the conservation of human health and of human life. Resources are well enough; our lumber, forests, ore and minerals were given to us for a purpose, but they were given for the preservation and not the destruction of life. So in the Department of Labour we have taken as one of the objects before us, as part of the work which I trust it will be possible to carry on through the years to come, this important question of the preservation of health, the conservation of human life, the

protection of the working people, the great mass of the people of this country from occupational or other diseases which help to undermine the strength of the nation. If this country is to be what we wish it to be, a country of happy, contented and prosperous people, it will only be by safeguarding the lives and welfare of the many, and by protecting from injustice and ill the homes of the humble in the land.

More statements were made in this House of Commons on January 19, 1911, and appear at pages 2040 and 2041 of *Hansard* for that year.

Mr. COLDWELL: Thirty-three years ago.

Mr. MACKENZIE KING: Yes, thirty-three years ago. Perhaps hon. members will be surprised when I read the interruption that occurred when I stopped at where I have stopped to-day. Mr. Northrup, who was then occupying a seat opposite, said:

Would the minister be good enough to state to the house on what grounds he claims this house has any jurisdiction to pass such a measure?

That is exactly the same sort of thing we have been listening to from hon. gentlemen opposite when to-day another great social reform is being placed before this parliament for adoption. I was able to cite the opinion of the justice department which was to the effect that the measure in every way was intra vires. Throughout the years, from that time to the present, wherever opportunity has presented itself, the party on this side of the house have sought, to the best of their ability, as occasion has arisen, to further measures with respect to the conservation of human life and welfare. We have time and again proposed and carried measures which to-day are of nation-wide application. I am happy that I have been spared to help to-day to further the enactment of yet another measure which will be one of the most far-reaching ever enacted for the benefit of those in humble circumstances in our land.

My friends of the C.C.F. have also made what I considered extreme and mistaken claims as respects the part they have played in advocating that industry should be made to serve the well-being of society. They have said that they were laughed at when they spoke of industry being carried on for use rather than profit. Well, I do not know who laughed at them.

Mr. COLDWELL: We have been laughed at in this house.

Mr. MACKENZIE KING: In this house?

Mr. COLDWELL: Yes.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: Not for that. There have time and again been extravagant statements made by them which have been laughed at, but I can say that when my hon. friend and some of his friends were in the kindergarten hon. members on this side of the house were proclaiming that industry should be considered as in the nature of social service, and its rewards made proportionate to the service rendered by all the parties to industry.

Mr. COLDWELL: What have you done about it?

Mr. MACKENZIE KING: What have we done? More than any parliament in the world has done. And our advocacy of measure after measure of social reform in the house has been because of our having held that very view.

I mention these things because I feel my friends are being carried away by some of their recent provincial successes, which they hope they may be able to repeat in a wider field.

My hon. friends of the C.C.F. party have also said that they would like to see this measure included as part of a general scheme of social security. Well, if they will read the speech from the throne—or re-read the speech from the throne of last year, and read the speech from the throne of this year they will see there emphasis placed upon the necessity for a nation-wide system of social security, also an enumeration of the measures already enacted toward that end. The speech of this year brings out significantly the fact that the family allowances scheme is one of vast importance in the nation-wide scheme, and one which lies at the root of all social security in this country. I believe it is the very foundation of any nation-wide scheme of social security. The advocacy of a national minimum standard of life which would apply to all has been an objective which has been kept before the house in the course of all social legislation we have brought before it; it is something that has been advocated by the Liberal party for many years.

Perhaps I ought to reply to one or two other words of criticism. Some hon. members have taken exception to the fact that this bill is to come into force on July 1, 1945. There are sound reasons for the date that has been fixed. They have already been given. One of those reasons is that time will be required to make the necessary preparations for the carrying out of the provisions of the measure. It is a far-reaching piece of legislation. No greater misfortune could happen, and no greater threat could be made to its ultimate success than that

this great plan for the furtherance of human well-being should be entered upon prematurely, and before all essential safeguards have been provided.

I do not believe it would be possible to have all essential preparations made in a lesser time than has been fixed. In the first place we have yet to establish a new department of government. Authority for the setting up of that department has been enacted by this parliament at this session. I refer, of course, to the Department of National Health and Welfare, which will have to do with the administration of this measure. Time will be required to get the department into working order. There will be need for consultation on the part of its officers with the provinces and with many organizations. All this will necessitate a considerable lapse of time. It is now less than a year before the time fixed for this measure to come into force. That is one reason.

Another reason is that, as hon. members know, this measure has a close relationship to the income tax, and the allowances to be made. In making their financial calculations and adjustments the Department of Finance, in adjusting payments under the income tax, must take certain periods as bases. The only periods that seem to be suitable are the beginning or the middle of the year. Obviously January 1, 1945, would have been too short a time within which to have this measure become operative, and January 1, 1946 would have put off the measure too long. July, coming in the middle of the year, and at the time I have mentioned, seemed to be in every respect the most satisfactory date.

What I cannot understand is how hon. members opposite should seek to have it appear that this measure has, in some way, been brought in in relation to the Quebec elections. That is the most unworthy kind of suggestion I have heard made for some time. Hon. members will recall that the proposal to enact family allowances is set forth in the speech from the throne. It will be recalled, too, that the speech from the throne was debated at considerable length in the house and, if I am not mistaken, it was finally passed without division. Why was it, then, that during the course of that debate we had no word about family allowances being in the nature of political bribery, or something intended as a bribe to the electorate? The measure before us is the very measure that was referred to at that time.

All this was back in January—I believe it was January 27—when the government's intention to introduce family allowances was announced in the speech from the throne. This is what was said:

> The family and the home are the foundation of national life. To aid in insuring a minimum of well-being to the children of the nation and to help gain for them a closer approach to equality of opportunity in the battle of life, you will be asked to approve a measure making provision for family allowances.

That, Mr. Speaker, is in the speech from the throne, as it was read and approved on January 27, 1944. I suggest that if hon. members did not raise objection to the measure at that time, they are hardly justified in raising some of the objections they are making at the present time.

After the speech from the throne had been read in parliament and this house proceeded with its business we followed our customary procedure. First of all, we debated the speech from the throne itself. Then we followed the course that has been followed since the beginning of the war, and brought in the appropriation bill. Its provisions were discussed at great length. Following that, as we have at previous sessions, we took up the budget. After the budget was presented we have brought forward, at as early a moment as we could, the other important measures mentioned in the speech from the throne. Every member of the house knows that that is what has taken place this year.

This discourse or the time of its introduction had nothing whatever to do with the Quebec elections. So far as my knowledge of the situation went, I did not know when the Quebec elections were to be held at the time the speech from the Throne was read. As I have said, the measure was brought in in the ordinary sequence. Why speak of Quebec? Why not say that the measure was introduced to help the elections in Alberta? They are on at the present time. Why not say that it was brought in to help the elections in Saskatchewan which took place a short time ago?

I submit that hon. gentlemen, who, whenever the opportunity presents itself, seek to raise a prejudice against any province in this country, are bringing upon themselves a grave responsibility. At a time when young men from the province of Quebec are giving their lives, along with their comrades from other provinces, in the defence of this country and in the defence of freedom, it ill suits any member of this House of Commons to seek to raise, in their absence, prejudice against the province from which they have gone forth to war. There is no greater disservice that any member of parliament can render Canada

than to seek to raise in this country any form of prejudice, whether it be racial prejudice, religious prejudice, or prejudice against classes or regions.

Every one knows that Canada is a difficult country to govern. Every one knows that, at a time of war, we should, above all else, be as united as we possibly can. Yet in a period of war, at a most critical time, speakers on the other side of the house, in the official opposition, have repeatedly thrown out words insinuating that, in some way, this measure had been brought in to assist participants in an election in another province. I hope I can leave the matter at that. If what I am saying is not true I hope some one will immediately correct me.

There is another reason why this measure should not go into force before July 1 of next year. I have indicated that it is not my intention if I can possibly prevent it, and I think I may be able to, to deny to the people of Canada the right which is theirs of having an election at least every five years. This parliament is not going to be permitted to continue, whether the war is continuing or not, beyond the five years of its term. As is known, we were returned as a government to carry on the war. And we intend to do that; suffer politically as we may by devoting our entire time to carrying on the war, we intend to pursue that course in the manner that will best help to win the war. There are some hon. gentlemen opposite—and this is not restricted to the official opposition—who have been spending most of their time in trying to win elections and trying to destroy this government charged as it is with the many responsibilities that have been placed upon it by the Canadian people. I think I have some appreciation of the spirit that is in the breasts of the Canadian people. I tell my hon. friends that they will find, when the time comes, that the Canadian people are not going to be indifferent to the action, no matter from what party it originates, of trying to destroy the government that has been sent here to carry on the prosecution of the war, as vigorously as may be possible, and of seeking to destroy and undermine in every possible way its authority in different parts of the country.

I have been amazed—I must say that I speak of these things because I think they ought to be mentioned—at the fact that some men of high position in this country who were brought into the government service to help to carry on the war, knowing what they do about the seriousness of the situation, and how necessary it is that every man of ability who can serve should remain in service to help to win the war, should have left the government service in order, in the crisis of the war, to help organize a political party against the government. That, too, is something that the people of Canada will not forget.

The people of Canada have a moral sense which can be trusted, and I think that some gentlemen will find that out. Speaking of the official opposition, some one said to me, it was true of them, as had been said of an opposition elsewhere perhaps, that they had not enough members to fill an omnibus. He added, the way they are being led at the present time, not in this house but from outside, that when the next election comes they will not have enough to fill a taxicab, let alone an omnibus. I think that is probably correct.

Mr. HANSON (York-Sunbury): You had better look after your own fences; do not bother about us.

Mr. MACKENZIE KING: I know my hon. friend does not want me to worry about him. May I say that I am not worrying about him at all.

Mr. GRAYDON: I think you fellows will be able to walk; you will not need a vehicle at all.

Mr. ADAMSON: The Liberal party will come back on a bicycle built for two.

Mr. MACKENZIE KING: However, that is by the way.

I come now to one of the other criticisms which have been made of this measure, that certain labour leaders have objected to it on the score that it might possibly have the effect of keeping down wages which are already too low. If I believed that any such possibility existed, I would be the last person to introduce the measure. But as has been so frequently made clear in this house, the effect of this measure, first of all, is going to be to create a much greater and more certain and constant demand for commodities in the domestic market of Canada than has existed at any time prior to the war. That of itself will keep up the demand for labour. That certainly is not going to make it any easier for employers to keep wages depressed.

The wage system takes no account whatever of family status. This is something that cannot be considered too carefully. The factors that determine the rates of wages must take account of international competition, national competition and local competition. In that process the fixing of the rate of wages is related no more to those who have great obligations than to those who have no family obligations. A man who has a large family

gets no consideration in payment for his services as a wage earner because of the size of his family.

Nevertheless, if it were not for large families this country would rapidly lose its whole strength as a nation. It is upon the families of this country, their numbers, the quality of their health, their vitality and strength that the future of Canada depends. Yet, under the wage system as we have it in a world of only partly regulated competition, the tendency has been to destroy family life and to depress the standard of well-being of large classes in the country. I am going to refer to this again a little later on because I think it is a very serious situation.

The fundamental justification of children's allowances is that the wage system takes no account of the family status of the wage earner, and that, in a considerable sector of Canadian industry, the wages being paid are not sufficient to give the worker a family income sufficient to keep his family in health and decency and up to a reasonably current standard. Family income must somehow be supplemented or, alternatively, a substantial portion of the population must be doomed to extreme poverty and its inevitable consequences of disease, crime, illiteracy, inefficiency and other forms of social degeneration. Allowances paid for all children, it is believed, represent by far the simplest and cheapest way of providing a supplementary family income. They avoid discrimination or social stigma and can be administered simply and cheaply. That is my reply to that particular criticism.

I intended to mention, whether I did so or not I am unable at the moment to recollect; if so I shall repeat it, that when the present administration were returned to office by the people of this country, we were continued in office for a particular purpose, namely, to prosecute the war to the utmost on behalf of the nation. We were not elected to office to introduce measures of social reform which will involve large expenditures of public money, without the people of this country having an opportunity, in the first place, to pronounce upon post-war policy. We were not given a mandate to put into effect a programme of social measures. Nor were policies of reconstruction and world rebuilding an issue in the last elections. I like the British parliamentary practice in contrast to that of some other countries, according to which it is understood that, when a ministry has fulfilled its obligations in accordance with the mandate upon which it was appointed to office, and when new questions arise which the public have not had any opportunity to consider, the ministry, in the discharge of the trust which it owes to the people, should go to the people, present the new issue, and give them an opportunity to pass upon it. That is what we intend to do.

Part of our duty has, of course, been to anticipate the difficulties which will arise in the post-war period, and to prepare those measures which will serve to meet the difficult questions which will arise when the war is over. No one can begin to know, except those who have had to do with it—here I refer particularly to many of our public servants, those in the civil service of this country who have been working night and day, giving of their health and strength to help to get into scientific and final shape the measures that should be presented to parliament at this time—I say that no one can know, except those who have had experience of it, what a terrific strain it has been upon the administration to have not only to further the prosecution of the war, but, as well, to have to anticipate and prepare for the problems which are going to arise in the post-war period. But we have assumed that responsibility and we are presenting our measures to this parliament at this session.

When the right moment comes we shall place before the people of this country a programme which we believe will serve the best interests of the people of Canada in the post-war period. It is for that as well as for the other reasons I have mentioned that this measure of family allowances has been fixed to go into effect on the first of July of 1945. Before this measure goes into effect, the people of this country will have an opportunity of expressing their views and their wishes in regard to it. They will have to bear the expense of it. My own belief is that the measure itself is going to create so much in the way of employment that the national income will be so increased that we shall find it possible not only to have this class of social enactment self sustaining but be able as a consequence to have as well a reduction of debt and taxation. As I said the other evening, one other reason why I myself took very strongly the position that this measure should not go into effect before a general election was that I did not wish to give to suspicious minds any occasion to think that the government might be seeking, as one leader already has said, to bribe the people. I wonder what hon. gentlemen opposite would be saying to-day if the date when this measure was to come into effect had been fixed at some time before the close of this year, and if at a time an election

was on, be it this year or next, cheques were going into the homes of this country out of the public treasury in payment of family allowances. I think I know what would be said in this house in regard to anything of the kind, and rightly said. I was determined that no stigma of that sort should attach to a great social measure of this kind intended for the continuing well-being of the children of Canada.

What I wish to refer to more particularly, and it is the last subject on which I shall touch, is the justice of this measure. I know that there are people of all classes throughout this country who are much concerned about the significance of this measure, as to what will follow from it, and as to what it may involve by the way of change of many practices and usages to which we have grown accustomed.

I want to speak of the justice of this measure as between man and man in the matter of their posessions, as between those that have and those that have not. Some there are who say that this measure is unjust in that it takes away from him that hath and gives to him that hath not. It all depends on how wealth is created and how it comes to be possessed. I want to make clear the justice of the measure in relation to a more equitable distribution of the wealth of this country. I want to say a word, also, as to the justice of the measure as between parents in this country, as between those who have great responsibilities in the bringing up of families and other members of our society who have not the same obligation.

I want also to say a word as to the justice of the measure in relation to the children of this country, a limited number of whom have the best of opportunities in facing the battle of life, but multitudes of whom have little or no opportunity at all.

I wish to say a few words as to the justice of the measure from the point of view of Canada itself, the preservation of our nation and all that that will mean in the years to come.

First as to the justice of the measure as between man and man. Here may I take occasion to say that this measure grows out of a sincere desire on the part of the administration to meet a new condition of things with which we shall be faced when the war is over. During the last war we heard time and time again: When the war is over we shall have a new social order, things are going to be very much better for all classes of people in this country. We know that anything but that was the case. The years have gone by, we are now going through another war, and the same professions once more are being made. But this time, so far as this administration has power to have it so, we intend to see if we possibly can that the new order expresses a new social concept altogether of industry as being in the nature of social service and the obligations and rewards that grow out of that conception. It is of that concept that I wish to say a word in conclusion this afternoon.

I tried, in the period of the last war, not knowing whether or not I should be in parliament again, to give to my country what I could, as the results of careful research, of the principles on which I believed reconstruction should be attempted after the war. The measure I am advocating to-day is along the lines of the principles that I laid down at that time. But conditions which no man could control and no group of men could control have made it impossible for many of the required measures to be carried out since that time which, when the war was on, people were most anxious to have carried out. But we owe an obligation to our country to-day, and we owe it to the world to-day to see if, in some way, we cannot make a contribution that will prevent a recurrence of situations such as since 1914-18 have brought about another war.

May I by way of prefacing what I have to say read a paragraph from an address I made in Toronto before the Empire club at the King Edward hotel on March 13, 1919? At that time I was seeking to point out the necessity of a new conception of industry, the necessity of being in earnest in the matter of establishing a new world order, of finding the means whereby that new order could be secured. I repeat, as more applicable than ever to the world to-day what I said in the years immediately following the end of the last war:

> Especially in industrial relations have we accepted with complacence an order of things to which we have grown accustomed. The shock of war, stirring the world's soul to its very depths, has brought before our eyes the shattered image of an industrial civilization which is full of injustice. It has left us to decide whether the new order shall be little more than a return to the old, with all its worship of material wealth and material power, and its relative indifference to human worth and human well-being; or whether it will be an order worthy of the sacrifices of the heroic dead, and the services of those who, on land and sea and in the air have endured all manner of hardship and peril to preserve the liberties and freedom that we still enjoy.
>
> Let us be assured of this: the unrest in the world of industry to-day is no ephemeral and transitory affair; no mere aftermath of the hideous convulsion which has shaken existing society to its very foundations. It is the voice of a grief-stricken humanity crying for justice in the relations of industry.

I repeat what I said at that time is truer than ever to-day. We have before us the knowledge of the fact that because no heed has been paid to the truth of statements such as this, another great world war has come into being, and we must make it our supreme duty, in this generation to do all we possibly can to avert hereafter any calamity of the kind.

To bring that about we must have a wholly new conception of industry as being in the nature of social service for the benefit of all, not as something existing only for the benefit of a favoured few. First of all, let us understand exactly what industry is. Industry is the means by which the material sources of the world are transformed, through human intelligence and human energy, with the aid of natural powers, tools and machines into commodities and services available for human use.

What does that mean? It starts with the natural resources which have been the gift of the Creator to mankind. The natural resources of any country have not been given to individuals; they have been given to the entire community, to the entire people. That, I think, we must realize as a fundamental truth, and all our efforts at the improvement of social and industrial conditions must be based upon that knowledge. But what has come to be the accepted view as we have developed the institution of private property? Not industry as existing for the good of all—but industry as a means of private profit and gain. Are we then to throw aside all belief in the nature of private property to society because of some evils which have grown out of that system? Before we do so we would do well to examine the position of private property as to what it means in the way of initiative, in development of resources and making them available for service and use, what it may also mean in the betterment of masses of men.

Private property, in itself, is in no sense sacred. Private property is justified only in so far as the well-being of society is better served by its preservation as an institution than society would be by some communistic or socialistic plan. We have to ask ourselves, is the system of private property as it works out to-day in industry operating for the well-being of mankind as a whole, or is it operating for the benefit of the very few who are being enabled to reap vast fortunes, and to the detriment of the many who are kept at a margin of subsistence throughout their lives? If the latter, can not the evil be remedied, and the good maintained without throwing over the whole structure for some the merits of which remain to be proved?

Taking industry as we have it to-day, we have grown accustomed to accepting the view it is something which concerns two parties, mainly if not only, namely capital on the one hand, and labour on the other. The argument with respect to industry is, that capital which represents saving is invested and labour does the work; therefore capital should get its reward in the way of profits; labour should get its reward in the way of wages. Both capital and labour are necessary. Nothing can be done in the way of developing resources, except in the most primitive way, without the investment of capital, which is the use of wealth for the production of further wealth; nothing can be done without labour lending its skill, its ability and its muscular strength to help to develop resources. These two are essential—absolutely essential—and should get their reward. But either of them by themselves or both together are incapable of developing resources unless there is yet a third party to assist in the work of production. That third party is managerial ability. The world has come to recognize to-day that there is something wholly different between the function which the manager of a great industry performs and the function which an investor of capital performs. The function performed by a manager of industry is one demanding a high degree of intellectual acumen, demanding knowledge of men and how to coordinate their work, how to relate it to the needs of organized society, and a knowledge of world markets and world affairs. This is a class of ability which is very rare, and it commands—and rightly so—very high rewards in the form of salaries. It is through the skill of management that the two parties to industry, labour and capital, are able to work together. They can work together so long as they are united by mutual confidence, but if that goes they are as helpless as the two blades of a scissors when not firmly bolted together.

But neither capital, nor labour, nor management could do anything in the way of development of natural resources or the furthering of industrial processes without a fourth party —I shall call it the silent partner, if you wish —which is the community, in other words organized society, which makes possible all production that results from the efforts of the other three combined. What could be done in industry without the part which the community plays?

For the sake of brevity I shall repeat here what I have said on more than one previous occasion in regard to the part which the community plays. I wish it to be understood that by "the community" I mean the entire

population, every man, woman and child, rich and poor, that goes to make up the community which we know of as the nation:

What is 99 per cent of the expenditure of government in normal times but outlays in the nature of investment in industry: investment in property and services of one kind or another, which alone makes possible the vast cooperation and coordination of effort which is the very life-blood of industry? The vaster industrial organization becomes, the more it depends in a multitude of directions upon the investments, not of capital or labour or management, but of the community.

It is the community which provides the natural resources and powers that underlie all production. Individuals may acquire title by one means or another, but it is from the community, and with the consent of the community that titles are held. It is the community, organized in various ways, which maintains government and foreign relations, secures law and order, fosters the arts and inventions, aids education, breeds opinion, and promotes, through concession or otherwise, the agencies of transportation, communication, credit, banking, and the like, without which any production, save the most primitive, would be impossible. It is the community which creates the demand for commodities and services, through which labour is provided with remunerative employment, and capital with a return upon its investment. Apart from the community, inventive genius, organizing capacity, managerial or other ability would be of little value.

Turn where one may, it is the community that makes possible all the activities of industry, and helps to determine their value and scope.

Community investment is supposed to receive its return in enhanced purchasing power to consumers as respects the number and quality of available services and commodities.

I hope it is clear that in the world as organized industrially to-day all that is received in the way of wages, all that is received in the way of interest on capital, all that is received in the way of salaries for managerial ability, is dependent upon what the community itself does to make possible their cooperation in the work of industry. If that is true, then the question immediately arises, where does the return to the community come in? What is the reward that the community receives? As I have indicated here, the reward that the community gets is the services and commodities which are made available for use as a result of the four parties I have mentioned working together in production. They have worked together so successfully that they have solved the problem of production.

In the early days of the old regime of hand tools it was only a limited production of commodities and services that the parties to industry could make available for use. Production was limited by individual skill; but to-day with the aid of machines, the parties to industry all working together, and with what the state does to keep in working order this great industrial organization, we have been able to produce so much that at times nations have destroyed large parts of what has been produced on the farms and in the fields, and some of the things that have been manufactured, rather than have them equitably distributed. Surely there is evidence of great injustice here—that the resources which were given to man for his enjoyment should actually be destroyed because production has got to the point where not only all that is needed for society is produced, but where it is possible for a large part of total production to be left in the hands of individuals rather than distributed for the well-being of the many, to say nothing of great quantities of wealth being destroyed that a privileged monopoly may be maintained. The community does get its reward in services and commodities, but it does not get a reward which for a large portion of the population begins to be adequate. It gets its reward in services and commodities for a number of individuals. The very well-to-do secure it in abundance. The comparatively well-to-do receive a limited return, but the mass of people do not begin to get from the natural resources of the country which have been given by the Creator for the benefit of all what they should get in the way of services and commodities as a result of those natural resources being transformed in the way which makes them available for human use. And that is what this particular measure, among other social security measures, seeks to bring about in the way of justice where at the present time great injustice exists.

The new conception of industry I wish to place before the house is the following:

> No longer must industry be thought of as a mere revenue producing process, in which capital, labour, management, and the community meet like so many rival and contending factions, each to appropriate to itself by force or might the largest possible share of the fruits of industry. Industry must be thought of, as in reality it is, as in the nature of social service, and participation in industry, whether in the form of labour or capital investment, as social service of the highest kind, since upon its successful accomplishment rest all other forms of human service.

Mr. COLDWELL: What is the right hon. gentleman reading from?

Mr. MACKENZIE KING: I have been reading this afternoon, where I have read, exclusively from an address I made in Toronto in 1919. What I said in that address is based on what I had set forth in the book "Industry and Humanity", which I wrote hoping it might be a contribution to my country and to other countries in the post-war period. That is what I am seeking to accomplish to-day, along with other hon. members of this house, the opportunity being at hand to express now in the form of law upon our statutes means whereby the new order can be brought into being in an effective way.

May I now refer to the effect of the existing order as it relates to justice between those members of society who have families to support and those who have none. As I have said, the wage system takes no account whatever of the family. The wage system recognizes that a certain quantity of work entitles the performer of that work be he single or married to a certain reward, but it does not go beyond that.

As I mentioned at an earlier stage in the debate, the number of families in this country in which there are children under sixteen is approximately 1,500,000. The approximate number of children of these families is 3,500,000. Over half of those families benefit in whole or part from income tax allowances for children. The families with the lowest income do not benefit from the allowance at all. It is estimated that one-third of the 500,000 families in Canada receive the full income tax allowance; that is to say, an allowance for the bringing up of their children. One-third receive a partial benefit; one-third receive nothing. Over half the children get little or no benefit from income tax allowances, and they belong to the families where the need is greatest. I ask hon. members whether that is justice either to parents or to children, having in mind that the parents of families have rendered the state its most necessary of all services, namely, provided it with its citizenry for the years to come. Surely those who have assumed that obligation are entitled to special consideration. The one way in which that consideration can be made certain and effective is to see that those who have families do receive out of the national income some return which would help them to meet the obligations of bringing up their families on at least a minimum standard of life applicable to all. Equally the children in families who constitute the future citizenry of the country are entitled, in the interest of the country itself, to have the assurance that they will have during the early and formative period of their lives a certain minimum of security against lack of nourishment, lack of clothing, lack of shelter, lack of food and lack of adequate education.

I should like to conclude with a reference to the effect upon the nation itself of the efforts of the system as it prevails at the present time. A nation's population is its first asset. If from any cause a country's population be reduced in numbers or vitality, its strength relatively is weakened. If men are drafted for the army they must be taken in large part from industry; if killed, wounded or enfeebled, industry suffers. If, in industry, human life is destroyed or impaired, the nation's manpower is thereby lessened. If unsanitary conditions and congested industrial areas breed disease and spread contagion and infection, no distinction of either person or class is respected. No service to the community or to industry can be greater than that which contributes to the prevention of accident and disease, or any form of impairment of health and efficiency. What physical and mental overstrain, and under-pay and under-feeding are doing for the race in occasioning infant mortality, a low birth rate and race degeneration, in increasing nervous disorders and furthering a general predisposition to disease, is appalling. These are the problems which require first consideration, if decadence is not to be the fate of industrial communities.

The war has postponed, as I have said, the hour of social reform; but it has served to arouse communities to the need of improvement in social conditions. A revitalized citizenry is now seen to be a part of the problem of preparedness and defence. An awakened social conscience demands that conditions which make for ruin and decay in urban or rural communities must be eliminated, that the well-being of society as a whole may be conserved. Standards of living conditions and standards of working conditions are now definitely recognized as wholly essential to community well-being. This above everything else I wish to stress in relation to familes that are in humble circumstances, facing the conditions that must be faced to-day in a world like ours. To save the spirit of men from being crushed is quite as important as to prevent their bodies from being broken or infected. Many a man's spirit fails when, through no fault of his own or of his family, efficiency is permanently impaired through accident or savings become exhausted by unemployment or sickness, or where a new life in the home suggests an additional burden instead of a joy. Much invalidity and penury

is due to lack of character and thrift; but much also is evidence of want of effective social control. What society fails effectively to prevent, society is in some measure under obligation to mend. That is what we are seeking to effect by this measure.

Let me give the house a few figures, which I gave before and which I now repeat, hoping they will be weighed carefully in all parts of this country, for they relate to the future of Canada if Canada is to hold her place as a country, strong enough to maintain her position in competition with other nations and in the face of situations which may arise in the course of time, when to see that its rights are fully protected this country will need all the population it can support and all the strong and vital men it can raise. I was pleased to notice that last night the hon. member for Saskatoon City (Mr. Bence) referred to this statement, which in its significance I think is as important as any statement made in this house for a long time. According to the 1941 census, of the gainfully employed forty-eight per cent are single, thirty-nine per cent of the married or widowed have no children under sixteen and forty per cent of those with children under sixteen have only one child. What does this mean? It means that eighty-four per cent of the children under sixteen in Canada are dependent upon only nineteen per cent of the gainfully employed. That, I think, makes a case as strong as any that needs to be made for seeing that these children, who are the future men and women of this country, receive adequate care, adequate nourishment, adequate clothing, adequate housing and the meeting of all other essential needs.

Before us at this time, Mr. Speaker, is what is taking place in Europe, and we know something of the future we are about to face. I was inspired to undertake the particular study of social conditions and of industrial relations subsequently published under the title of "Industry and Humanity" by a passage which was brought to my attention by my late brother, Doctor Macdougall King. While writing a book on "The Battle of Tuberculosis and How to Win It," he drew my attention to a profound statement made by Louis Pasteur, to whose great service to mankind I have been pleased to hear so many fine references made in this house in the course of the present debate. I give that statement to hon. members of this house that they reflect upon the significance of its every line.

Pasteur had lived at the time of the Franco-Prussian war and had seen the efforts made by Germany to destroy Europe. He was not living at the time of the last war; he could have known nothing of the present war. But we know of all these wars, and what Pasteur wrote in 1888 is surely seen to be truer than ever to-day. Pasteur required the aid of the microscope to discover the devastating germs within the blood; his finely trained intelligence enabled him to perceive like factors and forces at work in the world. In the light of his previously acquired knowledge, he saw the same conflict between individuals and between nations as he found within the human organism. This is the scientific utterance in relation to man which Pasteur has left to the world:

> Two contrary laws seem to be wrestling with each other nowadays: the one, a law of blood and of death, ever imagining new means of destruction, and forcing nations to be constantly ready for the battlefield—the other, a law of peace, work, and health, ever evolving new means of delivering man from the scourges which beset him. The one seeks violent conquests, the other the relief of humanity. The latter places one human life above any victory; while the former would sacrifice hundreds of thousands of lives to the ambition of one. Which of these two laws shall ultimately prevail, God alone knows.

By the measure on family allowances before this House of Commons to-day, we are seeking to further the law of peace, work and health. Looking to the immediate establishment of a new order, we are giving to-day, by its provisions, a challenge to the law of blood and of death.

The house divided on the motion (Mr. Mackenzie King) which was agreed to on the following division:

YEAS

Messrs:

Abbott	Dechene
Authier	Denis
Bence	Diefenbaker
Bertrand (Laurier)	Douglas
Bertrand (Prescott)	Dupuis
Black (Cumberland)	Edwards
Black (Yukon)	Emmerson
Blackmore	Esling
Bonnier	Fair
Bradette	Fauteux
Bryce	Ferland
Burton	Ferron
Cardiff	Fournier (Hull)
Casselman, Mrs. (Edmonton East)	Fournier (Maisonneuve-Rosemont)
Casselman (Grenville-Dundas)	Fraser (Northumberland, Ont.)
Castleden	Fraser (Peterborough West)
Church	Furniss
Claxton	Gardiner
Cleaver	Gibson
Cloutier	Gillis
Coldwell	Gladstone
Coté	Goulet
Crerar	Graham
Cruickshank	Grant
d'Anjou	

Gray	Martin
Graydon	Matthews
Green	Maybank
Gregory	Mayhew
Hanson (Skeena)	Michaud
Hatfield	Mitchell
Hazen	Mulock
Henderson	Mutch
Hill	Neill
Howden	Nicholson
Howe	Nielsen, Mrs.
Hurtubise	Nixon
Ilsley	O'Brien
Jackman	O'Neill
Jean	Perley
King, Mackenzie	Picard
Kinley	Pinard
Kirk	Pottier
Knowles	Purdy
LaFlèche	Quelch
Lafontaine	Ralston
Lalonde	Reid
Lapointe (Matapedia-Matane)	Rennie
	Rickard
Leger	Roebuck
Little	Rose
McCann	Ross (Calgary East)
McCubbin	Ross (Middlesex East)
MacDiarmid	Ross (St. Paul's)
Macdonald (Halifax)	Ross (Souris)
McDonald (Pontiac)	Ryan
McIlraith	St. Laurent
MacKenzie (Neepawa)	Sanderson
Mackenzie (Vancouver Centre)	Senn
	Sissons
MacKinnon (Edmonton West)	Soper
	Stirling
McLarty	Stokes
MacLean (Cape Breton North-Victoria)	Taylor
	Thauvette
McLean (Simcoe East)	Tripp
Macmillan	Tucker
McNevin (Victoria, Ont.)	Ward
	Warren
McNiven (Regina City)	Weir
	Winkler
MacNicol	Wood
Marshall	Wright—139.

NAYS

Nil.

Mr. GOLDING: I was paired with the hon. member for Parkdale (Mr. Bruce). Had I voted, I would have voted for the motion.

Bill read the second time and the house went into committee thereon, Mr. Bradette in the chair.

On section 1—Short title.

Mr. GRAYDON: May I ask the Prime Minister if it is his intention to continue discussion of this bill in committee? I understood that we were going on with something else when the second reading had been completed.

Mr. MACKENZIE KING: I did not have any such understanding. It was my intention to go on in committee, but if my hon. friend desires to wait until to-morrow, very good.

Mr. GRAYDON: I do not think I have any special preference, but in giving the order of business last night it was indicated that after second reading we were to go on to something else. I have no objection.

Mr. MACKENZIE KING: I stated last night:

> In the afternoon we shall continue the debate on the family allowances measure, and if we conclude that measure we shall then return to whatever order on the list we may not have completed.

Mr. BLACKMORE: In the year 1934 there arose a great figure named William Aberhart who preached the doctrine of $25 a month for everyone. In the year 1935 a number of members were elected to this house who were pledged to that principle. When those members began to speak the opposition to what they had to say was universal. It has been genuinely entertaining to a number of us to hear a great number of those who were most offensive in their sneers and jeers about the "$25 a month," as they said, "something for nothing," rising meekly in their places and supporting this measure. There are only two things I have to say regarding this measure—it does not go nearly far enough; the method of financing these allowances is unsound. Canada will run into bewilderment and frustration and disillusionment if the governments in power persist in trying to finance allowances and other consumer purchasing power distribution measures by means of debt money. I felt it was important to draw the attention of the house and the country to that fact.

The government is feeling its way. It is imitating the motions, but it is without the soul and driving force which is necessary in order to introduce a sound method of distribution. I think the Prime Minister did exceedingly well this afternoon in his speech, but I could not help wondering what Mr. Aberhart would feel if he knew that eight years after he introduced his great movement he would have as a follower the Prime Minister of Canada and the leader of the Liberal party.

As the Prime Minister has indicated, we are entering an age of abundance far greater than has even been hinted at at the present time. Meagre little family allowances will be simply drops in the ocean in effecting the amount of purchasing power that must be put into the hands of the public in order to enable them to consume the plentiful production we are now capable of producing. I wish to congratulate the Prime Minister upon having had the courage to introduce this measure at this time. I wish also to congratulate the members of this house for having had the good sound common sense to support this measure and pass it unanimously.

Mr. COLDWELL: I should like to say just a word. When I saw the vote this afternoon I wondered just why this parliament had waited such a long time to pass a measure of this description. This afternoon the Prime Minister quoted speeches he made thirty-three years ago and referred to his book "Industry and Humanity," which I had the pleasure of reading a good many years ago. The Prime Minister has been in office for most of twenty-five years and at the end of that time we find a House of Commons unanimously in favour of this great social measure—for I so regard it. That is a satisfaction to everybody. But one wonders why such a measure has been delayed for so long. I look back over the last few years, as I said the other day, and I think of the misery of the ten years between 1929 and 1939. The Prime Minister this afternoon referred to his visits to people in 1911, when I was pretty young. I was glad to note what the Prime Minister said about those people at that time. But let me say to him that I only wish that in the last ten years he might have visited some of the homes in his own constituency. There he would have seen indescribable conditions. I remember being up in that constituency in 1934 and seeing little children with their feet bound up in gunny-sacking because there was no money to buy boots and shoes so that they could attend school or engage in other normal activities. I say this to him too, that I am quite sure that irrespective of what the outcome of the next federal election may be, there is no party in this house which would dare to do anything but implement this piece of legislation. We shall have to extend our social service measures. It is estimated that this measure will cost the country in the neighbourhood of $200,000,000 annually. We have also a health plan which will cost possibly another $200,000,000 annually. We have men and women returning from overseas incapacitated and from other causes, and I hope eventually—I hope, I say—that we shall be spending several hundred millions of dollars to do the right thing by these men and women.

But what I want to point out now is that somehow we have to find the ways and means of providing the necessary revenues for these purposes. My hon. friends to my left a few moments ago spoke of the national dividend. I believe that a national dividend will come when we are able to control the productive resources and the national resources of this country in the public interest. I do not think you can issue national dividends unless they can be transferred into property over which the nation has some financial control.

I believe that this measure which we have adopted unanimously this afternoon is going to force this country along the road towards a new social order which the Prime Minister perhaps did not exactly imply this afternoon, but which is undoubtedly in the making, a new order in which the productive and natural resources of the nation will be operated in the public interest for the benefit not of a few but of the whole people of this country. We are on the threshold of tremendous changes, and we have to prepare the economic base for these social security measures.

If I have one criticism then to make of what the government has proposed and the house supported unanimously this afternoon—and I am glad that it has been unanimous—it is this: we are building the superstructure without providing the necessary foundation. After all, the necessary foundation is the goods which will validate the allowances that are now being provided for. We have reached an age of abundance, but that age of abundance cannot be taken advantage of by the people until the means of production and distribution are in the hands of the people of Canada. The people of Canada themselves hold the key to unlock the closed door.

I am glad that all this has happened this afternoon. We, as the Prime Minister said, have taken a little credit for promoting across this country many of these social measures. We still repeat that we have done a great deal along these lines. I remember a trip that I made to Great Britain in 1924. When I returned I happened to be a political candidate in the city where I lived. At that time I was actively urging old age pensions and unemployment insurance, those two great social measures which we now have on our statute books. I remember very well how my opponents, both Liberal and Conservatives, came back with the statement that I had been over to Great Britain and Europe and copied their ideas and that in this country we did not want to import the dole. I have a vivid recollection of that campaign and of what was said about those two social measures at that time.

This morning in my office upstairs I opened a letter which came from an old pupil of mine, the son of a former Liberal member of one of our legislatures in this country. That boy is now serving in the Royal Canadian Air Force in India. I have not his letter before me but I can quote pretty well what he said. He said: "I spent four years in

Great Britain. I went over there with the idea that it was a very backward country, that they heated their homes with fire-grates, that they had no central heating. I understand now what you stood for in the old days in Regina. When I compare conditions in Canada with what I see in the way of cooperative endeavour and of social advancement in that country I realize that in these respects we are still in our infancy." These are not my words. They are the words of a lad whom I taught a good many years ago in Regina.

My predecessor in this movement in this house was the late Mr. J. S. Woodsworth, and I say without fear of contradiction that if anyone ever did anything to popularize these social service measures across Canada it was the late Mr. J. S. Woodsworth. I am glad that we have got this measure at last.

But there is something I must say to the Prime Minister. This afternoon when he said that there were obstacles in the way of bringing down this measure years ago, I wondered what those obstacles were. After all, the government which has proposed this measure has been in power ever since 1921, with the exception of five years. The government has had the power to do things, and if these things were good to advocate twenty-five years ago, they certainly were good to implement long before 1944. I do not want to seem ungrateful or ungenerous, but I do want to point out that we have waited a very long time, and now at last we have a unanimous House of Commons to support the bill that has been read a second time to-day.

Mr. MACKENZIE KING: Perhaps I should say a word of thanks to my hon. friend for what he has just said. He spoke of the pleasure it gave him to see this measure carried unanimously. I only wish to say that that shows how effective over recent years has been the educational work that has gone on from this side of the house by the Liberal party. My hon. friend says that we have had the power all along. But to use power without having public opinion with you is to adopt the nazi method of proceeding, which is quite contrary to the spirit of Liberalism. Part of the art of government, if I may be permitted to say so, lies in knowing when it is best to do things and when it is wiser to leave them alone Before the war the country was certainly not in the mood it is in to-day, nor did it have the understanding of social problems that it has to-day.

We have been going through another war. People have had searchings of heart which have caused them to see the necessity for great changes. This is the opportune moment to bring down this measure and we are seizing opportunity by the hand, which may I say I believe is the right way of proceeding. We have now had about five years of war. If I had attempted to bring in a measure of this kind any sooner I believe that it would not only have been fatal to the enactment of the measure itself; the attempt so to do would also have been resented very strongly by the people of Canada. Fortunately, I think, they are now in a mood to support the measure, and I am happy indeed that that support is going to be so generously given in all parts of Canada.

Mr. MacNICOL: I am very glad that the Prime Minister, whom I have known for a long time as an advocate of social legislation, has lived to see so much of what he advocated enacted into law. I am grateful to hon. members on the other side who, when I rose a few moments ago to support this measure—an act for which I make no apology—expressed their appreciation with applause.

I too have been an advocate of social legislation for a long time. I do not know whether my first efforts in that direction antedated those of the Prime Minister, because he has been interested in the subject for a long time; but away back in 1914 I was one of those who advocated what was perhaps about the earliest measure of social legislation in this country, namely workmen's compensation. I did that because in the factory in which I laboured I saw on many occasions men lose a hand or a leg or otherwise become injured, and on two occasions, either because of heat or some other reason, two men fell into a cupola in which about 100 tons of iron were melting, and not even their ashes were found. I realized at that time that the workmen always had a battle to obtain any rights. I am not speaking about inability to obtain compensation from the company with which I was associated, because it was a very human organization and was managed by high-minded men. But in those days the courts were full of cases of men who had been maimed in industry and had to fight for their rights; that is, they did so if they could afford to engage the services of a lawyer or find one generous enough to plead their case for nothing. Too often these humble employees did not get the redress to which they were entitled. So that in those early days I was an advocate of workmen's compensation.

The government of the day in Ontario, which was the Whitney administration, was the first to enact such legislation. I refer to these matters because, as the hon. member for Rosetown-Biggar was speaking, I thought

I had better correct a few of his ideas about who has been first or last in the advocacy of social legislation. Also I was one of the early advocates of mothers' allowances. My interest in this reform arose from having lived in a neighborhood in which children blessed almost every home, and from early childhood I saw what it meant to a family if the breadwinner either died or was killed. How long mothers' allowances have been on the statute books I do not know.

Mr. HOWDEN: May I tell my hon. friend that a Liberal government in Manitoba enacted workmen's compensation and mothers' allowances in 1915. Manitoba was the first province in Canada to do so.

An hon. MEMBER: No.

Mr. MacNICOL: It is not important which province was the first. I know that Ontario was very early in the field, thirty years ago, and long before the late leader of the C.C.F. —for whom I had high regard and a very friendly feeling—was in this house.

Another early piece of legislation, which was mentioned by the hon. member for Rosetown-Biggar, was unemployment insurance. May I say that I went to Europe and visited several European countries which had unemployment insurance and studied the benefits of their legislation. Perhaps I should yield precedence to the Prime Minister and some others as being ahead of myself in advocating unemployment insurance, but I was very early an advocate of it, because I earnestly believed in it. I did so because in the plant with which I was associated were hundreds of men, the very flower of Canada. There are no finer men than the average industrial worker. No class of men have rendered more service to their country. I might instance the hon. member for Huron-Perth, who was a foreman in a small plant in the town in which he lived, and during that period found time also to serve as mayor of his community, as chairman of the hospital board, and in every worthwhile effort in the town in which he resided. He is but one of thousands; I could name many others. I name him because I see him sitting over there and because we have a certain affinity, having both laboured in businesses associated with iron and steel, his company making steel boilers and other agricultural machinery for farmers, and the large company I was associated with making boilers and radiators and steam equipment of one kind and another.

I advocated unemployment insurance because on so many occasions I saw good honest citizens laid off work through no fault of their own and no fault of their employer, and as their wages were never high they suffered much distress.

Another piece of legislation which I advocated many years ago was the old age pension. Numerous men have supported conscientiously and honestly this social reform. The Prime Minister was an early advocate of it; I heard him speak on the subject many years ago.

Many other pieces of social legislation have been discussed in recent years. Some are federal, some wholly provincial. If all of them are not on the statute books I hope they soon will be. The importance of maternal allowances cannot be disputed. Too often the advent of a little "treasure" into the home is a heavy handicap to the breadwinner, the ordinary humble honest heroic citizen. The allowance should apply at least to every family whose income is not more than $2,500 a year. If this provision is not on our statute book it should be. It is in effect in England. Of course in Canada the present Prime Minister and his predecessors have been faced with the problem of the nine provinces. I hope the time is not far distant—now that space is almost annihilated with the advent of radio and aeroplanes and swift automobiles and fast trains—when the federal government will have much more power than it has to-day, so that it can do what New Zealand has done, what Australia, whose federal constitution permits a little more latitude than ours, has been able to do, and what the British government long ago put into effect.

Mr. Chairman, I was almost going to say I am a worshipper of the old country; they have been so far ahead of us and any other country in social legislation. They have set the way for all of us and they deserve unstinted praise. The reason why they have been able to do it is that they are not circumscribed by nine provincial governments, from whom they had to get permission to do certain things. I am not going to speak on the constitutionality of this measure; it does not interest me. If this government has the power to do it, then I give them all credit for having gone ahead with it. This constitution business is something I am not competent to talk on. Therefore I have no reference to make to it.

Another thing that I have seen in my long association with industry is the terrible hardships that are experienced by the workingman's family when he, the bread-winner, becomes sick or his wife becomes sick. They have no sick benefits. For some years we have had this in some plants. We followed the programme which was adopted in England, away back in the early nineteenth century.

At that time great labour organizations organized, instituted and successfully carried on sick benefits. I am a strong believer in sick benefits. When the bread-winner at the ordinary low salary is taken sick or his wife is taken sick and he is placed in a position where he cannot carry on, why should he not have sick benefits? I do not know where they are to come from, but they should come from somewhere. If we have the authority to do these things I say, go ahead and bring in legislation along that line.

There is another group about whom I have been making a long investigation for quite a period of time, namely, the crippled. I have in mind at the present moment a man who is badly crippled. He is taken around in one of those little four-wheel child's wagons. He is a very fine man, an excellent musician, a man of high character. But as a child I suppose he became afflicted with spinal meningitis or something else that affected his legs so that he could never walk. He has been a cripple all his life. Society did not give him any chance. Our governments have not given him any chance. I hope that if the Prime Minister lives long enough—I cannot hope that he is to be Prime Minister much longer—but if he is—and no one can tell to-day who is to be Prime Minister after the next election—I suggest to him that he consider the cripples. There are many of them. I know a little girl who lives near my home. It would make your heart ache to see her getting around. She sits on the floor and throws one leg in front of her and draws the other behind her. She is unable to get a position anywhere. Society gives her nothing, and so far as I know the government gives her nothing. If the provinces would do it—

Mrs. CASSELMAN: I wonder if the hon. member knows that the social security committee is recommending a grant to the provinces to be used for aid to crippled children under the draft health bill which has been under consideration during the last few years?

Mr. MacNICOL: Let me say that I have studied the matter for quite a number of years, but I have never been able to get anywhere. I brought it up in this house some years ago. All I have to say is that if the provinces will not act, let the federal government act. The crippled child has the right to have a square deal from society and it is not getting a square deal to-day. The crippled child cannot get a position—

Mr. BLACKMORE: Would the hon. member permit a question? Does he imagine that there is any province that would refuse a grant in aid from the dominion for the purpose of the crippled children?

Mr. MacNICOL: No, I did not say that and I think the government—

Mr. BLACKMORE: Why all the excitement then?

Mr. MacNICOL: Because it is not being done to-day. I am not blaming the federal government.

Mr. BLACKMORE: The federal government is not granting the money. You are starting with the cart before the horse.

Mr. MacNICOL: No, I am not doing any such thing. I am saying that the horse, which in your case I suppose is the provincial government, is balky and will not do anything. If the cart is the federal government, then let the cart commence to take more notice of these things. The blind are being taken care of and have been for some time. I advocated pensions for the blind years ago and we had a committee on it a few years ago. I am glad that the government has granted contributions to the blind. I believe they are on the same basis to-day as the old age pensioners, are they not? That is all to the country's credit. These are four other social situations which I hope will be taken care of. I give the government credit for everything it has done. It deserves credit for what it has done, but we can all go farther.

That, Mr. Chairman, is my own humble contribution, small I know, but I never missed an opportunity to speak on these things, nor have I for the last twenty-five to thirty-five years and more. As one who has had some humble part in advocating and supporting these measures, I am glad to see that in the majority of cases they have come to pass.

I have only two observations to make with reference to the bill now before us. I am not clear on section 2. We have not yet come to it, but I may as well say something about it now. I am not clear about the position of the Canadian soldier who has lived here all his lifetime and had the courage to enlist. I honour those men who have the courage to enlist voluntarily. I know numbers from the riding I have the honour to represent. That riding is composed mostly of old country people, particularly the north end of it, almost solidly, and they have enlisted en masse. I know of one family by the name of David Seggie, of Harvie avenue, Toronto, a Scotsman who came over here from the old country, his blood being of that martial strain of old Scotland; his seven sons enlisted voluntarily. Four of them are in Italy, I believe; two of them in Britain and one here in Canada. That is the whole family. If the Prime Minister still continues as Prime Minister

and does not call an election too soon, I hope that he will consider some decoration or consideration for the families who have sent all their sons, either one son or more, because the mother and father who give their only son cannot do any more, and the man who sends all seven sons—oh, I cannot see anything for him but the kindest consideration when he has made a contribution of that magnitude.

I am not clear as to just where the father, a young Canadian who was born and raised here and who went to England and married an English girl, or on old country girl, English, Irish, Scotch or Welsh, or whatever it may be, and has children over there, fits into this picture. I cannot see why his children should not come under this legislation. If they do not I hope the Prime Minister, because he has a big heart, is generous and has as much love for these children as anyone in the country, will look after this matter. I cannot think of him barring a child born of a Canadian father overseas.

Mr. MACKENZIE KING: There is no intention that I know of. I do not know whether my hon. friend is referring to cases of children who continue to live abroad indefinitely. That, I think, would have to be provided against. But certainly from the moment a child is back in Canada it will apply.

Mr. MacNICOL: They will be over there for two or three years. Their father is still a Canadian; he cannot come back. I know quite a number of them, the Seggie boys, for instance, who have been over there for four years, one of them for almost five years. If they married and had children over there they would be Canadian children in every sense of the word. Fathers cannot come back. The state does not want them to come back. The state wants them to stay there to do their manly duty in winning this war. They want to stay there to win this war. If the bill is not clear on that I have no doubt that it will be cleared up. I just wished to say a word on that. I did not speak on the second reading of the bill. Had I spoken I would have dealt with that aspect of it. I had no intention of rising to oppose the bill.

One other suggestion was made by my leader, who himself endeavoured to take part in the last war. I do not know whether or not he was overseas, but I do know that he endeavoured to get into the army. In the course of his speech he suggested something with which I am heartily in accord. It may not be possible to accomplish, but I hope the Prime Minister will give it consideration. The suggestion was that this legislation be made applicable at once to the children of the soldiers who are on active service to-day, many of whom have been wounded and gone to hospital, and some of whom have died. I understand that under the dependents' allowance legislation the government has complete power to make this legislation applicable to the families of those soldiers at once, and I do not see why that should not be done. I do hope the Prime Minister will find some way of making this measure operative as soon as possible with respect to the children of soldiers serving in any theatre of war.

I believe that is all I have to say. I had just those two thoughts, in regard to children born to Canadian parents overseas and children of soldiers on active service. If some way could be found to permit them to obtain these benefits immediately, I think that would be a wonderful step in the right direction. I do not see why they should have to wait until next year. Our men overseas are going through what tongue cannot describe. All we see is pictures in our daily press or illustrated magazines. How human hearts and flesh and blood can stand what these men are going through in the front line and on our fighting ships is something I cannot comprehend. God Almighty in his wisdom strengthened the hearts of humans to stand what must be stood, and out of respect for the great contribution these men are making I hope the government will be able to find some way to make this legislation applicable to the children of those men now.

Mr. CHURCH: For five minutes I wish to refer to the first section of the bill only. Last night I gave my views on the totalitarian and socialistic aspects of the matter dealt with in this legislation. I gave qualified support to this measure on second reading because I believe it will help the small wage-earners who have large families and who are suffering at the present time. I have seen the situation as it exists in the Toronto district. The large number of members we have on this side of the house came from the province of Ontario, and mainly the Toronto district which is suffering most at the present time because of a lack of housing accommodation. I urge the government to call a conference immediately with the provinces and the larger municipalities with regard to this bill. The bill was not referred to any committee. I do not want to say anything now that might cause differences of opinion here, because the house has approved the principle of the bill, but I wish now to urge the government to take action along four or five lines.

As you know, Mr. Chairman, up to the present the municipalities have had to do the greatest share of the work in connection with

social services to our citizens. Measures of this kind have been loaded upon them after every war. The very same conditions arose in 1803, when the Addington administration came into power, and the same thing has occurred since—a demand for material things of all kinds. The materialism of the age has become apparent; people want the government now to look after all sorts of agencies. As I said last night, prior to the South African war one of the glories of the Victorian era was the belief that the state had no money except what came from the taxpayers. The Victorian era built up assets for the future, which we have squandered on many services, some unnecessary. In those days the people kept the state. To-day, with the teachings of the Cooperative Commonwealth Federation we are heading for the time when the state will keep the people. Let us get back to basic principles in connection with this bill. The first thing to be done is to eliminate the duplicate control system and do away with all these big bureaux here in Ottawa. The relief bureaux of our municipalities can do this work. We made a start in 1935, on my select committee, the committee "on housing and reconstruction", which made a report to the previous administration. When the new government came in, it adopted very largely a low cost housing scheme, on which it spent $80,000,000. We should spend $200,000,000 on housing immediately, because under this legislation not one cent will be spent until after the next election. The first payments will not be made until July 1, 1945. In the meantime aid housing and a fuel supply. The interval between now and July 1, 1945, should be devoted to further investigation of all provisions of the bill in the manner I indicated last evening, namely, at a conference with the provinces and larger municipalities.

The burden of debt of these social services of all kinds must be lifted from the municipalities, because the ordinary municipal tax rate contains at least three to five mills for purely social services, and some of the burden of debt must be removed from real estate. We must have low cost housing, cheap light and power, transportation services, hospital accommodation, and so on; and all these matters could be dealt with at a conference such as I have suggested. I do not want the government to consider this matter ended with the hip, hip, hurrah of the vote this afternoon. It takes far more than an act of parliament to secure a cent for the poor from this bill. This is far from the end of it. The government need not go throughout the country and say, "We did it", and all that sort of thing. The whole bill is nothing but a gesture to the left, and I have never yet made any gestures to the left. I can tell you this, that if we adopt the proposals of the C.C.F. we shall have a totalitarian socialist state in which everybody will work for the government and under which all liberty, all freedom, and ownership of private property will go.

We have not a perfect bill here; far from it. As I say, no allowance will be paid until July 1 of next year. In the meantime the government have a chance to do something for the municipalities by assuming the whole cost of all social services, including hospitalization, relief, and the burdens now on the municipalities. One result of the vote to-day will be to dry up all subscriptions to charities, churches and other organizations. I believe we could cut down the cost of this legislation considerably by providing gainful employment, social security and aid along the lines I have indicated. The state has no money for all these ventures, except what it gets from the taxpayers; one of the sections of this bill provides that parliament must vote annually the necessary funds. We should let the federal authority take over the whole cost of these social services from the municipalities. Let the federal authority pay for them and in that way relieve the municipalities and real estate of the cost, and help as a substitute for this bill by extension of these social security measures.

Last evening the junior member for Halifax said I had stated that we had power to make these payments. I did not say anything of the kind. I referred to the various reports that have been made during the last number of years; to the work of the committee on industrial relations in 1926, 1927 and 1928, and to the references to the courts and then to the privy council, to the Rowell report, and so on, and said they all came back to the words "public debt and profit" back to the basic principle of the federal authority to vote all funds they wanted under these words. I discussed the question of whether, by agreement with the provinces, we could vote any sums of money we wished to meet the cost of social services, in connection with technical education, old age pensions and that sort of thing, under the words "public debt and property", feared that, unless improved, the bill would wind up in the law courts.

I am opposed to a socialist, totalitarian state, the doctrines of which would be foreign to the will and soul of Canada, as they are foreign to the will of the mother country. The key to happiness, as it has been in the past, should lie in the ownership of private property, and we must work to relieve private property of the burdens in restraint of trade which have been placed upon it. The key to

happiness lies in work and thought for others, and not in the searchings after material things and in gainful employment.

I believe the right to possess private property is derived from nature, and not from man, and that the state has no right to abolish it, but can only regulate its use. This burden of $200,000,000 could be reduced to one-tenth that size, or to $20,000,000, if we were not to have a large administrative set-up in offices all over this country, and only those who need it were to secure it. All this money could be distributed to the municipalities throughout the provinces to administer on a national standard plan. The work could be conducted by the various welfare organizations already established in the provinces, and by the welfare boards in the municipalities. If this were done we would be able to eliminate much of the burden of debt now imposed on real estate by this enlarging of social services across Canada, and save duplication and waste.

I support what the government has done for this city of Ottawa, because it has followed out a policy dear to the Prime Minister's heart. I do not object to the expenditure of money in Ottawa, and other places doing the same should get the same aid, but I think three or four mills of Ottawa's tax rate could be put on driveway widenings and on the parks system, and to improve housing conditions here. Other cities doing like work get no federal aid. Vast improvements could be made in our social security measures. Possibly the improvement of housing is the key to the whole social security system, since it relates to the health and happiness of the masses. The modern, small house is greatly needed.

In Toronto to-day we need 25,000 of those houses. Less than one per cent of houses are vacant, and I am informed that 600 soldiers could be put out of their homes to-morrow. However, a court order has been issued postponing the evictions. We could accomplish much more in respect of social services, as the British government has done, if we had a proper housing system, with proper fuel and proper transportation, light, power and other civic services.

I have made reference before to a hospital of which members and ministers' families are well aware. I have in mind the Sick Children's hospital of Toronto, and the magnificent work it has done for the poor people in that city and in Ontario. That work has been done through public subscription. True, they do receive a per diem allowance; but the work that hospital is doing for children from all parts of Ontario has resulted in saving the lives of many of those children. That work is done solely by private subscription and the aid of a per diem allowance, and with no federal aid whatever. I know the daughter of one hon. member, who sometimes presides in your absence, Mr. Chairman, the hon. member for Huron-Perth (Mr. Golding), a former mayor, was a nurse in that hospital, and a very fine nurse, too. In its social services scheme the government could give something toward the upkeep of such wonderful places which have brought such joy and health to the sick children of Ontario.

I know that eighty per cent of the patients at the Sick Children's hospital of Toronto do not pay one cent, and the other twenty per cent pay very little. The out-door patients pay practically nothing. As I travel on the street cars I see them going to the hospital to receive treatment. These are largely poor people who cannot afford to pay for it.

As I have said, I believe we could effect a great economy in the operation of this measure, and that we could do it for possibly only one-tenth of the $200,000,000. I should hope the government would consider these suggestions during the recess of parliament. No doubt the bill will pass, but I have raised these objections because I have all my life supported reasonable, sound services adapted to our circumstances and I have always supported the work of the social services. I am not a mere beginner. I have been in it all my life. I appreciate that much has been done by some of the municipalities and by the provinces along this line. I believe the provinces and municipalities could be linked up into a joint united scheme and could thereby effect great economies, without setting up this great spending department here in Ottawa, and thus remove federal burdens from real estate. We might eliminate some of the abuses in our social system which have crept in during the war, and we would go a long way toward promoting better social conditions for the working classes in this country.

Mr. NICHOLSON: The observations of the hon. member for Davenport and the hon. member for Broadview prompt me to make a few comments. They have referred to the late Mr. Woodsworth, and to the Cooperative Commonwealth Federation in particular. I have no doubt that the hon. members are most generous in their home communities, but the fact remains that they did happen to be in parliament when their party was in office between 1930 and 1935. I do not think that any government ever received a clearer mandate from the people, or that any government has ever had a worse record in dealing with the problems we have been discussing in the last few days.

The hon. member for North Battleford made some reference to her personal experience during those years. At that time I was in one of the pioneer communities of Canada. I cannot think of any government in any country of the world which was more heartless than the Conservative administrations both provincially and federally during that period of time.

I received a call a few days ago from one of my constituents who has just returned after spending nearly four years overseas. This man was a veteran of the last war, having spent two years in the armed services before he was nineteen. He was unfortunate enough to have to live in northern Saskatchewan and to have to seek help through the Conservative government. The very best he could get was $5 a month for himself and wife, and an extra dollar for his child. Those were the family allowances available in Saskatchewan during that period of time—a dollar a month per child, with $5 for the parents. If there were five children in the family they might look forward to receiving $10 a month, which was the maximum relief allowance in the bush.

I recall looking into the case of a widow with four children. I discussed this matter with the Conservative minister of agriculture of Saskatchewan, who happened to be our local representative at the time. It was this family's misfortune to have lost the father, as a result of impaired health, following a most distinguished career overseas with the Canadian army. He left this small family of four children, two of whom were twins. The mother was English and was not familiar with the problems confronting the pioneer in the north. That family found a home in our community. Their income was slashed from $35 to $24 a month. I remember the figures vividly, because they represented a slash of over thirty per cent.

About that time the provincial treasurer was replaced on orders from Ottawa, because apparently he was too generous with the people's money. Another provincial treasurer took over the strong-box, in order that the money might be spent cautiously. Hon. members will understand that a widow who has to buy everything she eats and all she wears must be even more skilful than the Minister of Finance, if she is to manage a family of five on $24 a month.

I have in mind another case. These people went into the northern country in 1919. The father had served during the Boer war, and again in the great war. His wife looked after the family while he was overseas. When they first went in there they were about fifty-eight miles away from the railway. They managed to give their children a good education, but it was a very hard and long pull. The government of the day gave assistance in that community on the basis I have indicated, but could not see that adequate health and educational services were required. There were those at the time who felt that frontier people did not deserve any more. I should like to remind the committee that the people in those pioneering communities have made a wonderful contribution to the life of this country. Young people from those communities have joined the services.

The family I mentioned that went back fifty-eight miles has had a most unusual record. As I said, the father was a veteran of the Boer war, a veteran of the great war, and joined the veterans' guard of this war. They educated four children. The eldest boy joined the air force before the war started. The younger boy joined since and has been invalided home. Unfortunately the older boy will never return again. The mother, who is also a grandmother, joined the C.W.A.C. and is making an outstanding contribution during the present conflict. I had the pleasure of introducing her to the Minister of National Defence when she was last in Ottawa. Surely such people deserve better than we gave them in the thirties.

I think the Prime Minister is to be commended for introducing legislation of this kind on the assumption that people such as I have mentioned are just as important as people on St. James street, Montreal, or on Bay street, Toronto. When citizens in a community, whether it be Hudson Bay Junction or in the Peace River country, are obliged to live under conditions where $5 a month for the family is the maximum amount available, it is a reflection upon the entire country. I do not feel that the Prime Minister was on strong ground when he intimated that he did not have public sentiment with him previously. I think there have been many occasions during the past twenty-five years when public sentiment would have been with the government had legislation of this kind been proposed.

Mr. MARTIN: Is the hon. member aware that in 1929 a motion was moved in this house by Mr. Letellier, seconded by the former leader of the present C.C.F., Mr. Woodsworth, proposing that the question of family allowances be referred for committee consideration, and the whole question was referred to the committee on industrial and international relations? That committee, of which Mr. Woodsworth was a devoted member, decided to do nothing about the matter. I just mention that as an indication of the sort of thing the Prime Minister had in mind.

Mr. NICHOLSON: I have no doubt that what the hon. member says is correct. I am sure that if the late Mr. Woodsworth was a member of that committee he felt that something should be done, but unfortunately he did not have the majority he needed to take action.

Mr. MARTIN: I should like to read from the report of the committee dated Friday, May 31, 1929. The late Mr. Woodsworth was a member of that committee, as was the hon. member for Broadview, who, I believe, is the only member of that committee who is still a member of this house. The report of that committee concludes with this paragraph:

> Your committee begs to submit the evidence of these witnesses on the subject matter of investigation, and recommends that (a) as this proposal is new in Canada and requires more careful consideration, no immediate action shall be taken.

Mr. NICHOLSON: I thank my hon. friend for the information he has given.

In conclusion, I want again to express my personal appreciation of the legislation which has been brought forward. I hope the Prime Minister will continue to bring in the other social legislation he proposed twenty-five years ago.

Mr. BENCE: I should like to refer again to a matter I brought up last night when I was speaking on the second reading. I asked what consideration had been given by the administration to the whole matter of the taxation fields and the question of reallocation of responsibility as between the provinces and the dominion, particularly in view of the fact that the provinces have agreed to give up certain fields of taxation for the duration of the war in order to assist the administration in the prosecution of the war. As I said last night, I am particularly concerned about the eventual implementing of the report of the Sirois commission, and I am concerned that the decision of the administration at this time to bring in this measure, with the tremendous amount of taxes that will have to be levied and the tremendous amount of money that will be paid out, may militate against the future implementing of the report of that commission dealing with the reallocation of responsibilities and the establishment of social services.

Mr. MACKENZIE KING: The finance department has given careful consideration to the financial implications of this measure as it affects the dominion treasury and the relations between the provinces and the dominion. The view the finance department has taken in a broad way is, as I understand it, that this measure is calculated to assist the revenues of the country, that it will bring about a considerable increase in production and employment which will be a contributing factor toward increasing the national income.

This is a matter exclusively within the jurisdiction of the federal government, but as my hon. friend says there are relations between the provinces and the dominion that apply to all matters that affect finance. Those will be duly considered at the right time. I know the department has explored the aspect to which my hon. friend has referred and it feels that those relations will not be embarrassed by proceeding at this time with this measure.

Mr. BLACKMORE: I believe that this is the time when man's mind must be directed toward the solution and methods and techniques—

Mr. MACKENZIE KING: My hon. friend probably heard the conversation that took place between the leader of the opposition and myself when the house went into committee. There seems to be an understanding on the part of some members that my reference of last night to continuing with some other measures after this measure had been disposed of referred to the second reading of the bill and they made their arrangements in the light of that understanding. I think in those circumstances it would be advisable to continue with other measures after eight o'clock and further consideration of this measure can be continued at a later time. In the meantime, I am anxious to make a brief statement to the committee in reply to questions that have been asked in regard to the destruction of United States stores in the northwest, and if my hon. friend will not think I am impolite I should like to move that the committee rise, report progress and ask leave to sit again.

Mr. BLACKMORE: If I could have two minutes—

Mr. MACKENZIE KING: Yes; if my hon. friend will take two minutes and not more.

Mr. BLACKMORE: Remarks have been made which I believe we should answer. My first remark is a general reference to the statement of the hon. member for Rosetown-Biggar that he has advocated measures of social security. I would draw the attention of the hon. member for Rosetown-Biggar and his followers to the fact that the Social Credit party has advocated measures of social security equal if not superior to those advocated by the

C.C.F. But the C.C.F. party are endeavouring to do their utmost to destroy the Social Credit party.

The Social Credit party has a method of financing which, in my judgment, is of world significance. The Social Credit party has advocated a method of financing which has not been advocated by any other group in Canada. The method is unique and is sound, and it will be proved so by history just as sure as we sit here. But the C.C.F. are trying to destroy that method of financing along with the Social Credit party.

I now turn to the hon. member for Davenport. There is a great tendency on the part of a lot of men to think that you just cannot have social security methods except by setting up some great big unmanageable state. They think you cannot have social security in Canada unless you concentrate all the power in Ottawa and take all the power away from the provinces. They assume that the men in the provinces, Anglo-Saxons, Britishers, intelligent men, do not know how to manage the affairs of a province. That is a stupid idea. If the hon. member for Davenport will remember that if the power to create money in the hands of the dominion government be exercised and the resultant money be distributed equitably among the provinces, all the other matters pertaining to social security and economic well-being can safely be left to the intelligent men of the provinces who have been elected to take care of their affairs.

Progress reported.

At six o'clock the house took recess.

After Recess

The house met at eight o'clock.

CIVIL SERVICE SUPERANNUATION

EXTENSION OF OPERATION OF ACT—FURTHER PROVISIONS AS TO CONTRIBUTIONS, ETC.

Hon. L. S. ST. LAURENT (Minister of Justice) moved the second reading of bill No. 171, to amend the Civil Service Superannuation Act.

Mr. G. L. BOUCHER (Carleton): Mr. Speaker, I am very glad to rise and give approval to the bill brought before the house by the Minister of Finance (Mr. Ilsley), through the Minister of Justice (Mr. St. Laurent). I hope hon. members will give it unanimous approval, because it is another step in ironing out the great number of difficulties of employees of the dominion government. I believe that in these days, when we are all considering changing the old order and thinking more of human beings than of material things, and are facing reconstruction day where changes must be brought about, and, when, as the Prime Minister (Mr. Mackenzie King) said this afternoon, a new order must be brought into existence, we should first attempt to remove a number of handicaps and the difficulties of the old order.

I approve the provision in this bill allowing many servants of the government who have served for many years to enter the civil service superannuation fund and partake with their fellow servants of the crown in the benefits of superannuation. Superannuation is a matter in which the government should give a lead, and we should extend it so far as we can. I am sure that many hon. members and, indeed, many people in the country at large have little knowledge of the difficulties which arise in the administration of civil service affairs and of the inequities which prevail there, even though it is run by the government of Canada as the employer. The government should be a model employer of labour and of help and set an example for the rest of the employers of the country to follow. I do not think the dominion government should require persons who have served the crown faithfully for from one to forty years to retire at an advanced age without adequate means of support for themselves and their dependents. It would be a black mark upon our national life and our national pride if such conditions were to continue.

I have thought that in this bill we could have gone farther. In various departments of the government there are employees whose status is temporary simply by virtue of statutory enactment and regulation. Some of them —and I could quote statistics from a pamphlet I have received recently from the printing bureau—have been employed by the government for from forty-six to fifty years; yet they may still be temporary employees.

I believe that this bill will go a long way toward remedying another situation, mainly, that of those who are commonly known as prevailing rate employees. A great many civil service employees are engaged through the civil service commission. I think the present state of affairs is fairly satisfactory so far as those receiving appointment through the commission are concerned. The great difficulty arises over those who are not appointed under the Civil Service Act but are prevailing rate employees. I regret that this bill does not go quite far enough in the interests of those

who are not permanent but are temporary and may or may not be on prevailing rates. They need not necessarily be permitted to enter the superannuation fund, but will have to contribute under the retirement allowance provision, so much being deducted from their pay, without assistance from the government. There is a provision in the bill in this regard which can be discussed when we come to the relevant sections, whereby, upon recommendation of the treasury board, they may be brought in either individually or as a class to partake of the privileges of the superannuation fund.

I would point out how unfair it is to have employees working side by side under different arrangements, with different rights and different privileges upon retirement. One matter which has come to my attention and to which I should like to refer is an illustration of other conditions of a similar nature. Many of our returned soldiers of the last war were privileged to secure employment under the soldier settlement board in 1919. In that branch of the government they were not entitled to become permanent employees or to partake of the privileges of the civil service superannuation fund, until that privilege was granted to them in 1932. They were then permitted to receive the benefits of the civil service superannuation fund upon the condition that they would pay into that fund what they would have been required to pay if they had been permanently employed since 1919. These sums have been deducted from their salaries since 1932 to meet the total payments which they would have made from 1919.

Another situation with them which I think is particularly undesirable at this time is that, even though they thereby get their superannuation arrears paid up to date, when the time comes for their retirement on superannuation it is governed by the ten-year period preceding their retirement. Yet in the government service at the present time are employees other than these returned soldiers who entered the service of the government prior to 1932—say, in 1923, 1924 or 1925—who were allowed to subscribe to the superannuation fund, and whose retirement allowance is measured on a five-year rather than on a ten-year basis. This means to say that their superannuation allowance is calculated upon an average of the last five years of their service to the crown. So that others who were not returned soldiers and entered the government service in 1923 or 1924 under different conditions have the advantage of the five-year period, whereas returned soldiers who came in in 1919 and were allowed in 1932 to participate in the fund were placed on the ten-year basis. In my humble opinion that is discrimination. I believe it is definitely unjust, because it makes quite a bit of difference, particularly if civil servants earn promotion. If that promotion comes within the last few years, instead of close to ten years from the time of their superannuation, it makes a big difference in the amount of superannuation allowance they can get. I suggest that the government would be well advised to take this matter under review.

There is another matter which perhaps does not come exactly under this bill, but it certainly is pertinent to it, namely, that of temporary employees who remain for many years under the status of temporaries, although to all intents and purposes, other than that of statutory enactment, they are permanent employees, or their jobs are secure to them from year to year, and there is no definite reason to give why they should not be permanent.

The other matter to which I wish to make reference is that of classification. I do not think I should go into the subject of classification to-night, but I feel that it is something that we as a parliament should be very considerate about. The dominion experimental farm is located in my county. There are men working there as temporaries and classified as labourers who have been doing skilled work, even to the tune of building machines for particular purposes, doing particular handicrafts, having worked up a particular skill in these handicrafts in their years of employment. I believe they are still classified as labourers. If they had been working for an industry other than the government they would merit promotion by reason of their skill. They would have served their apprenticeship and would have qualified for that more advantageous classification and higher rank of pay and better benefits under the act. I do not wish to delay the house in giving second reading to the bill, but I felt that I should at least point out the two things in the civil service that should be attended to at this particular time.

In closing, I should like to urge that we as a parliament should clean our own house; we should thoroughly clean our own house by administering our own affairs with our own employees with the utmost fairness to give an example to the whole country to follow. I believe that it would be only a matter of giving the lead and it would help materially to advance a more human era than a material one. I am pleased indeed to give support to this bill in every way I can. I think the

hon. member for Ottawa West (Mr. McIlraith) threw out his chest with pride at the fact that it was the Liberal government that had brought in this measure. I rather bow my head in shame to think it was the government of Canada that has let this thing run for twenty or twenty-five years, knowing that this reform was needed, particularly in view of the fact that the Liberal party of which he is so proud has been in power for so many of the last twenty-five or thirty years.

Mr. S. H. KNOWLES (Winnipeg North Centre): I am very glad to note that a number of the matters about which I spoke on the resolution preceding this bill have been provided for in the draft now before us. I should say that they are provided for potentially. I dare to believe that under the provisions of section 1 of the bill the treasury board will exercise the powers given to it by that section to bring under the Civil Service Superannuation Act a number of the classes of employees about whom I spoke on Wednesday, July 26. I referred, for example, to the printing and mechanical tradesmen at the printing bureau who have not previously been included under the superannuation act because they were on the basis of a weekly wage rather than on an annual salary. In looking over section 1, I find that power is now given to the treasury board, if they will exercise it, to designate those employees as permanent employees of the government for the purposes of this act. I could wish that the terms of the bill had been such that there would be no doubt about this designation being made.

As I have already said I dare to believe that, because the employees of the printing bureau meet the various conditions set out in paragraphs (b) (i) and (b) (ii) of section 1, the treasury board will take the desired action in their case. I dare to hope, although perhaps I am going a little too far in that, that some of the other classes of employees to whom the previous speaker has just referred might also be covered by the terms of section 1. I refer particularly to the temporary permanents. Thus far they have not been included; yet they meet the specifications set out in section 1 if the treasury board is prepared to designate them under that section as permanent for the purposes of this act. I hope that will be done; and I hope that before this debate is closed the minister who is in charge of the bill may be able to give us some indication as to what is in the mind of the government in giving these powers to the treasury board.

Another class of employee to whom I referred the other day was the employee who has a chance to move to a position of a better grade, but who under present regulations finds that he must resign from the position in which he is now employed and be reappointed to the position of the higher grade. At the present time that employee finds that in doing so he loses the benefits of permanency that he previously enjoyed. Although this bill does not specify this case it gives the treasury board power to classify those people in such a way that they can retain the benefits which they previously enjoyed. I hope that is in the mind of the treasury board and that the minister may give us some indication to that effect.

Another group in behalf of whom I spoke the other day was the many employees who are still under the Retirement Act of 1896 or 1898, and wish to transfer to the superannuation fund. I am very glad to note that their request has been met without any qualifications in section 7 of the bill now before us.

I wish once again to say something further about the men who do char work in this building and the messengers and other employees of the House of Commons, but I shall defer that until we are in committee of the whole on the bill.

While I am on my feet may I say that there is another matter with reference to civil service superannuation to which I should like to draw the attention of the minister. I am pleased that since the Minister of Finance (Mr. Ilsley) cannot be here, it is the Minister of Justice (Mr. St. Laurent) who is piloting this bill through, because I wish to draw to his attention a case in which I feel that injustice has been done. I make an appeal to the minister that justice might yet be done in this case. I may say that while I am going to give the details of a specific case, I have been told by the Minister of Finance that there are hundreds like it and that is my reason for pressing this matter. This is the case of a widow of a former employee of the Department of Public Works. When he was alive his work was that of a cleaner and helper. He died in 1936. A few months after his death his widow received from the Department of Finance a letter, which I have on my desk, dated December 28, 1936, in which she was advised that she was being granted an allowance of $143.56 a year payable during her lifetime or until she remarried. That language in the letter is specific. She was told that this allowance was made on the basis of contributions by her husband to the retirement fund while he was employed in the public service. Thereupon she began to receive her cheques, which were made retroactive to September 12, 1936, in the amount of $11.96

a month. I repeat; she was told that she would receive these cheques monthly during her lifetime or until she remarried.

Obviously the lady could not live on $11.96 a month, so that in November of that same year, the year in which her husband died, she secured char work in the dominion public service. From November 16, 1936, until June 1, 1941, a period of four and a half years, she drew two cheques, her superannuation cheque of $11.96 a month and her wages, which amounted to $55 a month. When it is realized that those two cheques together, prior to the addition of the cost-of-living bonus, totalled only $66.96 a month, no one can complain about the fact that she was receiving two cheques from the federal government, and until December 24, 1940, this was quite in order as far as the laws of the land were concerned. On December 24, 1940, however, the government passed order in council P.C. 21/7609, forbidding—amongst other provisions—widows of civil servants to draw two cheques from the government, in other words to draw a pension such as this widow was receiving and at the same time receive payment for work such as she was doing. However, the case of this widow did not come to the attention of the government until some months later, so that she continued to draw both cheques until June 1, 1941, at which time her superannuation was suddenly cut off. As a matter of fact on June 13, 1941, she received a letter asking for her to refund superannuation payments that had been made to her for the period from December 24, 1940, to June 1, 1941. To the honour of the government on this minor point I must say that a little later they passed another order in council removing the necessity for refunds of that kind. Certainly they could have done nothing less in this case, for this widow was in no position to make any such refund.

I came into the picture, as far as this particular case was concerned, in January, 1943, when I began to write letters and got in touch with the department concerned to see if something could not be done for this lady. It seemed to me that the claim of the widow was based on a definite contract from the government under which she was to receive $11.96 a month as long as she lived. Only one stipulation was made when that superannuation was awarded to her, namely, that she must not remarry, and she had not done so. On February 11, 1943, the government passed another order in council, P.C. 5/1111, in which they reversed the position taken in the order in council passed in December of 1940 and granted permission to the widows of civil servants to draw their pensions and also receive pay from the government for work in the public service, provided that the two together did not total more than $3,000. As soon as I saw that this order in council had been passed I quickened my activities on behalf of this widow, and it was not very long before the superannuation branch restored her pension rights as from February 1, 1943. Since that time she has been drawing her pension of $11.96 as well as the monthly cheque she receives for her char work in the public service. I emphasize the fact that for four and a half years, up to June 1, 1941, this widow drew the two cheques totalling $66.96. Also, since February 1, 1943, she has been drawing the two cheques. But during the interval of twenty months she was denied her superannuation payments. When I read the notice in which employees were advised of the order in council of December 24, 1940, I found in it words to the effect that superannuation payments of this kind were suspended, and would be treated as deferred benefits. The widow in question, and I with her, dared to hope that this meant she would get it again later on. That was what we thought "deferred benefits" meant, namely, that it was money being held to her credit which would be paid to her at a later date. In due course, however, I learned from the superannuation branch and from the Minister of Finance that this was not the case; that by "deferred benefits" in the order in council the government meant that the payment of the superannuation was suspended until such time as it might be restored by another order in council, or until such time as the widow in question might terminate her employment in the public service, but the amount withheld was never paid to her.

I have had a considerable volume of correspondence in connection with this one case, partly because I have felt that this woman has suffered a particular injustice, and also because of the information conveyed to me by the Minister of Finance that there are hundreds like her. It has a particular way of getting under my skin when I find people of this class and this standard of living being taken advantage of in this way. My complaint to the Minister of Finance was to the effect that a contract had been broken. In one of my letters to the minister, dated May 18, 1944, I said:

> May I call your attention, as I have done before, to the terms of the letter which Mrs. . . . received from the Department of Finance, dated December 28, 1936, when she was advised that her allowance of $143.56 per annum had been granted; it included this sentence: "This is

payable during your lifetime or until remarriage." I contend that this contract has been broken.

The Minister of Finance replied on May 30; he dealt with other points I raised and then gave attention to the paragraph in which I complained about the breaking of the contract. This is what he had to say:

> On the question of contract, as stated in my letter of May 4, the effect of order in council of December 24, 1940, was to give pensioners the option of continuing to take their pension without working for the government, or entering the public service with a forfeiture of pension while the higher income was being received.

Of course it is a bit risky to paraphrase what someone else has said; I know when people paraphrase my words I am seldom satisfied that they do it right. Nevertheless I am going to paraphrase what the minister has said. It seems to me that in effect his statement, as far as the contract is concerned, was this: "We said to these people with whom we had made a solemn contract for life, 'We now give you the privilege of having that contract suspended in order that you may continue to receive from the government this other cheque, or if you wish the contract kept you will have to cease work'." The Minister of Finance in this and other letters made the point that there would be a good many people like her. I shall quote from his letter of May 4, 1944:

> I am told that in all probability hundreds, possibly thousands of widows joined the civil service after the passage of the order in council of December 24, 1940, preferring to receive the substantially larger income which came to them in the form of pay for their services, than their pensions would have given them.

The minister went on to point out that because there were so many he did not see how he could deal with the case I had referred to him, without dealing with all these cases. My contention is that if contracts have been broken in a good many cases, the request to have one of them corrected should not be met with an answer like that. It should be met with an attempt on the part of the government to correct the situation wherever a wrong has been done, no matter how many instances there may be.

There may be cases where widows have been able to secure employment in the public service at quite high salaries, which would make the continuance of the pension unnecessary. But in cases like this, of widows doing char work, their total remuneration amounting to only $50 or $60 a month, making it difficult for them to get along, it seems to me that the government has gone a little too far in passing an order in council of that kind, and that it should reconsider this whole position.

I point out that by the order in council of February 11, 1943, P.C. 5/1111, the government admitted that it passed an unfair order in council in P.C. 21/7609, on December 24, 1940. I raise this case, following the tremendous amount of correspondence I have already had over eighteen months with respect to this matter, in the hope that further consideration may be given to it. The amount involved in connection with the widow about whom I have written is only $239.20. But that amount means a good deal to a woman in her situation, as it must to many others in similar circumstances.

She still has in her mind the memory of the deductions made from her husband's salary when he was employed in the public service years ago. As a matter of fact I have before me the letter dated July 19, 1922, which he was given, telling him that five per cent of his salary was to be deducted for the purpose of providing a retirement allowance for him, or for his widow if he should die first. She has in addition to that the letter she received after his death telling her that this was her allowance for lifetime, unless she remarried. There was a period of four and a half years when she received both cheques. She is receiving both now; and yet she is told that for that period of twenty months between June, 1941, and February, 1943, the contract was broken, that the money has simply gone back into the consolidated revenue fund and that at no time in the future will she be able to get it.

I earnestly hope the government will give reconsideration to the effect produced by the order in council of December 24, 1940, which was partially corrected by the order in council of February 11, 1943, but which job was not completed.

In closing, may I say, as I said when discussing the same subject two days ago, that in these times when the government is saying so much—and rightly so—about the desirability of establishing social security and fashioning a new order, which needs must come following the suffering and sacrifice our people have gone through, surely the place for the government to begin that sort of thing is right on its own doorstep, and without continuing any cases of injustice, such as the one to which I have referred.

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, there are one or two aspects of this bill to which I should like to address myself, and concerning which I would

make a few remarks. In the first place I think this is an excellent piece of legislation, and I am pleased indeed to see it introduced at the present time. I should have been glad to see it introduced at any time; in fact it would have pleased me to have seen it introduced some considerable time ago. I am not saying that in any critical spirit, because everyone knows that we have had a very great deal of good legislation in the past couple of years, and particularly in the present session. I know that all things cannot be done at once.

I welcome particularly the additional opportunity being given employees of this government to transfer their superannuation arrangements from the retirement fund to the superannuation fund which, I believe it will be agreed, is one of the best superannuation schemes extant.

It is in that connection, however, I wish to draw one or two matters to the attention of the government. I observe that in the last several years, since the beginning of the war, there are great numbers of civil servants who have not been allowed to receive increases in salaries or promotions. If one pictures the situation in respect of any one of them, as an illustration, he will see that it comes down to this: The civil servant was under contract with the government, expecting to receive certain regular increases or, when opportunity came and he qualified, to get promotions and increases.

For reasons which we shall assume were quite adequate, all of that was discontinued during the war. Certain exceptions have been made since, but in the main that is still the picture. At first sight it would seem that the civil servant about whom I have spoken should make that much contribution to the war, and that it is not too serious a load to put upon him. That might reasonably be the first reaction of anyone who examined the picture. But there is one other serious disqualification which is placed upon this man, one other serious burden resting upon him, and it is this: He draws his superannuation based upon a certain number of years of service. I believe it is the average over five years. At one time it was ten years but, generally speaking, it is now the top five years.

Under the arrangement I have described not only does he suffer the loss of his promotion and increases in salary, but as long as he lives he will be paying a price which quite probably other citizens in the community will not be paying. As long as he lives he is being called upon to take a superannuation which will be less than might reasonably have been expected.

It seems to me there is a chance of correcting that situation. Perhaps it might be done by way of requiring him to put in a larger contribution over the years, the government matching his contribution dollar for dollar, as they do now. I do not know if that is the best way to do it. I think it will be agreed, however, that men of the sort I have mentioned are going to have to pay more than most other citizens in the community, by reason of the fact that as long as they live their incomes will be less than they had a proper right to expect they would be.

Similarly a situation exists with respect to a large number of civil servants who have been receiving a war bonus. Take the man who was a high placed civil servant—it does not really matter where he stood in the list—he could not get a promotion or an increase in salary. However, because of the type of work he was doing or because he had been transferred from one department to another, a war supplement was quite properly granted to him. That is part of his wage upon which he pays income tax, and yet he is not permitted to make a contribution to the superannuation fund on that, nor does the government pay anything into the fund with respect to that war supplement. It seems to me that if that is the man's true wage, as undoubtedly it is according to the tax gatherer, it ought to be taken into consideration in effecting superannuation. If it is not so, then he could well receive a superannuation less than it otherwise would be and less, I submit, than it ought to be. As long as he lives he will be paying more than he should properly be paying, having regard to the situation of all other citizens in the country.

I draw these matters to the attention of the minister in the hope that they will receive consideration. I do not speak critically about these matters. The bill is an endeavour to do justice. It is a very fine bill and it does render a great measure of justice. But such being the case, I feel it is proper to point out any additional feature or item that might have been overlooked because it would be entirely consistent with the government's attitude to take into account matters such as I have mentioned.

I agree with several speakers who have referred to the impropriety of taking superannuation away from any person who has been called back into the government service or who has entered the government service, particularly when they are acting in a low-paid capacity. I have run into many cases

where women have had small superannuations coming to them, superannuations which had been earned and paid for. These were not enough to keep them and they had to go to work, sometimes as charwomen and sometimes in some other capacity. In such cases the superannuation was taken away because they had gone to work for the government. I submit that that is not just. A superannuation which a person receives when he is superannuated or, in the case of a woman, when her husband dies, is something which has been earned. It should not be taken away merely because the person in question enters the employ of the government.

That covers the case of the person who goes to work for the government, but everything I have said with reference to that case applies with much greater force to the person already in the employ of the government who has a notice served upon her that she will lose superannuation or be discharged from employment. That is definitely unjust. It is simply a case of a strong employer using economic force upon a weak employee and I cannot condemn that too strongly. I do not think the consequences were adequately observed in such cases. It is wrong to use your strength to effect what you desire to effect because of some general policy.

That is practically all I have to say in this debate. I again say that I welcome this bill most heartily. Every once in a while matters concerning the civil service are up for discussion, and for some members this is of great concern. I believe the best way to keep a satisfied personnel and, what is even more important although it amounts to the same thing, have justice rendered to your personnel, is to encourage active and intelligent trade unionism. I believe if you had a trade union in each department of the government service you would find that the grievances which are always being publicized and made much of in the newspapers, grievances that are lowering the general standard of work in the services, will largely disappear. I have seen trade unions at work for a long time. I have been a member of a trade union for many years and I am still an honorary member of the trade union with which I was associated. I know that in all the intricacies which an employer faces the assistance of a trade union gets him out of trouble and generally keeps him out of trouble. I believe the most salutary thing this or any government could do would be to encourage trade unionism among its employees.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I just want to add a word to what has been said, mostly by way of questions. I have not studied the bill particularly to see whether it covers what I have in mind. In Toronto, and perhaps more so in Montreal, there is a large number of civil servants. Sometimes the local members here in Ottawa get the idea that all the civil servants in Canada are in Ottawa, but that is far from the case because there are a great number in Toronto and Montreal. Civil servants have come to me on several occasions with their troubles and I should like to give one case which illustrates many. This condition may have been changed lately, but I do not know.

Under the civil service regulations pertaining to postal employees an employee may obtain permission to retire on annuity, but that annuity dies with the man. I know of many cases where men have retired and accepted an annuity which was fairly substantial. But after a year or so they died and their widows then received nothing. That certainly is not the intention of the government or any government. If this bill does not cover such cases I hope an amendment will be made or another bill introduced to cover such cases. Men who have served in the civil service for twenty-five, thirty or forty years should not have their widows left destitute merely because their husbands accepted an annuity which died with themselves after a year or two.

Mr. McILRAITH: I did not quite understand why the widow did not receive the superannuation payment.

Mr. MacNICOL: I qualified that by saying that the situation may have been changed. I do not know whether the situation has been changed whereby in the case of a postal employee who had retired on annuity and who, as happens so often in all walks of life, the railways and elsewhere, died shortly after, his widow would be left without an annuity.

Mr. McILRAITH: I am interested in the point raised by the hon. member and I cannot understand from what he has said why the widow would not receive the superannuation benefit.

Mr. MacNICOL: The husband had accepted an annuity. I had these cases up with the postal authorities and they tell me there is nothing they can do about it. The husband, when living, accepted an annuity. He took what he thought was the best at the time. He died and that left the widow without anything, for the annuity expired with the husband.

Mr. McILRAITH: Was that prior to 1927?

Mr. MacNICOL: The cases I am speaking of have come to my attention since I came to Ottawa, so that this case must have been after 1927 because I did not come here until 1930.

Returning to the point brought up by the hon. member for Winnipeg North Centre, I know a number of employees in the mechanical branch at the printing bureau.

Mr. McILRAITH: They are covered by the bill.

Mr. MacNICOL: I have known one man in particular for a great number of years. He comes from the same part of the country as I do. He came to see me the other day and brought with him a brief on superannuation submitted by the mechanical employees of the department of public printing. Do I understand that the bill covers these men?

Mr. McILRAITH: It covers their case precisely.

Mr. MacNICOL: I am glad to hear that, and there is no use in my proceeding farther with their case.

There is, however, one other class of employees that I want to bring to the minister's attention. I am speaking of the ordinary postie delivering letters on the street in my own city, or any other city for that matter, but I will confine my remarks to Toronto. He has a very difficult job, particularly during the war because the walks of the posties have been so extended that these men are almost worked off their feet. The result is that many of them have to retire earlier than they otherwise would. I would suggest that the postal employees, particularly the man doing a walk, should be permitted to retire on full pension at least five years earlier than is now permitted, or perhaps even more than five years. I believe that they have to serve to-day for thirty-five years before they can retire on full pension. That is a pretty long time to ask anyone to serve in the government employ before he can be retired on full pension, and that period should be shortened.

Mr. CRUICKSHANK: Since so many Conservative members will shortly be due to be retired, may I ask if they are protected by any annuity system?

Mr. FRASER (Peterborough West): That is what you think.

Mr. MacNICOL: If the hon. member is asking me, I can tell him that I will be back here.

Mr. SPEAKER: Order. I must remind hon. members that we are not in committee but on the second reading of the bill.

[Mr. McIlraith.]

Mr. GEORGE BLACK (Yukon): I think my hon. friend has confused the superannuation allowance with annuities. When a civil servant who is under the superannuation act dies his widow receives fifty per cent of the pension he would have received, whereas in the case of an annuity, if the husband is the annuitant, and it is not a double annuity, the annuity ceases on the husband's death.

I think the bill before us is a very desirable piece of legislation. It is legislation that many civil servants have been hoping for, I know, for years past. Sections 7 and 9 of the bill will make it possible for civil servants not now under the superannuation act to come in under the act on fair terms.

Other members have spoken of the position of temporary employees. I know a great many cases of government employees who are rated as temporaries when, in fact, they are permanent in every sense of the word, and the heads of their departments and the government intend that they shall be permanent. This bill should contain a clause putting a time limit on the length of time that a government employee or civil servant shall be rated as a temporary. After a certain period he should automatically become permanent.

I am glad that the Minister of Justice (Mr. St. Laurent) is in charge of the bill to-night because there is something that I wish to bring to his attention which he might find it easier to deal with than the minister in whose name the bill appears. I would call the minister's attention and the attention of the house to the fact that salaries and wages of employees of the federal government are not liable to attachment for debt. They are a favoured class in that respect in this Dominion of Canada. They can go into debt and their earnings cannot be attached to pay their debts. I have known employees on federal construction work to run up bills with merchants in the district and then decline to pay them, and the merchant had no remedy whatsoever. That is not the case with provincial government employees or with territorial employees. Their pay is subject to attachment. This provision would not be needed to be made applicable to federal employees if they were all honest as most of them are, but there are a few who do not pay their way, who run up bills and who do not pay them, and there should be a remedy provided in law so that creditors will have some protection just as they have in the provinces and in the territories. I submit to the minister that before this bill is finally passed he should consider adding a section which will have that effect. I shall have more to say when we are in committee on the bill.

Mr. G. H. ROSS (Calgary East): I have no desire to delay the passing of this bill. So far as I have had a chance to peruse it I am entirely in sympathy with it. The only question in my mind is whether it goes far enough. There are many persons employed by the board of grain commissioners, a number of them in the city of Calgary, in positions known as seasonal temporaries, also labourers who are continuously employed by the board. One of these employees, whom I shall call Mr. A, started work with the board in 1918 and has been steadily employed with the board since 1928. Another, whom I shall call Mr. B, entered the service of the board in 1922 and has been steadily employed since 1924. I could give many other examples. These men receive none of the benefits of a civil servant—no sick leave, no superannuation, and only this year was provision made to grant them vacations. For some unknown reason their vacation leave was limited to one week, whereas civil servants as a general rule receive three weeks vacation leave. I wonder if this amendment provides for these men. From a hurried perusal that I have made of the bill I think it does provide for them to some extent, but I doubt very much if it goes far enough. I wonder if Mr. A, who entered the service in 1918, has been steadily employed since 1928 and is still in the employ of the board of grain commissioners, will benefit under this bill, and the same with Mr. B. If not, I hope that the government will give consideration to cases such as this and make it possible for these men to be confirmed in their positions in a permanent capacity so that they can obtain the benefits to which civil servants are entitled. I submit that after twenty years continuous service they are entitled to some consideration.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Bradette in the chair.

On section 1—"Civil servant."

Mr. ST. LAURENT: Before hon. members commence a detailed consideration of this bill I should like to state that I intend to ask one of my colleagues to move that, instead of being operative from 1st October, 1944, only, it become operative on the 15th August, 1944. On looking over the bill I noticed that there were provisions which were extending additional privileges to members of the civil service, and it seemed to me that it would be unfortunate if any member of the civil service retired or died before the 1st October, 1944, and did not get the benefit of provisions which parliament had recognized to be proper provisions. I suggest that wherever it is necessary in the bill as we consider the clauses, amendments be made to render it operative from the 15th August, 1944, instead of the 1st October, because I hope that by mid-August it will have received the royal assent and become the law.

Mr. BOUCHER: I am not sure of the actual meaning of section 1. It seems that, as worded, it limits those who can take advantage of the amendments to those who are on a yearly or annual salary. I am not sure if I read the section right, but it seems to me that a person who is not permanent may be granted by the treasury board the privilege of going under the superannuation act, but that it may be possible that even these persons cannot get under the act unless their salary is on a yearly basis. If such is the case I can see no reason why treasury board is authorized to grant special privileges to temporary officials and yet not to permanent officials who are not paid on a yearly basis. I should like the minister to consider that quite carefully and say whether my interpretation is the right one.

The other point which I should like to draw to the attention of the Minister of Justice is, why either temporary employees or those paid on an annual salary must go to the treasury board. We are here setting up a body which really, in law, has no official status, whose personnel at least is but little known to anybody, and giving them authority to exercise their discretion untrammeled and unhindered, with arbitrary power to say, "you shall get certain benefits" and "you shall not". I do not think it inures to the benefit of the government or the people of Canada to endow a board of that kind with such arbitrary power and open up a possibility of so many injustices.

A short time ago an amendment was made that certain civil servants should come under the superannuation act, certain others should get holidays, et cetera, subject only to the approval of the treasury board. I do not wish to give illustrations, although some are in my mind, but one can see where three men working for the same length of time on the same job in the same place could have varying judgments and differing privileges handed out to them by virtue of someone taking their case to the treasury board and getting its approval, where the others could not. If it were a matter wherein the interests of a class, and only a class, could be determined by the treasury board, the decision to give one in a class or to a number would apply to everybody in that class; but to be able to pick John and leave Tom out is not

quite fair, and I feel that at this particular time a great deal of resentment is aroused against the treasury board. I believe that the name of one individual figures all too prominently, because the fault is not all his, but that a board that is largely an unknown quantity, who do or do not confer around a table should give judicial decisions which affect the welfare of the people of Canada, is not a very satisfactory state of affairs. I believe, for instance, that if an application is made whereby the discretion of the treasury board is sought, that discretion should be exercised at a hearing open to the public, with full knowledge of whose case has been heard before it. I am one of those who believe that publicity is one of the best assurances of justice; and in matters of this kind, with treasury board being given such absolute power, some measures must be taken to guide the exercise of that power in a better way, by giving it publicity, so that we and any person whose application is handled by the treasury board may know for what reason his request is or is not allowed. I believe also that there should be an appeal of some kind from the treasury board when it is not acting as a responsible government body, and that that appeal should be public.

I suggest that the two points which I have drawn to the minister's attention should receive his most earnest consideration, and I should like to have his explanation as to the first matter I raised.

Mr. NEILL: I endorse what has been said by the hon. member who has just taken his seat. I was sorry to read in the bill language which is carried on from previous acts—"stated annual salary." That might be a vehicle of injustice. I recall a case which occurred a number of years ago; there is no reason why I should not give the details. There were telegraph agents some of whom had been working for twenty to twenty-five years, drawing an annual salary payable so much a month. It was thoroughly acknowledged that they were really permanent employees, although they were "permanent temporary" employees; it was reported in the estimates that they should get $1,200, say, a year, and they were paid monthly at that rate; yet by some peculiar quirk of the regulations they were not drawing "a stated annual salary" and therefore were not eligible for superannuation, and I had a great deal of difficulty and had to do a good deal of wirepulling to get that very simple act of justice performed and have these people put on a stated annual salary, so that they would get superannuation. The obstacle was, I think, that the board referred to by my hon. friend would not do it; they said it would require—oh, I forget; a change of the British North America Act or something almost its equivalent. But all of a sudden the justice department or somebody discovered that they did not have to do that, that by a simple resolution, I think of the minister, it could be decided that these people would hereafter be on a stated annual salary and, by virtue of that, enabled to get superannuation. A great many classes were excluded from the benefits of the act by this "stated annual salary" business.

I have in mind the linesman, whose work is very similar to that of the telegraph agent; but the telegraph agent gets superannuation, while the linesman, who may have been on the job for thirty or forty years, has no opportunity at all to be superannuated. I am afraid, the way the section reads, it still requires the person to be on a "stated annual salary" and also to get the consent of the treasury board. What that amounts to is that all the power is put in the hands of one man; the treasury board is only a figure of speech.

I should like an explanation about that "stated annual salary" business, because I am afraid it is going to be a stumbling block in the extension of the principle. I am not suggesting that the person who is hired to do a little carpenter work at intervals of two or three weeks or months should be eligible for superannuation. But when you see people going on for ten, twenty or thirty years, and they form the class known as—and the very language indicates the absurdity of it—permanent temporaries—under what language can you define a person as being a permanent temporary? Some consideration should be given to them.

While I am on my feet I should like to put in a plea for a class of people whose case has not been brought up here to-night. From the remarks that have been made here I gather that this bill is to be widened, and therefore these people may now be eligible. I refer to a class of people who are permanently employed on board the government boats, although they are not paid a stated annual salary. That matter was taken up a number of years ago on the Pacific coast. I am not familiar with the Atlantic coast. It was decided that the officers, the mates and the engineering staff, would be eligible, but not what you would call the technical men of the deck crews, such as stewards or carpenters or, I suppose, the coxswain. They were not eligible because they were not styled officers. Many of these men are just as permanently employed year after year as the officers are, but they are not eligible for superannuation.

Mr. POTTIER: Following the remarks of the last speaker may I say that we have a number of those on the Atlantic coast. I think they are known as prevailing rate employees on the government boats. I think that from the stewards down they were not given the right to come under the superannuation act as amended a few years ago. I believe a number of representations have been made in their behalf, and they may now be given an opportunity of coming in. I gather from paragraph (b) of section 1 that the treasury board will be able to rule, if it wishes, that they be designated as individuals or classes who may be brought under the act. Would the minister when he replies refer to this?

Mr. MAYHEW: I have a case somewhat similar to that which has already been referred to, but it is a recent one. It is that of a gentleman who was an electrician and who retired at the age of sixty-five after having served for thirty years. I brought it to the attention of the department and I received from them the following reply dated the 13th of this month as follows:

I beg to advise you that Mr. Ward, as an electrician, is a temporary employee, and as such he cannot be brought under the superannuation act, there being no provision in the act to cover temporary employees.

This man had been working for the government for thirty years. He was retired at sixty-five. I bring this before the committee as a definite case, but it is by no means a peculiar one or different from many others that we have in the government employ particularly or in the public works department. Then there is one class that is employed at the dry dock in Victoria that I have been trying to get adjusted ever since I became a member. I thought I had become more or less of a nuisance. I have avoided mentioning it in the house before, because I hoped to get it properly adjusted; but a member, when he gets a letter like this saying that apparently because a man is an electrician and doing what might be called manual labour and employed by the month, even though he be employed for thirty years, he is still considered a temporary employee, becomes a little discouraged. I hope that such men will come under the act.

There is another matter to which I should like to refer—I do not know whether it is covered by the bill or not—namely, the adjustments of salaries of post office workers and those in the treasury board, particularly in the customs department. They have not had an adjustment since 1927. There was a commission known as the Beatty commission which sat in 1929 and which recommended certain adjustments. But the hard years came on, 1930 and 1931, and that recommendation was set aside. There has been no adjustment in the salaries of those people since 1927. Is there anything in this bill to indicate that these men are to be taken care of?

Another class of people to which I should like to refer—I do not know whether they are covered in this bill—is that of men who pay into the fund for a certain number of years. I had the case of a man referred to me just last week. He had been in the civil service for six and a half years and had paid into a superannuation fund something like $297 when he was obliged to retire on account of illness. The government refused to acknowledge the $297 he had paid into the fund. Surely he is entitled to at least his money back after paying in for six and a half years.

Mr. McNIVEN: I notice in paragraph (b) of section 1 that there is a reference to a stated annual salary and that in subparagraph (i) of that particular paragraph there is another reference to salary as follows:

(i) is in receipt of salary computed at an annual rate of at least six hundred dollars.

I was wondering whether there was anything contemplated in the different language that is used in these two definitions. Will the minister deal with that angle when he is replying? Along with others may I urge the minister to see to it that the group of permanent temporaries who have been spoken of so frequently here to-night and yesterday shall be taken care of. I do not think we should pass this definition of civil servant until we are absolutely sure that that very large representative group of civil servants who have rendered excellent service over a long period of years are included in the benefits of this act.

Mr. ST. LAURENT: It would seem that some hon. members are viewing this bill with a considerable degree of suspicion as to its purpose and what it can do. I can assure the hon. members that it was prepared in a sincere attempt to meet the reasonable representations that had been made by the officers of the various civil servant bodies, and that if it had not been the desire of the government to meet those representations and to give satisfaction to this class of citizens of Canada and to recognize their very efficient and patriotic service to the state, no bill would have been introduced. It was not prepared for the purpose of giving occasion to bring before the house any indefinite number of specific cases; it was intended to meet the situation which had been carefully considered by the officers

of these various associations and about which they had made representations to the treasury board, and then to the minister in charge of the civil service commission and afterwards to a special committee of the cabinet appointed to meet them and to discuss with them those representations and the manner in which they could best be met in the interest not only of the personnel of the civil service but of the public, because the members of the special committee—I had the honour to be one of them—felt that it was in the interest of the Canadian public that reasonable satisfaction be given to the thousands who perform such an important function in the life of the nation. Perhaps it will allay some of these suspicions if I place on *Hansard* an appreciation I received this morning from the president of the civil service federation of Canada; he had gone over the bill very carefully and compared it with the representations that were submitted, and, after doing so, he wrote in the following terms:

May I refer to bill 171, an act to amend the Civil Service Superannuation Act.

Our executive realizes that this bill represents a very broad study of the general question of superannuation as well as a study of the present superannuation act, made by the parliamentary committee of 1938 and 1939, by the advisory committee on the Civil Service Superannuation Act, by the treasury board and by the government. We are convinced, not only that the bill represents very careful thought, but that it will make for improved superannuation administration, and in the course of time, for improved administration in the public service generally, while at the same time rectifying several of the shortcomings of the present act to which we have called attention from time to time.

It is our very sincere hope that the amending bill may commend itself to both houses of parliament, and that its enactment into law may be a matter of only a short while.

Taking the bill as a whole, though not all features of it are by any means to the advantage of civil servants, we feel that the measure should be highly satisfactory, both to the government and its employees, and we very much appreciate the fact that the government found it possible to proceed with this matter at this time.

I think the very competent gentleman who is president of the civil service federation of Canada, and who made a careful study of this bill just as soon as it became available to him, was right in the view he took. Just to illustrate, let me answer the point made by several hon. members who have referred to the fact that the words "a stated annual salary" are still used in section 1. If hon. members will take the trouble to read the whole of paragraph (b) down to (i) they will see that it provides for three classes who may be placed under the superannuation act. In the first class are permanent employees with stated annual salaries. As to those nothing further needs to be done. The second class is:

. . . any other officer, clerk or employee in the civil service who is certified or determined pursuant to regulations made under this act, or who is designated individually or as a member of a class by the treasury board under this act, to be for the purpose of this act a permanent officer, clerk or employee, if such permanent or other officer, clerk or employee . . .

Then the other conditions are set out. Therefore those who have stated annual salaries are in. There are regulations which will take in classes. There may be still, then, some individual cases, probably some of those which have been referred to by hon. members this evening or like cases which have merit and which would not fit into a general regulation or classification. For the purpose of the superannuation fund they shall be deemed to be, "for the purposes of this act, a permanent officer, clerk or employee," because of course the principle of superannuation is compensation on retirement from a permanent position. Whatever they may be called for other purposes, any officer of the civil service may, for the purposes of the superannuation act, be treated as a permanent officer; that is to say, may be made a contributor and consequentially a beneficiary under the superannuation act. Evidently the president of the civil service federation, when coming to that conclusion, had looked at a section which will come before hon. members a little later, commencing on page 8 of the bill and going over on page 9. That section authorizes the governor in council to make regulations. For what purpose?

(g) prescribing in respect of officers, positions or employments in the civil service for which salaries other than stated annual salaries are paid, the manner in which such offices, positions or employments shall be certified or otherwise determined to be positions the duties of which are of continuing indeterminate duration.

Then paragraph (h):

(h) prescribing in respect of officers, clerks or employees in the civil service who are in receipt of salary other than a stated annual salary.

(i) the manner in which their appointments shall be certified . . .

And the manner and conditions under which they will be classed, for the purposes of superannuation, as permanent officers, clerks or employees. I think that might well be considered by the committee as a bona fide attempt to meet the situation and to determine those who shall receive the benefits of the superannuation act. Parliament has already said that it should include permanent employees with stated annual salaries, and as to

that class there can be no question at all. Others have been designated in practice by those words which are contradictory in terms, "permanent temporaries." That is an absolute contradiction in terms; nevertheless, because of arbitrary usage, those words do designate a certain class. It would hardly be proper to provide in the statute that "permanent temporaries" were to be included under the superannuation act. The regulations will prescribe classifications which will bring them in; they will use language that will be appropriate to include those who are to receive such benefits. Then it may be that there are certain individual cases for which it would be difficult to prescribe by regulation and classification, but which, because of the special circumstances, it would be proper to describe the employees as persons who had been or are to be for a continuing indeterminate duration in the service of the crown. They can be dealt with by a minute of the treasury board.

For a good many months now I have been a member of the treasury board. In my experience it has not been the one-man institution some hon. members seem to believe. My experience has been that decisions are arrived at by the members of the treasury board, which, after all, is nothing other than a committee of the cabinet. Someone has said that the treasury board has no legal existence. It is the only committee of the cabinet that is provided for by statute and is given by statute some special functions. There are officers who attend the meetings of the treasury board, but in my experience the information they supply to the members of treasury board is not as to the merits or demerits of the question that has to be decided, but as to the effect such a decision may have upon other matters that are not immediately involved. That is something for which it is necessary that we have expert advice and recommendations. I would not venture to express an opinion as to whether such a case which is submitted should be dealt with in a certain way, without having information about the class from which that case comes, how large a class will be affected, and in what way it will be affected. From my experience that is the information which is supplied to members of the treasury board by the officials thereof for the purpose of assisting them in coming to their conclusions.

Here, of course, I would not attempt to deal with some of the cases to which hon. members have referred. I have not come prepared to do that. I came prepared to discuss matters which are directly pertinent to the amending legislation. But as to the merits or demerits of the special cases concerning which there has been long correspondence with the Department of Finance, I am sorry I am not in a position to give any opinion. I have not one. I do not know the facts.

The hon. member for Cape Breton South will notice that, while I did not feel at the resolution stage it would have been proper to read the bill, the matter he wished to have included is in this section now under consideration. He will find it at line 5 of page 2.

Mr. GILLIS: Yes, I have noticed that, and I am quite satisfied. Will that be retroactive? Will that cover the cases which have been outstanding?

Mr. ST. LAURENT: I am not sure that I can answer in general terms. This will operate from the date which will be set. I shall ask someone to move that it be August 15, 1944. It will not in its present form operate from confederation. It will take care of all cases which have to be decided after it becomes law, but I do not think it would apply to persons who have severed their connections with the civil service in years gone by.

Mr. GILLIS: I do not mean that. I have in mind a case which dates back to 1941. A contributor had a stepmother who inherited his estate. His superannuation should have come to her. Under the old section in the act it could not be paid, because the stepmother was not included. I am wondering if this amendment will enable those administering the act to clean up this case?

Mr. ST. LAURENT: No; this will not apply to a case of that kind. That type of case would have to be dealt with on compassionate grounds by estimate or by special order in council. This will apply only to situations which arise after it comes into force. But the hon. member need not be told by me that when it is recognized for the future, it makes it easier to argue that it should have been the same in the past, and that there should possibly be some compassionate view taken of a situation which occurred before and which, if it occurred now, would be dealt with in the manner provided by the statute.

Mr. BLACK (Yukon): As I understand it, we are now considering paragraph (1) of section 1 which deals with salaries. This paragraph is worded in very clear language:

"Salary" of a contributor means the regular salary or compensation paid in respect of his service—

And I would ask the committee to note these words:

—together with the value of living and residential allowances—

This amended section is the same as the original section passed in 1924, except that it has the underlined words "or compensation" after the word "salary". In effect, the section is just as it was.

I should like to tell you, Mr. Chairman, and I should like particularly to tell the minister just how that section has been administered, because of contradictory opinions given by a former deputy minister in the minister's department. I shall quote first from a letter written by the financial controller of the Department of the Interior on November 21, 1924, to the director of the Department of the Interior:

> Re deduction of 5 per cent from the amount of living allowance paid to Yukon officials who elect to come under the Superannuation Act, 1924.
>
> In reply to your memorandum of the 27th September last relative to the above subject, I am to advise you that a number of rulings concerning the new act have recently been received from the Department of Justice, and among them there are two touching upon this subject. They are as follows:
>
> Contributions must include 5 per cent of the value of living and residential allowances, both in respect of past service and in respect of future service.
>
> The sum of 5 per cent must be deducted monthly from both the salary and the living allowances from the date of election.

Most civil servants in the Yukon are paid what is termed "salary," and in addition to that a living allowance of a fixed sum. For instance, a part of their remuneration termed salary will be $2,000, and the living allowance $1,500, as provided by this paragraph (1) of section 1.

As I have said, the deputy minister of justice said that the five per cent must be deducted not only from the portion of remuneration termed "salary" but that termed "living allowances" which, under the terms of the section, is also salary.

Here is a letter from the same deputy minister referring to one civil servant in the Yukon who was employed by the Department of Justice, notifying the controller of the territory as follows:

> I am therefore to request that monthly deductions of 5 per cent be made from his salary and living allowance, and the amounts be remitted to this department in the form of cheques payable to the receiver general along with your monthly statements of expenditures connected with this department.

That put the deputy minister on record, without doubt.

What happened? Deductions were made from the total amount of the remuneration. Civil servants were retired on superannuation terms based on those contributions. They were superannuated on that basis. Civil servants died and widows were pensioned. Their pensions were computed on that basis. That is commencing in 1924, and continuing that way fairly and properly and legally as fixed by this deputy minister of justice down to 1930.

I would ask the minister to note this: Then a few of the civil servants in the Yukon were transferred to Ottawa, where they no longer were paid living allowances. They conceived the brilliant idea of having returned to them the five per cent that they had paid while in the Yukon on their living allowance. That question was put up to the same deputy minister, and he met their wishes, regardless of the plain meaning of the act. Regardless of the law, he swallowed himself, reversed his decision and said that living allowance was not part of salary. And those men were allowed to draw out of the superannuation fund, illegally and improperly, their payments which had been made into it. I say that that action by the deputy minister of justice and the action of the ministers and deputy ministers of the other departments who acted on that reversed opinion of the deputy minister of justice have been inconsistent and unfair. They have been cruel to those remaining in the civil service and to those who retired subsequently to 1930. Those remaining in the service had their contributions returned and in many cases have been retired on miserably small allowances. The widows of deceased civil servants have been given pensions that are pitifully inadequate. I should like to read a letter written by the widow of one of these deceased civil servants to the public administrator of the Yukon. This reads:

> This will acknowledge receipt of your letter to me of April 14, 1941, which only reached me on June 4, due to its being incorrectly addressed.
>
> With that letter you sent me Canadian Bank of Commerce cheque payable to me for $400, being the return of the contributions made by my late husband, P. M. Kelly, from his salary as a civil servant, to be applied on his retiring allowance, or on my pension after his death.
>
> This amount of $400 should not be paid to me but should be applied to the superannuation fund, to which it was paid, to be taken into account in computing the amount of superannuation allowance or pension payable to me as the widow of a contributing civil servant.
>
> I am aware that the matter has been taken up with the government on several occasions and that the government has refused to do justice to those involved, with the exception of George P. McKenzie, and the late George McLean, but I decline to accept Mr. Jeckell's statement, as quoted to me by you, that there is no chance of getting the government to reverse its decision.
>
> The cheque for $400 is accepted by me under protest and with the knowledge, which you and

Mr. Jeckell share, as does the government, that it is not legally payable to me, but as above stated, is and should be part of the superannuation fund.

When the matter is justly dealt with and superannuation allowances in proper and increased amounts are paid to those entitled to them, I am willing and will expect this $400 to be debited to such increased superannuation allowance or pension as I may then receive.

Yours truly,

Kathryn V. Kelly.

Referring to McKenzie and McLean, referred to in the letter, under the reversed decision McKenzie was granted a retiring allowance of $2,560 and McLean got $2,773. The minister of the department, knowing how improper and incorrect the ruling of the deputy minister of justice was, was not content to let these men have this miserable retiring allowance. He had orders in council put through giving McKenzie a retiring allowance of $4,000, and McLean, $4,774. Those are the only two civil servants who have retired from the service in the Yukon since the deputy minister of justice reversed that decision who have been fairly dealt with.

On the reversed decision of the deputy minister of justice the value of living allowance of $1,500 is not salary or income for the purposes of superannuation under this act. But if you go to the Department of Finance and the Department of National Revenue you will find that living allowance is considered as salary and income and an income tax is imposed. Can you imagine such inconsistency between two government departments? In one the living allowance is not income or salary, while in two others it is income and they grab income tax on it. That is difficult to explain.

The civil servants of the Yukon petitioned for a fiat for leave to refer the matter to the exchequer court for an interpretation of the section I have read, subsection (1) of section 2, but the fiat was refused. The wrong was continued and it is continuing to-day. I appeal to the Minister of Justice to right the wrong. This can be done by a proper interpretation of the section. It seems to me that the language of the section is so plain that you do not need a lawyer or a judge to interpret it. The subsection reads:

(1) "salary" of a contributor means the regular salary paid in respect of his service, together with the value of living and residential allowances.

What plainer words do you want than that? Unless the government rights this wrong as a matter of course, I am considering having this widow petition the crown—this would be regulated by the Department of Justice—for leave to submit this question to the exchequer court. I appeal now to the Minister of Justice to grant that leave so that the question may be settled finally and a grave injustice remedied.

Mr. ST. LAURENT: I am very sorry the hon. member has seen fit to impute the motives he did to the deputy minister of justice who gave this opinion in 1930. He was not deputy minister of justice when I came here, but I have known him for a great many years. From my knowledge of him I am quite satisfied that he was absolutely incapable of making a ruling in his official capacity for the reason suggested by the hon. member. The hon. member has spoken of a wrong, and I think it is a grave wrong to Mr. Edwards to have asserted in this place, after the many years of honoured and valued service he rendered to the country, that he made a ruling for the motives suggested by the hon. member. As to whether or not the decision was correct I have no opinion to express, but I can say to the hon. member that the ruling given in 1930 was not a ruling upon any specific case. It was to this effect:

I am, accordingly of the opinion that the interpretation of the definition of "salary" in sec. 2 (1) of the act which the committee has suggested in its report, is correct, namely, that only such living and residential allowances are to be reckoned as part of the contributor's salary for the purposes of the act as are, in the same sense as the contributor's regular salary, paid or allowed "in respect of his service": in other words, really form part of the compensation or emoluments attached to the position in which the contributor is serving.

Thereupon it was referred to the civil service commission to examine the various positions to determine what were the allowances paid that should be classified as compensation for service. Some of the allowances paid in the Yukon were not classified as compensation for service but as compensation for the hardships of having to fill positions in that remote part of the country. It was considered that that was not compensation for service, that it was compensation for having to live there and that when one retired it need not be continued. A retired civil servant was no longer required to live there, and if he chose to live there he was not entitled to receive additional money because of his own free choice in doing so.

If the hon. gentleman wishes to advise any one to apply for a fiat there will be no fiat refused. But the applicant for the fiat will have to envisage the legal position which results from this act and which makes this a grant or gratuity, and the hon. gentleman will take the responsibility of advising whether or not, whatever be the interpretation that the exchequer court might put on the section, there is any jurisdiction to render judgment.

That is a matter on which I wish to express no opinion, but I can assure the hon. gentleman that if the fiat is applied for it will be granted.

Mr. NEILL: May I go back to what the minister was speaking about before? His remarks were, I am sure, very informative and a revelation to many of us who are not familiar with the new measure. So far as I personally am concerned, if the minister would guarantee that he is going to be on that treasury board, I would have every confidence in his handling of the matter. In explanation of my remark that the treasury board was somewhat of a one-man position I recall that a number of years ago I went to see the then Minister of Finance, not the present one, and made some proposals about some of these matters, and he told me bluntly that he would not grant my request. Then I said: "What about the treasury board? May I submit it to them?" He said, "well, I am the head of the treasury board, and there is your answer." This made me think that the treasury board was more or less of a one-man proposition, but if the minister tells me that the situation is different I can possibly live on hope.

Mr. ST. LAURENT: There are men sometimes with such strong personalities that they do get their way even with several colleagues.

Mr. NEILL: I will take a chance on the strong personality of the minister if he guarantees that he will look into anything that I bring to his attention.

I want to bring to his attention a weakness of all people who make laws. They introduce a very nice bill, but there is always in it somewhere a joker, and the joker in this bill I find is on the page to which the minister referred where power is given to make regulations. I do not care who makes the act if you will let me draw the regulations. Then it will be my act—especially when the regulations are drawn by civil servants. Further evidence of that is in paragraph (c) which says that the positions will be defined by the governor in council; that means by an official. I have seen instances where the bill said one thing and the regulations said the very opposite, and it was the regulations, made by an official, that counted when we tried to get some justice.

The minister has said that the head of the civil service association has expressed his approval. Yes, but he is a big man and he thinks only in terms of Ottawa or of the big centres and of the civil servants who come more particularly under him. He is a long way from British Columbia. It is not my constituents who are out there that he is thinking of.

Mr. ST. LAURENT: I think the hon. member will permit me to say that those who are his constituents are also the constituents of the president of the federation, which comprises civil service groups throughout Canada from one ocean to the other.

Mr. NEILL: That may be so, but I would like to bring before the minister the position of the deckhands on the government ships. I have not the act under my hand, but I have a very strong conviction that these men by some provision are kept out of the civil service. I am speaking subject to correction, but I am fairly certain that the men employed on government ships as deck hands are not eligible to come under the act.

Mr. ST. LAURENT: I think the hon. member's memory is substantially correct, but he has not put it in quite the same form in which it appears in the act. The officers on these ships were affirmatively included. There was no exclusion in terms of other ranks than officers, but that was the result.

Mr. NEILL: The result was that these deck hands were not eligible?

Mr. ST. LAURENT: They were not included, but now they will be eligible if they are by the regulations declared to be eligible because of their having served for a long period.

Mr. NEILL: Then you have to trust to the tender mercies of the regulation maker and he cannot do anything wrong. May I impress on the minister that it is only fair and just that these deckhands should come under the act. They work for long hours in all weathers and some of them have long periods of service, five, ten and fifteen years, and they are entitled to superannuation benefits. If the minister gives me the assurance that they will be eligible for superannuation under this bill I will be quite satisfied.

Mr. ST. LAURENT: The only assurance I can give is that before they were not eligible; now they will be eligible, and if the regulations do not include them the administration will be subject to the criticism of this house, because if it is a class which the administration should include they will have the power to include them.

Mr. NEILL: And the minister will keep a finger in the pie?

Mr. ST. LAURENT: The minister will convey my hon. friend's recommendations to the electors of Quebec East.

Mr. BOUCHER: With reference to the point I raised about annual salary my memory goes back to Rabbie Burns' lines:

> The best laid plans o' mice and men
> Gang aft agley.

The president of the civil service association and the government may have the desire to do the very thing we want, but in paragraph (b) the words used are "annual salary" of any officer and the same paragraph says "permanent officer". If it were to say that for the purposes of this act a permanent officer in receipt of an annual salary would be eligible it would be much clearer. Then (b) (i) says:

> is in receipt of salary computed at an annual rate of at least six hundred dollars.

If it were to say, if he is in receipt of a salary computed annually to the amount of six hundred dollars, it would be much clearer.

I am not impressed with the minister's suggestion that because clause 9 gives certain powers to make regulations, the regulations can go beyond the act itself. If paragraph (b) of clause 1 limits the scope of the application of the act, as I think it does, I submit that no regulation can enlarge it. I believe that the minister's intention is all right, but I think he should reconsider the language, because under the present interpretation the salary must be an annual one to bring the recipient within the confines of the act. I wonder whether the minister would not reconsider it.

Mr. ST. LAURENT: If the hon. gentleman will look at it he will see that it deals first of all with:

> any permanent officer, clerk or employee in the civil service who is in receipt of a stated annual salary—

And,

> —any other officer, clerk or employee in the civil service. . . .

other than those in receipt of an annual salary. What can it mean if that is not what it means?

Mr. BLACK (Yukon): In reference to what I said with regard to the ruling on paragraph (l) of this bill, which was given by the deputy minister of justice in 1930, he was not referring to specific cases. Nor was he referring to a specific case when his original ruling or opinion was given in 1924, which opinion I read to the committee and I will read again. He was not referring to any one particular case or any one particular civil servant, but generally; he was interpreting the wording of that section.

Contributions must include 5 per cent of the value of living and residential allowances, both in respect of past service and in respect of future service.

The sum of 5 per cent must be deducted monthly from both the salary and living allowances from the date of election.

Those original decisions and opinions went without question until 1930, until that group came here to try to get their money back out of the superannuation fund; and I did not wait to come into the House of Commons to use such efforts as I could. I said it to the deputy minister personally. If the minister cares to have the files looked up he will find my letters on record. I communicated with the Minister of Finance of that day, the Prime Minister and the chairman of the treasury board.

I will give another instance of how far it went. All the civil servants of the Yukon at that time were not paid salary in two ways, part as salary and part as living allowance; some got a complete salary headed as "salary". One of them getting a salary died. Then came the calculation of what his widow's pension would be. Instead of calculating that on the five per cent which had been paid by that civil servant on his salary they said, "If he was not paid a living allowance, part of what was paid to him as salary should have been living expense; therefore we will pension this widow as if it were part salary and part living allowance", and that went through the treasury board until I showed them what they were doing in robbing that woman. They could not believe it, and asked whose responsibility it was, and I said, "Your secretary". You can find who the secretary was at that time. They righted that wrong; and the wrong which is being done to civil servants and retired civil servants and widows should be righted, and they should not have to go to the exchequer court to get it done.

Mr. KNOWLES: I was very glad that the Minister of Justice placed on record a letter he received from the president of the civil service federation of Canada. I am sure that we are glad to have that statement of their satisfaction as an organization with the bill which has been brought in. I think, however, the members of the civil service federation and civil servants generally would feel that we as members of parliament are not absolved by such a declaration on their part from closely scrutinizing the bill and asking the questions which come to our minds from a study of these various sections.

So far as section 1 is concerned, the wording of it is quite clear to me; I interpreted it along the lines that the minister explained. It takes care of the permanent people on a stated annual salary, as was already the case, and it goes farther in that it gives the treasury

board power for purposes of superannuation to designate certain other groups. So far so good. It goes farther: it stipulates conditions which these other groups must meet in order that the treasury board may so designate them. But the thing it does not do is to declare that all groups who meet the specifications set down in subparagraphs (b) (i) and (ii) shall be so designated. That is the reason why some of us are asking questions.

Let me be concrete. Let me name two groups of persons who, I feel, meet the requirements of subparagraphs (b) (i) and (ii). First of all, there are my own colleagues over at the printing bureau to whom I have referred on two or three occasions. They are in receipt of salary or wages which in a year amount to at least $600, so that they meet subparagraph (b) (i). They are also required to devote the whole of their time to that work, and there is not sufficient time left in the year for them to engage in some other remunerative occupation; so that they meet subparagraph (b) (ii). In other words, the treasury board may designate the printing employees as for the purposes of this act entitled to superannuation. Now we would like to know whether they are to be so designated. Maybe the minister can tell us; maybe he will say that we shall have to wait until the treasury board decides, but I hope the former is the case.

Let me refer to another group; I have already referred to them in the course of the debate on this measure—the men doing char work in this building. They receive a salary during the course of the year which is at least $600; therefore they meet subparagraph (b) (i). They also meet—at least some of them do—subparagraph (b) (ii), for they are employed the year round except for two or three weeks' holidays; at any rate they are employed a sufficient part of the year that they cannot go somewhere else and engage in some other remunerative employment. In other words, they meet subparagraphs (b) (i) and (ii) exactly as do the employees over at the printing bureau. Yet, there are rumours around—we do not know where they come from, but they are in circulation—that the treasury board will bring the printers under this legislation, but that the men doing char work in this building are not to be brought under it. I hope the former rumour is true and the latter one false, and that the minister may be able to give us some statement as to what is the likely action with respect to these two groups.

While I am speaking of various groups let me refer also to some that I referred to the other day when the minister, prompted by a minister who was sitting behind him, made the comment that this bill was not designed to bring everybody in Canada under civil service superannuation. I refer to the stenographers who work for members of the House of Commons.

I should like also to refer to another group, the amanuenses who work up on the third floor—those charming young women, if I may say so—who type out the speeches made in this house after they have been taken down in shorthand on the floor of this chamber by the *Hansard* reporters. Those young ladies, along with the stenographers who work for members of the house, work only the part of the year that the house is in session. Therefore they do not meet subparagraph (b) (ii), although they may meet subparagraph (b) (i). Therefore, even though the treasury board might be interested in these people, under the terms of this act they cannot become eligible; yet I believe that they should.

If I may take a moment on the side, I was interested in learning that when this House of Commons first started, that term, "amanuenses", fitted the employees who bore the name a little better, perhaps, than it does to-day. Seventy years ago the *Hansard* reporters took down in shorthand the speeches that were made in the House of Commons, and the amanuenses were young men outside the chamber who transcribed those notes into longhand—this was before the days of satisfactory typewriters—and then *Hansard* was printed from that longhand.

Here is the case. The *Hansard* reporters—so far as I am concerned, very deservingly so—are put on an annual basis. They are permanent employees; they receive an annual salary, and they are covered under the superannuation act. But since parliament is not sitting the whole year, they have the privilege, when parliament is not sitting, of engaging in some other remunerative employment, such as court reporting, for example. Technically they would not meet subparagraph (b) (ii), and they would be debarred from superannuation if they were not already covered as civil servants in receipt of a stated annual salary. Yet there is this line of distinction between the reporter who takes the shorthand notes here on the floor of the house and the amanuensis who puts them into typescript on the typewriter. I feel that some consideration should be given to them, that they, too, should come under civil service superannuation. We expect them, as we expect the stenographers who work for members, to come back year in and year out. Some of them have been here for a good many years and

yet, despite their long term of faithful service, they are not acknowledged as permanent employees and are not covered in the Civil Service Superannuation Act. I am suggesting that these people about whom I am now talking, the stenographers and the amanuenses, are still not covered by this bill, but they should be.

If I may traverse my steps for a moment I am suggesting that so far as the printers and the char men are concerned they may be covered, but it is up to the treasury board. We hear that the treasury board will include the printers, but we have had no assurance that they will include the char men and messengers who are working here in this building. I hope that the minister—I will forgive him for what he said yesterday by way of a crack on this point if he does not do it again—will not make some comment about our interest in making security in this measure widespread being too far-reaching. After all, this sort of thing is becoming quite the concern of the government at the present time, and I feel that some effort should be made to extend coverage to these people.

While I am on my feet, and while I am speaking about the employees of the House of Commons, there is one other suggestion of a more immediate nature that I should like to make. This session of the house has lasted for some considerable time, and it has now been decided to sit right through until eleven o'clock on Saturday nights for the remainder of the session. That may be all right for us. We agreed to it the other day, but it seems to me it is a little too much to ask of these young boys around here, the pages who serve us so faithfully and well and so willingly. It is a little too much to ask them to work the long hours they have been working, from early Monday morning right through until eleven o'clock Saturday night. I hope that someone, the Clerk of the House or His Honour, the Speaker, may be able to make some arrangement whereby a number of them can be let off at one o'clock to-morrow, and others of them next Saturday. Let us have just two or three of them around here for Saturday afternoons for the remainder of the session.

Would the minister answer my question about the likely action of the treasury board with respect to the specific groups I named?

Mr. ST. LAURENT: In spite of the blandishments and the inducements of the hon. member and the admiration I have for the amanuenses and all the other charming young ladies one sees about the halls of this building, I cannot undertake to say what regulations will be made and what classes will be included. I cannot go beyond saying, as I said before, that this bill has been brought into the house to provide machinery whereby the representations that have been made and given serious and sympathetic consideration can be met and satisfactorily settled. I cannot go beyond that. I was told that there was one class of employees where the turnover was very, very rapid. There was an average of perhaps not more than three or four months' service. I do not know which one it is, and I am not in a position, without investigation, to express even an opinion for myself and much less am I in a position to express for other members of the treasury board what their judgment would be upon a factual examination with respect to any class.

Mr. EDWARDS: With regard to subparagraph (i) of paragraph (b) of section 1, I submit this case. A man is an employee of the government. He has been paid on an hourly rate; we will say a dollar an hour. He works eight hours a day and six days a week. His pay would amount to $48 a week. Is he in receipt of a salary as contemplated by subparagraph (i); and how would you compute it at an annual rate when he is paid on an hourly rate? Do I understand the subparagraph to mean if he is in receipt of a salary which, computed at an annual rate, would amount to at least $600, or alternatively, is in receipt of an annual remuneration which amounts to at least $600? That is the ambiguity which I think is bothering my hon. friend, and it certainly is puzzling to me.

Mr. ST. LAURENT: When we come to section 4, paragraph (h) subparagraph (ii) my hon. friend will find that the method of computing rates of salary reads:

> The method of computing their rates of salary as annual or monthly rates or as rates in respect of any other period for which it is necessary to compute such rates for the purposes of this act,

—will be determined by the regulations.

Mr. ADAMSON: There was a time when the employees of the library, some of whom had been actually working there, I understand, for ten or fifteen years, were classed as temporary employees under the Civil Service Act. Is there a section in this bill that will prevent that? Is there a section that will permit an employee of the library or any other branch of the service who has been employed for a number of years being made a permanent employee? This was brought up in the library committee a year ago. I do not know whether any satisfactory answer has yet been given.

Mr. ST. LAURENT: The employees of the library are employees of the House of Commons, I understand, and also civil servants.

Whether they are for other purposes called "temporary" or not, the purpose of this bill is to give authority to the governor in council to take care of the cases of all those who are in the service of the government for a reasonable length of time. I think there was an order in council passed in 1933 which said that the quota of permanent employees must not be more than eighty per cent of the total number of employees, so that the word "temporary" got a meaning somewhat different from its original meaning. Originally it meant someone who was there just provisionally and was not going to stay, but now it means someone who is there and is going to stay, but has not yet got into the eighty per cent quota. Because of the use of the same word in the superannuation act, the order in council and in other acts, such persons were kept out of the superannuation benefits. The purpose here is to give the governor in council the right to make regulations that will take them in. It was not felt possible to put in a bill all the classes to which it would apply, because it requires an examination of fact. You cannot say that every temporary employee will be under the superannuation act. You have to examine the actual situation; but what is meant is to have something that will enable the governor in council to make regulations and the treasury board to apply them in such a way as will enable the government to satisfy the House of Commons that it is doing the right thing.

Mr. ADAMSON: If the governor in council makes a regulation that the employees of the library shall be classed as permanent employees it can be done in that way?

Mr. ST. LAURENT: That can be done by regulation. It will mean that they will be permanent officers, clerks or employees for the purposes of the superannuation act, and it will not have any effect with respect to anything else.

Mr. ADAMSON: That was the nub of it; these employees were not under the superannuation act; they were debarred from seniority and the pension to which they were justly entitled.

Mr. ST. LAURENT: I should not like my remarks to be taken as dealing with any specific case in which I have not examined the facts, but the legislation is for the purpose of enabling the government to make and apply regulations in such a way that we can come to the House of Commons and say we have done the right thing by all these servants of the crown.

[Mr. St. Laurent.]

Mr. KNOWLES: I would direct the minister's attention to lines 32, 33 and 34 on page 1, which contain this clause:

. . . but saving all rights and privileges of either house in respect of the control or removal of its officers, clerks and employees;

I should like the minister to give us some explanation as to the meaning of that phrase. I can understand that there may be a few highly placed officers of either house whose removal should lie with the house or the government, but for the most part it seems to me there should be a little more protection than that for the employees of parliament. I have in mind those to whom I referred the other day, the charmen who were dismissed after the election in 1935, although following a fuss in this house they were rehired. It seems to me that people doing this sort of work should have something of the same degree of permanency that civil servants have. Could the minister explain the meaning of that phrase?

Mr. ST. LAURENT: There is a committee to assist His Honour the Speaker in the administration of this house. So far this house has never consented to submit the exercise of its control over its personnel to any but itself; and for the purposes of superannuation they will be deemed permanent if they are put in that class by the governor in council, but that will not give them any greater tenure of office or any more vested interest in their office than they have under the statutes and rules which apply to the Senate and the House of Commons.

Mr. KNOWLES: Then do I understand that in this building the men who operate the elevators are employed by the Department of Public Works and are permanent, while the charmen are employed by the House of Commons and are subject to removal?

Mr. ST. LAURENT: I do not know whether the men who do the char work are employed by the House of Commons. I know there are certain persons, from the Clerk of the house down, who are looked upon as servants of the commons, and who are dealt with by His Honour the Speaker in his capacity as head of a department of government.

Section agreed to.

On section 2—Medical certificate where not appointed under Civil Service Act.

The ACTING CHAIRMAN (Mr. Golding): An Amendment has been moved by the Minister of Transport, that section 2 of bill

No. 171 be amended by adding thereto immediately after the word "was" in line 20 the word "not".

Amendment agreed to.

Section as amended agreed to.

On section 3—Contributions.

Mr. ST. LAURENT: There is an amendment to this section, deleting the words "first day of October, 1944" wherever they appear and inserting in lieu thereof the words "fifteenth day of August, 1944," because it is intended that the act shall operate from August 15, 1944.

Mr. MICHAUD: I move accordingly.

Amendment agreed to.

Mr. KNOWLES: Are we carrying this whole section, which covers several pages, or are we taking it subsection by subsection?

Mr. ST. LAURENT: If the hon gentleman wishes them carried separately I would have no objection.

Mr. KNOWLES: I wish the minister would point out, so that we may identify it definitely and not miss it, the section which gives those now under the retirement fund the right to transfer.

Mr. ST. LAURENT: We have not yet come to that. In these subsections we give those who had service prior to appointment the right to bring in that service by making the appropriate contribution. The transfer from the retirement fund to the superannuation fund is dealt with on page 12 of the bill.

Section as amended agreed to.

On section 4—Regulations by governor in council.

Mr. NEILL: Would the minister deal with one point; I have no doubt it is just a matter of explanation. I understand that any person who decided to come under the superannuation act when it was introduced originally was permitted to do so by paying the required sum of money, with interest at the rate of four per cent?

Mr. ST. LAURENT: Yes.

Mr. NEILL: And that later on, around 1939, that rate was increased to five per cent?

Mr. ST. LAURENT: No; it is still four per cent.

Mr. NEILL: Then the rate of contribution was increased, was it not?

Mr. ST. LAURENT: The contributions, as a result of the report of the committee of this house, in 1939, were left at the same rate for male employees earning $1,200 or less, increased to 5½ per cent for male employees earning from $1,200 to $1,500 and to 6 per cent for those earning more than $1,500.

Mr. NEILL: This is the point I wish to make—

Mr. ST. LAURENT: And they were left at 5 per cent for female employees.

Mr. NEILL: It always comes down to an individual case. Supposing the man I am thinking of elects now to come in under the plan. Of course he has a lot of back years. Will he have to pay the original 4 per cent interest on the back money, or will it be increased to 5 per cent—or whatever the rate is?

Mr. ST. LAURENT: It will be at the increased rate. We shall come to that section later on.

Mr. NEILL: Not for the whole period?

Mr. ST. LAURENT: Yes; that was the committee's recommendation.

Mr. NEILL: And that is the way it will be?

Mr. ST. LAURENT: Yes; that was the recommendation of the House of Commons' committee. It was found upon investigation that the rates were not sufficient, and in order to make the fund solvent and keep it solvent it was necessary to increase the rate. The committee felt at that time it would be improper to take in any more at a rate that had proved to be insufficient.

Mr. KNOWLES: Was it necessary to change the date October 1 to August 15 everywhere it occurred?

Mr. ST. LAURENT: Everywhere they occurred in section 3. There is only one place we shall leave the provision for October, and that is in section 11C at page 10. That is done because there are still two or three provincial employees who have not yet been transferred, and we want to leave that open until October.

Mr. KNOWLES: Was the amendment an omnibus to change them all?

Mr. ST. LAURENT: It changed all those in section 3. The hon. member will notice that section 3 changes four sections of the original act.

Mr. KNOWLES: Running from page 2 to page 8.

Mr. ST. LAURENT: Yes; that is correct.

Section as amended agreed to.

On section 5—Treasury board direct payment in certain cases.

Mr. MICHAUD: I move:

That section 5 be amended by striking out the words "first day of October, 1944" where they occur and substituting therefore the words "15th day of August, 1944".

Amendment agreed to.

Section as amended agreed to.

Section 6 agreed to.

On section 7—Right to elect to become contributors.

Mr. MICHAUD: I move:

That section 7 be amended by striking out the words "first day of October, 1944" where they occur, and substituting therefor the words "15th day of August, 1944".

Mr. KNOWLES: I take it there are no exceptions at all in the provisions of this section? Any civil servant under the old act may transfer within a year after August 15 without any restriction?

Mr. ST. LAURENT: Yes; that is correct. It is intended to give a full year fom the time the act comes into force, to anyone who is in the retirement fund and who wishes to transfer to the superannuation fund. He transfers automatically what he has in the retirement fund, and that pays his contribution up to date in the superannuation fund.

Amendment agreed to.

Section as amended agreed to.

On section 8—Funds transferred to superannuation account.

Mr. MICHAUD: I move:

That section 8 be amended by striking out the words "first day of October, 1944." where they occur and substituting therefor the words "15th day of August, 1944."

Amendment agreed to.

Section as amended agreed to.

On section 9—Right to elect to become a contributor.

Mr. MICHAUD: I move:

That section 9 be amended by striking out the words "first day of October, 1944," where they occur and substituting therefor the words "15th day of August, 1944."

Amendment agreed to.

Section as amended agreed to.

Section 10 agreed to.

[Mr. Knowles.]

On section 11—Coming into force.

Mr. MICHAUD: I move:

That section 11 be amended by striking out the words "first day of October, 1944," where they occur and substituting therefor the words "15th day of August, 1944."

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF TRADE AND COMMERCE

357. National research council—salaries and other expenses of the national research council, $920,529.

Mr. KNOWLES: Before we deal with this item, would the Minister of Mines and Resources give consideration to the suggestion I made a moment ago—I do not know whether he was in the house—namely, that so far as possible the page boys be given time off tomorrow afternoon and evening and the remaining Saturdays of the session? I think we could get along with a skeleton staff.

Mr. CRERAR: That is a matter for Mr. Speaker and not for the government. I have no doubt His Honour will take note of my hon. friend's suggestion.

Mr. NEILL: I suggest that the members be given time off from six o'clock. That is always done, but at the last minute.

Mr. GARDINER: If we get through tonight we may be through at six o'clock.

Mr. PERLEY: Will the minister explain the increase in this item?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The increase in the item is due to increased work and increased staff.

Mr. PERLEY: The details on page 193 of the estimates show a decrease in the staff. In 1943-44 the total was ninety-three; in 1944-45 it is eighty-eight.

Item agreed to.

358. Expanded research on the utilization of farm crops, $325,000.

Mr. ROSS (St. Paul's): I have always been interested in this particular work and I notice that this is the first time we have had an appropriation for it. When the estimates of the Minister of Agriculture were up I asked him what we were doing in this connection.

The hon. member for Moose Jaw made a fine speech in the house some time ago in connection with this matter. Like other hon. members he had been in the United States and had seen what that country was doing. There are not details for this item, but I do not think enough money is being voted. This work affects not only the people on the farms but those in the city, and it is very important in connection with post-war activities.

In 1938 the United States appropriated a tremendous amount of money, but it was small in comparison for what is appropriated by the chemical industry of that country for research work. That industry appropriates between two and three per cent of its total sales values and there are industries in Great Britain which appropriate like amounts. You have to keep up to date in research. The Minister of Agriculture can correct me if I am wrong, but I understand that in 1938 the United States appropriated about one-seventh of one per cent of the value of their crops. We should have a full statement from the minister so that we shall know just what is to be done.

Mr. PERLEY: I was going to speak along the same line and ask the minister to explain exactly the nature of this expenditure. I should like to know what part of this research work will be carried on in western Canada where many farm products are produced. What staff does he propose to set up?

Mr. MacKINNON (Edmonton West): I do not know just how extensive a statement hon. members would care to have, but I can make a concise statement as to what is proposed. This item is to deal with one particular development that the national research council has under way at the present time. The government considers it essential that there be an expansion of research work for the utilization of agricultural crops including the establishment of a branch laboratory in western Canada to study industrial uses of surplus crops. This will involve the construction and equipping of a laboratory building located in western Canada and the provision of additional staff at Ottawa and at the new laboratory. For 1944-45 it is estimated that work on the erection and equipping of the western laboratory will cost $200.000 and that a further amount of $125.000 will be required for operating supplies and staff.

The need for this expansion was discussed at a recent meeting of representatives of the federal Department of Agriculture, the provincial departments of agriculture and the provincial universities of the three prairie provinces and the national research council. It was recognized, and a resolution was passed recommending that steps be taken immediately to provide for this expansion. It was understood that this expansion programme would not in any way interfere with scientific work now being carried on in the west by the federal or provincial governments.

Mr. PERLEY: Where will the laboratory be located?

Mr. MacKINNON (Edmonton West): I propose recommending that it be located where it can best serve the agricultural research needs of the three western provinces.

Mr. PERLEY: What about the centre of Saskatchewan?

Mr. WRIGHT: The minister did not state the type of research that would be done by this laboratory in western Canada. He said that it was to do research in the utilization of surplus farm products. Can he go farther and state specifically some of the research work that it will do?

Mr. MacKINNON (Edmonton West): I am not in a position to go into technical questions, but generally it is for the utilization of surplus farm products of all kinds.

Mr. ROSS (St. Paul's): What farm products? I should like to know just what is to be done, and why is it limited to the western provinces? There are so many farm products which industry could use and turn into products for reshipment to the farms. One of our problems to-day, of course, is to get more people back on the farms, and there are a lot of ways in which that can be done. We have, of course, to make the farm more attractive. But then there are products that can be grown on the farm which could be utilized in the factories of Ontario, for instance. Take soya beans in Ontario. Is there a reduction plant for soya beans in Ontario? How many of those reduction plants have we? What other products is it proposed that we should grow on the farms to be utilized in the factories of Ontario? We have a year of sunshine and we should use it to the full. We are using fifty million years of sunshine when we use coal and oil, and it takes comparatively little labour to do that. We should see to it that we utilize to the full the one year of sunshine that we get on the farms, so that we may put as many of our people as possible to work. The minister has enlightened us very little. Skim milk is another product that can be used in factories. Would the minister give us a comparison between what is being done in Canada

in research in this direction and what is being done in the United States. We need more information before we can pass this item.

Mr. NEILL: On a point of order, Mr. Chairman, you called item 357 and declared it carried before we had a chance to find it in our books and speak on it. Would the minister permit a question now on item 357?

Mr. MacKINNON (Edmonton West): The item is passed, but I do not mind one question.

Mr. NEILL: Thank you. It is so kind of you. I understand that a body in British Columbia interested in research has submitted a long brief to the minister asking for a grant of $400,000 from the dominion to assist them in establishing research facilities in British Columbia. The immediate demand was for $400,000 and a larger sum later. While I do not suggest that we are entitled to that sum now, although we would like to get it if we can, would the minister state whether item 357 will cover any of the demands that were made in that brief?

Mr. MacKINNON (Edmonton West): I spoke on that when my estimates were up a day or two ago. I received a brief from the minister of lands and mines of British Columbia, and I have replied to him to the effect that I propose to submit his request to a meeting of the committee on scientific and industrial research which I have called for Tuesday night. A grant of $400,000 has been asked for, some $300,000 of which would be for the erection of a building. I cannot say anything further about the matter until it has been discussed at the meeting.

The CHAIRMAN: We are on item 358.

Mr. ROSS (St. Paul's): The hon. member for Lethbridge has brought up the matter of sugar beets on several occasions. Is any research to be made on that question? When we are asked to pass a vote of $325,000 we want to know what it is for.

Mr. MacKINNON (Edmonton West): The $325,000 is for the establishment of a research unit in western Canada to serve the three western provinces. So far as research for farm crops to be utilized in factories in Ontario is concerned we have the national research council located here in Ontario.

Mr. ROSS (St. Paul's): What are we doing about it?

Mr. MacKINNON (Edmonton West): That is a question apart from this item.

Mr. ROSS (St. Paul's): I do not know whether it is apart from this item at all.

[Mr. Douglas G. Ross.]

Mr. PERLEY: The minister stated that more than half of this vote would be used for a laboratory and equipment and he said that it would be established in the central part of western Canada.

Mr. MacKINNON (Edmonton West): I did not say that.

Mr. PERLEY: He said that it would be as nearly as possible in the central part of the three prairie provinces where it would best serve their needs. I think the Minister of Agriculture will bear me out in that.

Mr. MacKINNON (Edmonton West): I would suggest that the hon. member leave that question where it is for the sake of his own province.

Mr. PERLEY: For the sake of his own province? If it is to be established in the central part of the three prairie provinces I am sure that it will be somewhere in Saskatchewan. The three prairie provinces were represented at the meeting where no doubt this question was discussed. Can the minister be a little more definite and say just where the laboratory will be located?

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Saturday, July 29, 1944

The house met at eleven o'clock.

REPORTS OF COMMITTEES

Second report of special committee on reconstruction and reestablishment.—Mr. Turgeon.

Third report of special committee on social security.—Mr. Macmillan.

Fifth report of standing committee on banking and commerce.—Mr. Moore.

PRIVILEGE

MR. ROSS (ST. PAUL'S)—PRESS REPORTS ON FINAL REPORT OF RADIO BROADCASTING COMMITTEE

Mr. D. G. ROSS (St. Paul's): I rise to a question of privilege. An article appearing in the Montreal *Gazette* of Friday, July 28, reported the radio committee on broadcasting as tabling a unanimous final report in the House of Commons. Also, Mr. Speaker, from other reports in the press which have had wide publicity, and from a radio announcement on Thursday night it is made to appear that the report was unanimous. I desire to make it clear that the report was not unanimous.

Certain portions of it were unacceptable to the Progressive Conservative members sitting on the committee, and I desire to make this known both to the house and to the country at this time.

LABOUR CONDITIONS

HALIFAX SHIPYARDS—PROGRESS OF NEGOTIATIONS IN SETTLEMENT OF STRIKE

On the orders of the day:

Mr. P. C. BLACK (Cumberland): Has the Minister of Labour any report to make with respect to the progress of negotiations in the settlement of the strike at the Halifax shipyard? I wish to point out that this trouble spreads beyond the Halifax shipyards and is of interest to labour organizations in other parts of the province. I have resolutions from the United Mine Workers Union in my own county who are concerned and ask that the shipyards be compelled to accept the decision of the board. I should like a statement from the minister. I wish to express the hope that progress is being made towards a settlement and that it will soon be arrived at.

Hon. HUMPHREY MITCHELL (Minister of Labour): I have nothing further to report, except to say that I think my hon. friend is aware that the issue in dispute is the check-off and maintenance of membership in the agreement. This company has had an agreement with the employees for the last three years. I understand they are quite prepared to sign the agreement with the exception of the check-off and maintenance of membership clause insisted on by the organization. That is the only issue in dispute. It is not a question of union recognition. Along with my hon. friend I hope that good sense will prevail on both sides and that the dispute will soon end, in view of the nature of the industry down there.

Mr. BLACK (Cumberland): Is not the check-off a statutory necessity in Nova Scotia?

Mr. MITCHELL: I do not know. There is a local law down there. I could not answer that. There is a provincial collective bargaining act and I think in some respects in conformity with the act it is mandatory. But there are technicalities in the way. That is my understanding.

CANADIAN FORCES

INTERPRETATION OF PROVISIONS OF REINSTATEMENT IN CIVIL EMPLOYMENT ACT

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): On various occasions in the house I have asked the Minister of Labour if he would be good enough to clarify the intent and purpose of section 3 of the Reinstatement in Civil Employment Act. There is much controversy over this matter in connection with the words:

> To reinstate him in employment at the termination of his service in such occupation and position as would be consistent with the true intent and purpose of this act and under conditions not less favourable to him than those which would have been applicable to him had he remained in the employment of that employer.

Would the minister be good enough to make a statement in clarification of this section? If he cannot do so now, he may take this as a notice.

Mr. SPEAKER: This is not a question that should be asked on the orders of the day.

Mr. GRAYDON: As long as it is not lost by the procedure that is now being taken I think the Minister of Labour ought to make a statement in clarification of it later. Perhaps the minister would take the hon. member's question as a notice.

Mr. ROSS (St. Paul's) I raise this question only because I have had so many letters in connection with the matter. It really should be clarified.

CIVIL SERVICE

ATTACHMENT OF SALARIES FOR DEBT—REFERENCE TO REPORT IN OTTAWA *Journal* OF JULY 29

On the orders of the day:

Mr. GEORGE BLACK (Yukon): I should like to direct attention to the fact that in the Ottawa *Morning Journal* the hon. member for Davenport (Mr. MacNicol) is reported to have referred to the fact that the salary or remuneration of federal civil servants is not subject to attachment for debt. The hon. member has drawn my attention to this report. He did not say anything of the kind; he made no reference at all to the matter. I was the hon. member guilty of making that statement, which is correct, and I am prepared to take the responsibility for it.

FARM PRICES

PROVISION FOR STABILIZATION, PURCHASE OF STAPLE PRODUCTS AT APPROVED PRICES, ETC.

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of bill No. 168, for the support of the prices of agricultural products during the transition from war to peace.

He said: At the very beginning I wish to call attention to a mistake which has been made in printing the bill, because it may be

in the minds of hon. members as they discuss the matter. It will be noted that at page 5314 of *Hansard* for July 25 I moved the resolution upon which this bill is based. The second paragraph of that resolution contains this statement:

To provide further that the governor in council may authorize from time to time payments out of unappropriated moneys in the consolidated revenue fund, up to an aggregate of two hundred million dollars . . .

I notice that in the printed bill that amount is given as two million dollars. I wanted to indicate that mistake in the very beginning of the discussion. When the bill is in committee it will be amended to read two hundred million dollars.

In moving second reading of this bill I would first of all call attention to its title: an act for the support of the prices of agricultural products during the transition from war to peace. At the same time I should like to call attention to some misunderstandings which I think are in the minds of people generally, unless they have been somewhat recently checking the figures with regard to the transition period following the last war. For example, in going over the records of prices during the last war I find that generally speaking the prices of farm products did not reach the level of the prices of 1941 until the third year of the war. Therefore the years which are comparable as far as prices go during the last war would be 1915-16 with regard to grains and 1916 with regard to other products for which the records are kept on a calendar year basis. Those would be comparable with 1941-42 during this war, so far as grains are concerned, and with 1941 for other products the records of which are kept on the basis of the calendar year. Taking those price levels during the last war and during this war, I should like to make some comments; and with the permission of the house I should like these tables placed upon *Hansard* in the form in which I have them before me, in order that they may be brought to the attention of hon. members and of the country.

It will be seen that the price of oats, for example, which of course enter into the feeding of live stock, in 1915-16 was 45·6 cents per bushel, basis Fort William, while in 1941-42 the average during the year was 49·1 cents. The price of barley in 1915-16 was 64 cents and in 1941-42 it was 59·8 cents, or almost 60 cents. Then when we come to butcher steers, basis Toronto, the price for good butcher steers in 1916 was 8·4 cents; in 1941 it was 8·7 cents. Bacon hogs sold at Toronto in 1916 for $10.54 and in 1941 for $10.20. The price of cheese at Montreal in 1916 was 19·8 cents; in 1941 it was 18·2 cents.

Mr. HANSON (York-Sunbury): That is without any bonus?

Mr. GARDINER: That is figured with the premiums which then existed.

Mr. HANSON (York-Sunbury): In both cases?

Mr. GARDINER: There were no premiums in the first case; there were premiums in the second. Butter sold in Montreal for 35·1 cents in 1916 and 33·7 cents in 1941. Eggs sold at Montreal for 39·5 cents in 1916 and 34·6 cents in 1941. I would call attention to the fact that in the following year during both the last war and this war, there was a considerable increase in prices generally. For example, in 1916-17 oats went up to 61·9 cents. In 1942-43 they were pegged, of course, at a ceiling of 51½ cents and the average price was 49·2 cents or approximately the same as in 1941. It will be recalled, however, that the following year we added 10 cents a bushel to the ceiling price, which brought the average up to 61·5 cents, so it was not until 1943 that the price of oats was raised to a figure comparable with the price in 1916-17. At the same time I would recall that without any controls during the last war, in the year which is comparable with 1943-44 oats went up to 81·8 cents and the following year dropped back to 78·9 cents. That was the year in which the war ended.

The story with regard to barley is a little different from the story with regard to most of the other products, and I am not sure that I can say why that should be so. The price of barley went up much earlier in the last war than did the prices of most products. Barley in 1915-16 was 64 cents. The next year it was $1.06 and the next year it was $1.37. Then, in the year the war ended, namely 1918-19—and it ended early in that crop year—barley dropped back to $1.07.

There is one point to which I would draw attention in connection with the price of barley in that particular year. There was a variation in the price running from an average of $1.21, low, in one month to $1.81 high in another month. In other words there was a great variation throughout the year in the price of barley during that period of time.

In this war, while barley started at very nearly the same price—approximately 60 cents a bushel as against 64—it was only 59·8 in the year 1941-42. It was pegged at 64⅘ under our ceiling price structure, and it was the same in the next year, 1942-43. It was up to 79·8 after the premium of 15 cents was added in 1943. It is 79·8 at the present time. Perhaps I should use the term "returns" rather than

"prices", because in both those cases it includes premiums or subsidies, or whatever one wishes to call them, which are now paid on barley. Some of this barley is sold in the United States, and we guarantee an additional payment of 15 cents to cover any profit that may be made up to that amount. Then above that there are participation certificates.

With respect to live stock, which to some extent depends upon the cost of the products about which I have been speaking, the price of butcher steers at Toronto in 1917 rose from $8.42 in 1916 to $10.73 in 1917, $13.29 in 1918 and in 1919, the year following the war, $13.66. Then, in this war the price in 1941 was $8.70, in 1942, $10.29, which is comparable with the 1917 figure; and $11.76 in 1943, which is somewhat lower than the 1918 figure. Then, the 1944 price, up to date, is $11.76, which is comparable with the $13.66 in 1919, the year following the war.

Bacon hogs are an outstanding example of where prices were higher during the last war than they have been during this one. The price of bacon hogs during the last war stood at $10.54 in 1916, $15.55 in 1917, $18.16 in 1918 and $18.71 in the year following the war, 1919.

Mr. CASTLEDEN: That is at Toronto?

Mr. GARDINER: Yes.

Mr. HANSON (York-Sunbury): Was not wheat another example?

Mr. GARDINER: It is not included in this bill, so that I am not now discussing it.

In this war, in 1941-42, the year the ceilings were put on pork, the price of live hogs was $10.20; in 1942 it was $11.97; in 1943, $12.90, and in 1944, $14.10. That is the price including the premium we have now placed on hogs in 1944.

The cheese prices perhaps most nearly approach the same levels in both wars, because we find that the cheese price in Montreal in 1916 was 19·08 cents; in 1917, 22·08; in 1918, 23·02 and in 1919, 28·01. In this war the price was 18·02 cents in 1941; 24·05 cents in 1942; 25·07 in 1943, and in this year, 1944, it is 26·01.

Butter prices in the last war were these: In 1916, 35·1 cents; 1917, 42·2; in 1918, 46·6, and in the year after the war the price was 57·4. In this war these are the butter prices: In 1941, 33·7 cents; in 1942, 39·9; in 1943, 40·9, and in the present year, 1944, 42·5.

Wholesale to retail egg prices at Montreal at the time of the last war were as follows: In 1916, 39·5 cents; in 1917, 51·8; in 1918, 59·5 and in 1919, 63·3. In this war the egg prices have been as follows: in 1941, 34·6; in 1942, 40·6; and in 1943, 44·8. The price this year is running at about the same as it was last year, or about 45 cents a dozen.

I have said I would like to have this table put on *Hansard*, in the form in which I have it. I believe I have read practically all of it to the house, in order that hon. members may have before them all the figures they would want, when discussing the matter later in the day.

The table in full, therefore, is as follows:

PRICES LAST WAR AND THIS

	Last War				This War			
	1915–16	1916–17	1917–18	1918–19	1941–42	1942–43	1943–44	1944–45
Oats (Ft. Wm.) c	45·6	61·9	81·8	78·9	49·1	49·2	61·5	61·5
			121·181				64·8	
Barley (Ft. Wm.) c	64	106	137	107	59·8	59·8	79·8	79·8
Butcher steers	1916	1917	1918	1919	1941	1942	1943	1944
(Toronto) per lb.... c	8·42	10·73	13·29	13·66	8·70	10·29	11·76	11·76
Bacon hogs B1								
(Toronto) (live) c	10·54	15·55	18·16	18·71	10·20	11·97	12·90	14·10
Cheese (Montreal) c	19·8	22·8	23·2	28·1	18·2	24·5	25·7	26·1
Butter (Montreal) c	35·1	42·2	46·6	57·4	33·7	39·9	40·9	42·5
Eggs (Montreal) c	39·5	51·8	59·5	63·3	34·6	40·6	44·8	....

There is another point to which I would call attention at the present time, and it is this. The high price levels resulting from the last war did not come during the war. The figures I have read will show that the prices were considerably higher on most of these products in 1919, the year following the war, than they were during the war years. It might be said that the same condition continued throughout 1920, and on some products even into 1921. But there was a decided reduction in prices, particularly in prices of live stock products, during 1921 and 1922. However there was a considerable revival in the prices of farm products generally throughout the twenties, and more particularly again

in the price of live stock products. That revival began about 1922, and continued right up until 1928 and 1930. The real reduction in farm prices came in 1931.

In other words the prices during the later twenties were more nearly comparable with the prices we had during the latter part of the war and immediately following, than were the prices for the first two years of the twenties.

I have another table here I should like to place on *Hansard,* without reading the whole of it, which demonstrates the point I have been making. However I should like to read a few of the prices which prevailed in 1931, and compare them with the prices in 1919.

This table shows that in 1919 the price of oats was 78·9 cents, and in 1930, 58 cents. It dropped to 29 cents in 1931.

Barley stood at $1.07 in 1919, and at 56 cents in 1930. It dropped to 28 cents in 1931.

Butcher steers stood at 13·66 cents in 1919 and 10·16 in 1929, with a drop to 8·97 in 1930 and to 5·93 in 1931.

Bacon hogs in 1919 stood at 18·7 cents; in 1930, 12·32 and 1931, 7·39.

The cheese price in 1919 was 28·1 cents; in 1929, 18·6; in 1930, 16·4, and in 1931, 11·7.

These were the butter prices: In 1919, 57 cents; in 1930, 30 cents; in 1931, 24 cents.

And for eggs: In 1919, 63 cents; in 1930, 45 cents; in 1931, 34 cents.

The complete table follows:

PRICES AFTER LAST WAR

	1919	1920	1921	1922	1923	1928-1930		1931
Oats	78·9	99·3	58·4	47·9	40·9	65 58·8	58·8	29
Barley	107	161	95	63	54	71	56	28
Butcher Steers, per lb. c	13·66	12·89	7·58	7·36	6·95	10·16	8·97	5·93
Bacon Hogs Bl. (live) c	18·70	18·90	11·72	12·63	9·76	12·27	12·32	7·39
Cheese	28·1	26·7	18·4	17·1	19·2	21 18·6	16·4	11·7
Butter	57·4	58	42	35	37	39	30	24
Eggs	63·3	66·8	51·1	45·1	47·4	48	45	34

Mr. CASTLEDEN: Where do those prices prevail?

Mr. GARDINER: Fort William for oats and barley; Toronto for butchers' steers and bacon hogs, and Montreal for cheese, butter and eggs.

Mr. COLDWELL: The minister is not giving the all-time low which came a little later.

Mr. GARDINER: No. The prices which I have quoted for 1931 are reasonably comparable with those that prevailed for a continuous period of years following. They were lower in 1932 and 1933 and they were up a little in other years, but there was no consiberable rise in price until we got close to this present war.

Mr. WRIGHT: Are those prices to the consumer?

Mr. GARDINER: They are wholesale prices. I wanted to place these figures before hon. members this morning because some are inclined to think that we went through the last war with rather high prices and then immediately following there was a slump. That was not the case. I recite these facts in order to show that in a bill of this kind it would be impossible to determine at this stage when a slump in farm prices is going to come as a result of our going through a transition period from war to peace. It would be most difficult to put times or dates into this particular legislation. It is phrased in indefinite terms as is indicated by the title, which is, "An act for the support of the prices of agricultural products during the transition from war to peace."

In order that there may be available at all times the statistics and facts which represent the conditions during this war, in order that it may be possible to compare those facts and figures with those prevailing immediately following or for some time following the war, this bill provides for the setting up of a board to be composed of three members. It is my intention to recommend to the government, and I make the suggestion to the house, that we should content ourselves for the time being with the appointment of a permanent chairman and take two officials of the department and make them pro tem members of the board.

Our intention is that the board shall immediately begin to study the relationship of the conditions which now exist to the prices which now exist and that all facts with regard to matters of that kind be made available for use immediately the war is over. If I am the minister at that time it is my intention to appoint two permanent members of the board to act with the chairman when the operative part of section No. 9 is brought into effect.

In this connection there arises the question raised the other day by the hon. member for York-Sunbury with regard to the fisheries board, which applies as well to this board. The question was as to what kind of representation was going to be given the producers in connection with a set-up of this kind. The bill provides for the appointment not only of a board of three but of commodity boards. If the government in its wisdom decides that we are going to have floor prices under dairy products, for example, it would be possible under this bill to appoint a dairy board, just as we have a dairy board to-day, to handle those particular products. If we were going to set floors or certain prices under meat products, then we may have a meat board, as we have a meat board to-day. In connection with these commodity boards there would be an opportunity for regional representation, producer representation and perhaps representation of the business concerns handling the particular product. I suggest that it would be difficult to have the board which is to administer the act sufficiently large in membership to take care of all those who probably should be represented.

Mr. HANSON (York-Sunbury): The minister is suggesting that it would be too large or unwieldy.

Mr. GARDINER: And too expensive.

Mr. HANSON (York-Sunbury): That same argument does not apply to the fisheries board.

Mr. GARDINER: That is a matter which the Minister of Fisheries (Mr. Bertrand) can discuss.

In addition the bill provides for an advisory committee. I stated on a previous occasion that when appointing an advisory committee to the food board we had left to the agricultural producers or the Canadian farm federation the question whether they would prefer to have one member on a board of three or five or six, or be adequately represented on an advisory committee. After some discussion with their own organizations the president reported to me that they preferred to be represented on the advisory committee. We proceeded to appoint the president of the federation as chairman of the advisory committee, and I referred to the fact the other day that this committee was to meet, as it did during the last two days. We appointed two other representatives who were nominated directly by the federation, and then other members of the federation were selected by provincial governments across Canada. I think it is generally considered that they have adequate representation on this advisory committee of twelve. This bill makes provision for the setting up of an advisory committee of that kind. I think it is possible to have the kind of representation which would be most helpful to the producers on a committee of that kind as well as on some of the commodity boards.

There is an obvious reason—this is one which I suggest myself, and it may not be the reason the federation would suggest—for selecting an advisory committee rather than a permanent administration board to provide representation for the producers. The best reason I can think of is this—and it is sometimes stated by members of the house. When a producer has been on a board or in the department for two or three years he ceases to represent the producers. If you were going to try to satisfy the producers that they are represented on a board of that kind at all times you might be required to change the membership so often that probably it would not function very efficiently.

In addition I do not believe that anyone who is in the pay of the government drawing a salary from the government, is nearly as free to criticize the government as the man who is not paid a salary by the government, and so I believe that the producers are in a much stronger position when they have adequate representation on an advisory committee, where they can give their advice to the government through the minister or through the board, and where the minister or head of the board can sit in with them and give the views of the government with regard to the matter under consideration. While these matters are discussed in a committee which meets behind closed doors, and the advice is given just as the advice of officials is given to the government, yet these men are free to go back and advise their own people and give them the reasons why certain things are not being or are being done, and their own organizations are perfectly free to criticize the government for anything which the government has decided to do after considering the advice given to them by the committee. In other words, we do not always follow the advice that is given by the committee, and we seldom follow their advice one hundred per cent. Sometimes, too, before the committee give their advice they call in the minister or a board to ask them to state why a certain thing has not been done, and in many cases after all the facts have been placed before them they agree that what was proposed is the proper thing to do. In other cases, we agree to disagree on occasions and go on with the task, believing that the responsibility in matters of policy rests with the government and that they must take that responsibility. I believe that a system of that kind

works successfully in getting the proper kind of administration. It brings before the government the advice of those immediately concerned and makes it possible for the government to act upon it or give reasons why it should not.

Mr. GRAYDON: I presume that a good deal depends upon how close a liaison there is between the committee, the government and the board which happens to be concerned. I take it that if the advisory committee were meeting only once a year and did not keep in close liaison with the government its value by virtue of that fact would be diminished.

Mr. GARDINER: Yes it would be, but I would suggest that governments in a country like ours are dependent upon public opinion for their existence, and they could not very well stand up against the fact that they had set up an advisory committee which they never called together, or an advisory committee whose advice they did not try to follow where possible. Each time that the chairman of the committee already discussed has suggested that we might have a meeting, we have arranged to have it. I was very agreeably—I will not say surprised, because this is what I expected would happen—affected by the fact that this committee has never asked to be brought together at expense to the government except at times when it was important that they should be here. For example, when this bill was coming up, they thought it was important that they should be here during this week, and they suggested that they would like to convene here around July 26. We said: All right, convene. The committee was called together. That is the basis on which we have been working. It is the basis upon which we can continue to work no matter what government is here, and if that practice is continued the producers will have adequate representation in connection with this kind of legislation.

There is one other thing I would like to call to the attention of the house, and that is the great variations in farm income over a period of years. I have before me a sheet which is got out by the statistics branch from time to time, showing the gross agricultural cash income, that is the receipts from the sale of farm products, over a period of years. I should like to read a few of these figures in order to impress upon the minds of hon. members the great variations that there are in the cash income of farmers in Canada as between one year and another and one period and another.

The average annual gross cash income of farmers all across Canada during 1926 to 1929 was $970·5 million. The highest figure that we have ever reached down to the present war period was $1,063·8 million in 1928. The lowest figure we have ever had during a period extending back over many years beyond what this table shows was $383·5 million in the year 1932. We have gradually come up from that point until in the year just before the war, in 1939, it was $722·3 million. It was not until 1942 that there was a considerable increase above that. It is true that we were up by about $200 million in 1941, but in 1942 the income rose to the highest figure on these records up to that time, $1,114·9 million, or approximately $1,115 million. In 1943 the gross cash farm income was $1,396·6 million. In the present year through which we are now passing the gross cash farm income for the first six months was twenty-five per cent higher right across Canada than it was in the first half of last year. So that if that continues on until the end of the year, and the tendency is for it to run higher during the last half of the year, it would be at least twenty-five per cent higher than that.

Mr. CASTLEDEN: They delivered the grain in the first six months of 1944.

Mr. GARDINER: They will deliver a lot more in the last half of this year than last, because they have a better crop this year than last year. But I was going to refer to that in a moment, in order to deal with something else. I wish hon. members would take these sheets and go back over the years showing the variations in income in the different provinces. It will be found, for example, that one of the reasons why we had a gross cash farm income of $1,063 million in 1928 was that that was the biggest year of wheat production in the history of this country down to 1942, and along with that high production we had high prices. The income that year was higher than in the year before or in the year following. The gross cash farm income in 1927 was $934 million; in 1928, $1,063 million; in 1929, $926 million. It dropped right back in 1929 to about where it was in 1927. The increases shown in this table were due to the fact that there was an increase in Manitoba, Alberta and Saskatchewan, where this wheat comes from. But as I said at the beginning, wheat does not come under this bill, and I make that observation in order to point out that if one were going to take the comparable figures in the different provinces over a period of years one would have to allow for the fact that under this bill we are dealing with the other products rather than wheat.

Mr. BLACK (Cumberland): Will those figures be placed on the records by provinces?

Mr. GARDINER: They can be put on just as they are if it is the wish of the house.

Mr. BLACK (Cumberland): I would like to see them put on by provinces.

Mr. GARDINER: They are:

GROSS AGRICULTURAL CASH INCOME: RECEIPTS FROM SALE OF FARM PRODUCTS, 1926-1943

(Does not include all Subsidies Paid)

	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
	(Million Dollars)									
Average—										
1926–29	8·34	15·06	13·95	100·35	260·32	81·52	282·34	179·31	29·33	970·5
1926	8·46	13·70	15·67	96·15	254·61	89·79	291·18	162·50	25·48	957·6
1927	8·45	14·77	13·55	95·93	252·68	79·72	271·47	170·00	27·46	934·0
1928	7·99	16·20	13·19	107·16	269·08	82·97	321·55	213·67	31·96	1,063·8
1929	8·45	15·56	13·35	102·15	264·90	73·61	245·14	171·08	32·43	926·7
1930	7·32	16·24	12·86	82·67	216·62	48·31	122·39	95·42	30·27	632·1
1931	4·21	12·70	9·04	62·28	163·40	31·32	70·63	70·96	20·56	445·1
1932	2·88	10·28	6·62	47·64	123·31	28·62	77·64	68·79	17·73	383·5
1933	3·30	12·64	6·95	47·74	129·37	32·29	76·62	69·07	18·57	396·6
1934	4·11	13·18	8·78	60·36	145·55	43·34	93·47	95·28	21·20	485·3
1935	3·83	13·86	8·85	64·59	155·09	36·13	108·10	98·91	21·93	511·3
1936	5·16	14·29	10·46	72·10	184·80	47·23	125·84	94·85	23·48	578·2
1937	5·97	17·58	11·83	85·51	215·99	74·90	84·29	122·17	27·50	645·7
1938	5·27	17·70	10·84	89·85	219·02	65·06	93·41	133·92	29·25	664·3
1939	6·53	13·12	12·12	101·49	217·92	64·75	158·06	120·17	28·17	722·3
1940	7·24	17·17	15·52	120·68	233·42	64·98	150·85	127·19	28·80	765·8
1941	8·55	20·06	19·45	144·88	286·49	81·65	161·96	154·41	36·65	914·0
1942	12·70	25·96	27·30	176·91	355·11	101·32	195·47	175·56	44·67	1,114·9
1943	15·92	30·94	34·45	200·03	389·14	136·14	311·44	223·08	55·81	1,396·6

Index Numbers Receipts from Sale of Farm Products 1926–29=100 (Per Cent)

Average—										
1926	101·4	91·0	112·3	95·8	97·8	110·1	103·1	90·6	86·9	98·7
1927	101·3	98·1	97·1	95·6	97·1	97·8	96·1	94·8	93·6	96·2
1928	95·8	107·6	94·6	106·8	103·4	101·8	113·9	119·2	109·0	109·6
1929	101·3	103·3	95·7	101·8	101·8	90·3	86·8	95·4	110·6	95·5
1930	87·8	107·8	92·2	82·4	83·2	59·3	43·3	53·2	103·2	65·1
1931	50·5	84·3	64·8	62·1	62·8	38·4	25·0	39·6	70·1	45·9
1932	34·5	68·3	47·4	47·5	47·4	35·1	27·5	38·4	60·4	39·5
1933	39·6	83·9	49·8	47·6	49·7	39·6	27·1	38·5	63·3	40·9
1934	49·3	87·5	62·9	60·1	55·9	53·2	33·1	53·1	72·3	50·0
1935	45·9	92·0	63·4	64·4	59·6	44·3	38·3	55·2	74·8	52·7
1936	61·9	94·9	75·0	71·8	71·0	57·9	44·6	52·9	80·0	59·6
1937	71·6	116·7	84·8	85·2	83·0	91·9	29·9	68·1	93·8	66·5
1938	63·2	117·5	77·7	89·5	84·1	79·8	33·1	74·7	99·7	68·4
1939	78·3	87·1	86·9	101·1	83·7	79·4	56·0	67·0	96·0	74·4
1940	86·8	114·0	111·3	120·2	89·7	79·7	53·4	70·9	98·2	78·9
1941	102·5	133·2	139·4	144·4	110·0	100·2	57·4	86·1	125·0	94·2
1942	152·3	172·4	195·7	176·3	136·4	124·3	69·2	97·9	152·3	114·9
1943	190·9	205·4	247·0	199·3	149·5	167·0	110·3	124·4	190·3	143·9

NOTE: Revised figures, Dominion Bureau of Statistics.

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What I wish to say in that regard is this. They could be taken without wheat, but at the same time, may I say that this board that is set up will be taking into consideration what is happening in regard to wheat. That is, while they do not control, still, all the facts in relation to wheat will have to be kept in their proper relation to the provinces in which wheat is grown, and in relation to the farm income of Canada. All that will have to be kept on the records of the board.

Mr. HANSON (York-Sunbury): To give effect to a levelling of farm income, to balance things.

Mr. GARDINER: I will give something relating to that in a moment.

Mr. WRIGHT: Why does the government not place wheat under the control of this board?

Mr. GARDINER: That is an old story that dates back to 1897 and I would not care to review it all. We passed a grain act known as the Canada Grain Act, which had its origin in the discussions that took place around the beginning of the century. The bill was introduced in 1901 and was passed in that year, known as the Canada Grain Act, and it was placed under the administration of the Department of Trade and Commerce. It has been under that administration ever since, and under that administration there was, before this war started at all, a board which was doing or attempting to do in effect some of the things which this board may do now. That is to say, they had a floor price, a pegged price or advance payment set, and if wheat went to the wheat board the farmer would receive that minimum price no matter what the price was on the market, and he also had the advantages of participation.

Mr. WRIGHT: Why are not other grains under this board?

Mr. GARDINER: Some years ago it was provided in the act as originally drawn, the wheat board act, that they might handle oats and barley, but that was removed from the act a few years later.

Mr. WRIGHT: Is the minister proposing to have other grains under these boards that he is now setting up?

Mr. GARDINER: In practice what we would do would be this. If the government did find it necessary to put floors under oats and barley after the war, the administration in that connection, the commodity board appointed, would be the wheat board. That would be the natural thing to do.

Mr. WRIGHT: And these boards that the minister is now proposing—

Mr. GARDINER: I wish the hon. member would allow me to finish the statement I am making. He can ask questions afterwards in committee. I would like to get on the record the system as it is intended to operate, and afterwards hon. members can ask any questions they like. I have reviewed shortly the facts which are on this sheet with regard to the gross cash income from farm products but I would call attention to the lower part of the table, which should be published along with the other, which gives the index number, receipts from the sale of farm products, 1926-29 being 100, and it gives the percentage figures. These again are given by provinces and it will be found that for example in the province of Saskatchewan, which produces a greater percentage of grain in relation to all its farm products than any other province, the figure for 1926 is 103, and the figure for 1932, the low year, is 27·5. The figure for 1939, the last year before the war, is 56 and the figure for 1943, which is the last year for which I have figures, is 110·3. In other words, it is back to a little higher level than in 1926. But when you read the table either way from that, you find that is the low point for all the provinces in Canada.

Mr. BLACKMORE: Which is?

Mr. GARDINER: Saskatchewan. That is the low figure. If you go west from Saskatchewan, you find that Alberta is 124·4, which is the second lowest; British Columbia 190·3; and as you go east from Saskatchewan you find that Manitoba is 167; Ontario is 149·5 and Quebec 199·3. You note that the poor crop of last year did seriously affect the province of Ontario. New Brunswick, you find, is 247, Nova Scotia 205 and Prince Edward Island 190·9. That will give some idea of what the relationships are. But while the increase in the first six months of this year of cash income was 25 per cent for all Canada—I understand that the figures are not yet available finally—for western Canada, speaking from memory the figures for Saskatchewan show over 60 per cent of an increase this year as compared with the first six months of last year. That has some relationship to the statement made by the member for Yorkton, namely, that much of our grain, even grain not grown in 1943, was delivered in the early part of this year as a result of the increas-

ed quotas. The increase in the west is greater than it was in the other parts of Canada, so that this year our index figure for Saskatchewan and Alberta should be considerably higher than it was in any of the preceding years as compared with the other provinces, and we believe it will be reasonably comparable with those figures during that time.

I recite these figures in order to emphasize one or two points. The first is that we have production variations affecting income and we have price variations affecting income. The production variations are greatest in connection with cereals or grain crops, as has been emphasized by questions that have been asked. The meat variations run in cycles. It takes about three years to increase or decrease the cattle population and about a year and a half to increase or decrease the hog population, and therefore the meat figures or variations in quantity run in cycles. Dairy products are more constant than any others. If one checks the different provinces and finds that the index figures are fairly consant, one can attribute it to the fact that certain of these farm products are produced in a certain area and others such as grain in other areas where there are greater variations. There is another variation that is to be considered in the figures compiled and that is the price variations, and that leads me to say that not only will it be necessary to stabilize prices as between the war period and the post-war period, but it will be, as it has been, necessary to stabilize prices seasonally. That is to say, taking dairy products, butter is produced in the summer months, and so is cheese. It is carried over in storage in the winter months. The consumption is just as high in one part of the year as in another. As a result of that there has been a great deal of speculation by those who have had to store their products in one part of the year and carry them over into another part of the year. Under this bill it is hoped that it will be possible to level out these prices and to stabilize them on some fair level which will make it possible for, let us say, the commodity board handling dairy products to take control of the storages of butter during the months of May, June and July and to carry those storages over into the winter months, and thus have some control over the prices during those periods in case the trade is not prepared to do so on a basis of fair price levels.

That is all I wish to say with regard to the variations in prices. But there is one thing which I think should be dealt with at this stage, and it is the fact that when the war is over we are going to be negotiating with other people for the markets that are going to be necessary to the marketing of our farm products at any prices—

Mr. HANSON (York-Sunbury): That is the export trade.

Mr. GARDINER: That is the export trade. I suppose some critics of the present plan would suggest that we may be setting up something to which other countries will object, namely, two price levels, one for our own people and one for the people we are to trade with. In other words, when we have great surpluses here we may sell them cheaper some place else than the price at which we sell them in Canada. I would just like to say in regard to that that we would have a lot of very good company if we did that. Australia and New Zealand were doing that before the war started. The United States did it for a year or two before the war started. One of the chief reasons why we had such low prices on grains particularly was the fact there were great surpluses in the United States and they were prepared to sell them to some other countries at very much lower prices than those at which we could produce wheat. Therefore I call attention to the fact that there may be criticism to the effect that if we went too far in the direction of controlling we might find more difficulty in dealing with others. All the facts in relation to that will again be collected by this board, and will be available to the government to be placed before others when we are negotiating any such contracts or entering into any arrangements as to the exchange of our agricultural products after the war.

I should like to say that there have been a number of announcements made all foretelling this particular legislation. It is not something that has been rushed into the house without the public knowing it was coming. We have not left the public in the dark as to whether we were going to have it or not. There was considerable discussion on the floor of this house from time to time with regard to measures of this kind, and since that is on the record I am not going to attempt to place it there again; but I shall call attention to what has taken place recently with regard to matters of this kind.

There was a convention held in Ottawa—a Liberal convention, incidentally—on September 27 and 28 of last year. That convention placed before the government their views with regard to a number of matters. Among other things they said this:

> We advocate a policy under which Canada will (h) provide security for farmers and fishermen by safeguarding against inflation now and by guaranteeing minimum prices for their products against collapse of prices after the war.

That recommendation was made to the government and was considered by the government. Speaking at London, Ontario, on October 15, I made this statement as Minister of Agriculture when speaking to a group of people, representatives of agriculture in that area, got together by the Kiwanis club, as reported in the Windsor *Star* of October 16:

> In placing ceilings upon products, with limited subsidies now, the government is assuming responsibility to maintain floors until this country is reestablished after the war. The government owes this to the farmers who have maintained production under ceilings, and also owes it to the men and women who will return from the services to the farms.

On December 2, 1943, the Prime Minister (Mr. Mackenzie King), speaking over the radio said:

> As an essential part of its post-war policy the government intends to ask parliament, at the next session, to place a floor under the prices of the main farm products.

In the speech from the throne this statement was made:

> To ensure economic stability for agriculture, you will be asked to make provision for a price floor for staple farm products.

The bill which is based upon all of these statements is the bill which is now before the house, and I submit it to the house, Mr. Speaker, for second reading, with the suggestion that in the committee stage I shall be prepared to answer any questions I can that may be asked by different members of the committee.

Mr. E. E. PERLEY (Qu'Appelle): The minister has given us a lot of information and a very complete statement, so to speak. I wish we had had that statement on the resolution stage. It would have been much easier for us to make our few comments at this time if we had had the figures before us and an opportunity to review them.

The minister has referred to a period mentioned in the title of the bill, the transition period from war to peace. I was going to say that I was not satisfied with the provision with respect to that period because I think the bill should come into force at once. I feel that this board, having had the time to consider all these matters that have been mentioned this session, should be able to operate right away. As I see it, there are actually three periods, the period of the war, the transition period, and the peace-time period, and at the end of that period the section of the bill which brings it into force could contain a paragraph to terminate its operations when that period is over. The operations of this board should commence right away. This war, we regret to say, is not ended, and it will be some time before we reach the transition period.

The minister gave us comparisons of prices during the last war, at the end of the war and in the last year of the war, and then the periods following. The figures were all very interesting, but I would say that he is making a comparison with periods that are not comparable. In a great many respects this war is not at all comparable with the last war. It is not comparable with respect to marketing, and I do not think it will be comparable with the last war with respect to the transition period. Marketing conditions of this war have not so far been comparable with marketing conditions of the last war.

The minister gave us figures with respect to oats, barley and live stock. I am not going to deal with them now, because he read them quite rapidly and it was difficult to take them down as they were given. The barley figures were most interesting, and the wheat figures would have been interesting also, but the minister did not go into that question. But in making these comparisons between prices in 1918 and in 1930 I should like to know what the minister was trying to prove.

Mr. GARDINER: Would the hon. member like an answer now?

Mr. PERLEY: I should like to know also whether the minister will forecast what will happen in the twelve years following this war. He made a comparison between 1918 and 1930, a period of twelve years. What does he forecast will take place with respect to prices between the time this war ends and 1956? It would be interesting if the minister would tell us that.

Mr. GARDINER: I stated my reason when I gave the figures; it was in order to show that it would be impossible to have this bill run for a stated number of years, because the real drop in prices after the last war did not come until 1931. That was true not only in this country but in all other countries.

Mr. HANSON (York-Sunbury): What does that prove?

Mr. GARDINER: It proves that you cannot say this legislation should last for only three years or only five years. It must be left to the government of the day to determine how long it should be retained. We are not attempting to say now that this legislation will be retained for only three years or five years or any definite period. For the same reason I

would not try to prophesy what will happen between now and 1956. We are setting up this board to keep track of what happens.

Mr. PERLEY: That is what I wanted the minister to admit, because I think he was trying to suggest that the previous government was more or less responsible for prices in 1930.

Mr. GARDINER: No. If I had wished to make that suggestion I would have said so. My hon. friend is emphasizing the fact. I did not blame that upon the government, and did not suggest it. I have sent to my office for as many copies of these tables as are available. They are in print; anyone could have them in the same way that I received them. I have put them on record every session since I have been here. Hon. members may see the figures for themselves.

Mr. PERLEY: I just wanted to bring that point to the attention of the house. The government of that period has been greatly criticized in connection with the low prices of farm products, and I have always contended that the government was not responsible, that it was during the years prior to 1930 that conditions arose which brought about that situation. The depression and the low prices did not occur only in Canada; they were all over the world. I just wanted to make that comment in passing.

The minister has said the board will consist of three members, with a permanent chairman. I am quite in agreement with that; we must have a board consisting of at least three. He referred also to the advisory committee, on which he said there would be proper representation. He also pointed out that it would be impossible to have the producers of all commodities represented, and I am in agreement with him there. But I would express the hope that this advisory committee will function more successfully than the advisory committee to the wheat board. In that case we have three members constituting the wheat board, who do not take the advice of the advisory committee. In the present instance the minister says there are to be twelve members of the advisory committee, which is a fairly large number. I hope he will see that the producers of western Canada are properly represented. The board is to consist of two officials, with a permanent chairman. We are not told who is to be the chairman, but some people have surmised who he may be, and if the gentleman I have in mind is appointed I think he can do a good job. I do hope, however, this board will take the advice of the advisory committee. Just in passing, in reading over the bill I see the minister has retained almost complete control himself.

The minister dealt with the question of export trade after the war, and at that point referred to the fact that while this bill was forecast in the speech from the throne in January, a Liberal convention was held in this city last fall at which certain suggestions were made to the government. I believe the minister is trying to take a little credit for the fact that the government has accepted some of those suggestions and is putting them in the form of legislation.

Mr. WARD: Are you opposed to the bill?

Mr. PERLEY: Not at all. If the hon. member will just keep quiet I will tell him my position. I should like to remind the minister that in December of 1942 a convention was held in the city of Winnipeg at which a policy was drawn up dealing among other things with agriculture. If he will look over that policy he will discover that it contains many suggestions which under this legislation the board will have power to carry into effect.

Mr. GARDINER: That is what the Conservative party always do; they finally advocate what the Liberals who bring in these things have been advocating.

Mr. PERLEY: Then the minister will admit that a year before the Liberals met in Ottawa the Conservatives drew up a programme containing nine or ten proposals with respect to agriculture. I commend that policy to the minister, for it also advocates the setting up of a board such as this. That policy will be put into force at the first opportunity, which may come sooner than many of us think. The first item of that agricultural policy is:

> To consult and enlist the assistance of agricultural interests in formulating and putting into effect policies for the promotion of the welfare of agriculture;

That might cover the advisory committee. The next recommendation is that farm prices be maintained which will give farmers a monetary return bearing a fair relationship to the cost of production.

The minister went on to speak of the increased return to the farmers in recent years. There is no particular point to be made there. We have had a war on; the prices of farm products all over the world have been increased, and it is only natural that the incomes of our farmers should have

increased considerably in the last year or two. If the minister had accepted the proposals I made on the floor of this house in 1938 we would have had increased returns ever since. Last fall he raised the price of wheat to $1.25. I am not objecting to that; I think it was the right thing to do, but it should have been done a long time ago and the price might have been raised even more.

Coming back to the Progressive Conservative agricultural policy, the next recommendation is:

To promote the efficiency of Canadian agriculture by a comprehensive programme of conservation—

And so on. And again:

To give primary producers adequate representation on all boards set up to market farm products.

That is what we have here, a board to market our products, and we have said that the farmers should have proper representation on it. Again:

To encourage farmers' organizations for co-operative effort in marketing farm products and in the purchase of supplies and obtaining of credit.

So it will be seen that this convention, held a year before the Liberal convention, advocated practically everything the minister suggested or read into the record.

Mr. HENDERSON: We had a Liberal convention in Saskatchewan the year before that suggested these things.

Mr. PERLEY: I am glad the hon. member mentioned that.

Mr. GRAYDON: And we had an election in Saskatchewan a few days ago.

An hon. MEMBER: Were you there?

Mr. PERLEY: I am glad that was mentioned, because while they had a Liberal convention out there which favoured this programme, this government paid no attention to it.

Mr. HENDERSON: And what did your government do about your proposals in 1932?

Mr. GRAYDON: Are these people rising to points of order?

Mr. GOLDING: What about yourself?

Mr. GRAYDON: And you, too.

Mr. SPEAKER: Order.

Mr. PERLEY: Oh, I do not mind the interruptions, so long as they are just talking among themselves.

Coming back to the point I was making, we should have had this measure two or three months ago. It should be in operation now, for the months of July, August and September are important months in connection with the marketing of the grain and live stock products in western Canada. The farmer should have this information; he should know all about it before he starts to market in August.

The minister made it clear, as also does the bill, that wheat does not come under this measure, but that coarse grains may. At the present time operations in connection with coarse grains are under the control of the wheat board. This measure sets up another board and, as I have said, if it is properly organized and operated it may be of great benefit. But in my view it should be set up; and we should have the assurance of certain prices for farm products over a given period, and that period should begin right from this date.

Under the measure the minister has wide powers. I shall not take time now to discuss the details of the bill, but if hon. members will look at it they will find that the decisions of the board have to have the approval of the governor in council—and that is really the minister—from time to time. In this connection I would direct the attention of the house particularly to paragraphs (a), (c), (e) and (f) of section 9, which set out the powers the board is to have. Not only is it to buy, sell and control production, but under paragraph (e) it has power to package, process, store, ship, transport, export or insure any agricultural product.

In my view it should have more control over processing in packing plants. If that is not done, this measure may develop into what may be described as a measure to establish floor prices for packers. If there is not more control over packers than there is at the present time, that may be the development. There may be a certain amount of juggling, but what we want to know and what we want to have is a definite price for a definite period of time. I can well understand that between spring and fall months there might be changes in prices of farm products. But at least a fair price could be set on practically every product of western Canada.

As I have said, this measure could prove to be just the setting up of another board; on the other hand it could be made worth while, and with that end in view I trust there may be proper representation from the producers on the advisory committee.

I have referred to the policy set out in Winnipeg in December, 1942, and I suggest that the minister would do well to look over that policy. On many occasions from the floor of this chamber I have suggested a policy of

floor prices on farm products of all kinds, particularly grains. If hon. members will review what I said, even as far back as 1938, they will see that that was my stand at that time.

In conclusion I would say—because I think we would do well to get on with the bill and discuss the sections—that agricultural products are the basis of an expanding national economy. In my view the principle of this bill is right; we must preserve farm prices and see that those prices are maintained at certain standards.

Prices of grain and live stock form a more logical base for the standard of living of all people in Canada than do any other products in any other industry. Therefore, as the minister has said, this measure which sets up a board, the operations of which will be similar to those of the wheat board or the grain commission, is an important one. I wish that contained within the bill there were powers to control processing in packing plants, so that the measure will not result in the establishment of floor prices for packers. It would be my hope that it would result in setting up proper prices for live stock and grain throughout the year.

As I said at the outset, we would have been pleased to have at an earlier stage the figures the minister placed on *Hansard*. However when the bill comes before the committee we shall have seen them, and at that time we shall have further questions to ask.

Mr. P. E. WRIGHT (Melfort): Mr. Speaker, this is another bill which like that providing family allowances, will receive the support of most hon. members. We may feel that certain sections of the bill, or certain methods to be used as set out therein, are not as we might wish to have them. Nevertheless I think all groups in the house will support the principle behind the measure. It is my understanding that that principle is the stabilization of prices on agricultural products. As the minister has shown in the figures he has given the house, there have been tremendous fluctuations in those prices, not only as between different periods, but as between different seasons. I believe that has been brought about, as the minister has said, by differences in production from year to year caused by weather conditions. As everyone knows, we do not control the weather; when a farmer sows he is never sure he will reap. He may reap a good harvest or may reap a very poor one.

Food requirements throughout the world remain fairly constant. They increase in ratio to the improvement in nutritional standards in various countries.

In my view this bill for the stabilization of the prices of farm products is absolutely sound. One feature I do not like in it is that apparently the minister has limited its time of operation to the period of transition between war and peace.

Mr. GARDINER: I did the very opposite. I pointed out that it could not be limited.

Mr. WRIGHT: Well, the title of the bill would leave the impression I have indicated—"an act for the support of the prices of agricultural products during the transition from war to peace." That is a poor title, and I suggest it would have been much better had it been entitled; an act for the maintenance of fair prices for agricultural products. Probably it was the minister's intention that that should be the purpose of the bill, but such purpose certainly is not reflected in its title. Neither is it shown in the last section, which states:

> Section 9 of this act shall come into force on a date to be fixed, and remain in force for such period as may be determined, by proclamation of the governor in council published in the *Canada Gazette*.

Apparently the government may at any time, simply by passing an order in council, wipe out this measure which we propose to put on the statute book at this session of parliament. I do not like that feature of the bill. In my view when the bill becomes law it should remain in force until such time as parliament decides it should be taken from the statute book. For these reasons I think the minister has not given himself a fair deal, so far as the title of the bill and the section to which I referred are concerned.

The minister has stated that this policy was adopted by the Liberal party, and the hon. member for Qu'Appelle has stated that it was accepted by the Progressive Conservative party. They both gave the times at which it had been adopted by their parties. I should like to read into the record evidence to show that this policy was adopted by the party for which I stand, the Cooperative Commonwealth Federation. It appears in the Regina manifesto issued when the party was first organized in 1932.

Mr. WARD: Is that the manifesto repudiated the other night by the hon. member?

Mr. WRIGHT: No. I never repudiated the Regina manifesto, nor has it been repudiated by any member of this group at any time or at any place in Canada.

Mr. GARDINER: It just proves that you are all becoming Liberals.

Mr. WRIGHT: The manifesto reads:

Encouragement of producers' and consumers' cooperatives; the restoration and maintenance of an equitable relationship between prices of agricultural products and those of other commodities and services; and improving the efficiency of export trade in farm products.

And later on:

The substitution for the present system of foreign trade, of a system of import and export boards to improve the efficiency of overseas marketing, to control prices, and to integrate the foreign trade policy with the requirements of the national economic plan.

Mr. HANSON (York-Sunbury): That is pretty general; you could drive a coach and four through that.

Mr. WRIGHT: It is not any more general than this bill. Section 9, subsection 1, paragraph (g) reads:

to purchase at market or contract prices and export any agricultural product under any contract between His Majesty in right of Canada and any other government or agency thereof and to do all things necessarily incidental thereto;

I think the principle of export boards for agricultural products is a sound one. It is a principle which will have to be followed if we are to stabilize the prices of agricultural products not only in Canada but throughout the world. As the minister has stated, there have been tremendous fluctuations. These fluctuations have been caused not only by differences in production from year to year but by the results of speculative marketing. When there has been a surplus in a certain season of the year or in certain years these speculators have been able to come in and buy up the surplus at low prices, which forces down the prices, store or process it and then reap the reward later on. I think the government should endeavour to have this board take the place of the speculative markets which have formerly controlled the prices of agricultural products. That should be one of the objectives of this board.

The minister has stated that the board is to consist of three members. He says that he proposes to appoint a chairman immediately and to have two men from the department assist him until the board starts to function. The board in the meantime is to gather statistics. I agree with the minister so far as the immediate appointment of a chairman is concerned, but I believe the other two members should also be appointed immediately. One of these should represent the consumers of Canada and the other the producers. There should be a secretariat set up to gather these facts and figures and place them not only before the chairman of the board but before the consumers and the producers of the country through their representatives. I think the board would be more efficient if that were done than simply to appoint a permanent chairman at this time and appoint the other two members temporarily.

The commodity boards to be set up under this legislation should be controlled by the producers, by the cooperatives which have been set up in various sections. I realize that agriculture is perhaps not sufficiently well organized to be able to appoint all the commodity boards, but it is well enough organized to appoint a great many of them. With proper encouragement and education by the government, these cooperative organizations should handle this phase of the matter for the government. I make this suggestion because I think it is important that these commodity boards should be representative of the producers of Canada. They can be representative of the producers of Canada only if the producers are prepared to get together and organize their own cooperatives. I suggest what I have suggested before, that this be taken into consideration and where cooperative organizations exist, and they do in some cases, they should be used as the commodity boards to handle particular products.

As the minister has stated, the necessity for this bill is due largely to the fact that we have had ceiling prices. The figures placed on the record by the minister show quite clearly that during the last war and eighteen months thereafter, when there were no ceiling prices, the prices of agricultural products rose much higher than they were allowed to rise during this war. Because ceiling prices have been placed on agricultural production it is only fair that there should be floor prices during the transition period.

We all know that when price ceilings were first established in 1941 the ceiling prices of agricultural products were too low. It was only after organized agriculture had made representations to the government time and time again that the ceiling prices were raised to a point where they were on a par with other ceiling prices. Therefore agriculture has something coming to it because of the ceiling prices established in 1941. If this legislation is used properly it should take into consideration some of the differences which existed in the early years of the war.

I do not think this board will be able to operate successfully if we continue to permit speculative markets in Canada. It is only by taking the selling of agricultural products from the speculative markets that we can

hope to have the board operate successfully. In one section of the act it is provided that the board may set prescribed prices for agricultural products and may pay to the producers the difference between those prescribed prices and the average prices at which products may have sold during a given period of time. That may mean a different floor price to different people who are selling a particular product.

Mr. WEIR: A different price?

Mr. GARDINER: Depending on where they are living.

Mr. WRIGHT: Depending upon when they sell and where they are living. Take peas in eastern Ontario as an example. When they go to the market in the fall, let us say, they sell for $2 per bushel. Later on they may go to $4 per bushel and the government may prescribe a price which they consider to be fair of $3.50 per bushel. They will take the average price between $2 and $4 and pay to the producer the difference between the prescribed price and the average price, and some producers who have sold these peas for the prescribed price will receive that difference. That is just an illustration. I do not think the act can work in a speculative market. It is only when commodity boards or cooperatives have control of their own product and pay the average price for the whole season that a government board can operate equitably to all who are producing that particular product.

There are other sections of the bill which I believe should be amended, and we of this group propose to move certain amendments as the sections are reached.

With regard to the export of agricultural products, I understand that this board is to take the surplus off the market and that it may export the surplus to any part of the world where it can find a market. The fund that is to be set up will therefore be a fund which will to a certain extent be used to subsidize the export of the surplus products, I am wondering whether it will be used to subsidize not only their export, but also the home market as between different seasons of the year.

A great many questions arise in one's mind as one reads the bill. The bill may mean very much or it may mean very little. Whether it will be successful or not depends entirely on the attitude of the government which may be putting the act into force. I would suggest that in the past the old-line parties in this house have not been any too favourable in their attitude towards agriculture. Otherwise we would not have found agriculture in the position in which it was when the war started. Agriculture was the lowest paid group in the Canadian economy when the war broke out, and nobody denies that. It has only been within the last two years that our farmers, largely through the efforts of their own organizations, have been able to force this government to raise the prices of agricultural products to a point where they are anywhere near to being on an equitable footing with the other economic groups in this country. I suggest that the people of this country take that into consideration so that when they are given an opportunity they take care to see that a government is put into power which will express their viewpoint and see that this act is sympathetically considered and given a sympathetic administration.

Mr. HUGHES CLEAVER (Halton): Mr. Speaker, the measure we are now discussing is a bill to secure floor prices for farmers during the transition period after the war. While I am not a farmer, I have lived in a farming community all my life and I believe I know quite a bit of the farm problem. I wish to direct the attention of the house in its consideration of this measure to one part of the farm problem which this measure does not directly touch upon, and which is that the over-all picture of the return to the farmer is not directly covered, nor is it intended to be covered, by this measure.

As I understand the measure as it has been explained by the minister, its purpose is to take care of the extraordinary conditions which will arise as to prices of individual farm products in the immediate post-war period, and it does not deal directly with the general farm picture. I want to say at once that the farmers of my riding with whom I have been in contact have been very greatly encouraged by a measure of this kind being introduced in the house because my farmers believe that it indicates that in the future scientific weapons or measures are to be used in facing up to the farm problem. I should like to express the hope that this bill when enacted will work so satisfactorily that we shall carry its principles into our peace-time economy, using it as a permanent instrument or weapon to see that agriculture will secure its fair share of the national income.

I do not want to be considered as a crepe hanger, but to my personal knowledge, looking back over the past forty years, the position of agriculture has been steadily deteriorating until it has now reached the point where you can buy a 100-acre or 200-acre farm in my riding for what it would cost to

put up the present buildings on the farm. Less than ten per cent of the farmers in my riding can afford to employ a hired man. Life therefore on the farm has been reduced to what is practically drudgery. We all know that the live stock on the farm have to be fed and watered three times daily. The farmer without a hired man cannot go off with his wife for a holiday for a day or two or anything of that sort. One of them must remain on the farm to look after the chores.

Mr. HANSON (York-Sunbury): Somebody has to milk the cows. It has been that way since Adam and Eve.

Mr. CLEAVER: Right you are, but my point is that there is no hired man on the farm to take his turn under present conditions.

Mr. HANSON (York-Sunbury): He would not stay there to-day anyway, unless you chained him.

Mr. CLEAVER: I have a suggestion that might keep him there, but I will come back to that.

In addition to the drudgery of farm life as it now is in Ontario—I am speaking only for the part of the province in which I live—we find that the buildings and the fences on the farm are badly out of repair, not because the farmer wants them that way but because he cannot afford to repair them and cannot hire the help to repair them. The weeds are not pulled out when they should be; the fences get out of repair. Drive through Ontario to-day and compare it with what it was forty years ago.

I think that all parties in this house agree that agriculture in Canada generally is in a depressed condition. I believe that there must be a fundamental and continuing and persistent reason why this is so. I suggest the reason is that through the years we have extended protection to industry even during the course of low tariff governments. We have extended protection to industry which has brought about this disparity, with its inequalities, between the income received by agriculture and the income received by the rest of the people. I would like to put on the record, if I may, a statement I have received from the bureau of statistics.

Mr. SPEAKER: With the consent of the house.

Mr. CLEAVER: Perhaps I should give an outline of the information contained in the statement before asking the consent of the house to put it on. I take the last fifteen years from 1929 to 1943 inclusive. In the first column is given the net farm income, the income originating in agriculture; in the next column the total national income of Canada; in the third column the percentage which the net farm income bears to the total national income of Canada. May I have leave of the house to table this statement without reading it.

	Income originating in agriculture (millions)	Total national income of Canada (millions)	Percentage which farm income bears to total
1929.....	$ 868	$5,273	16
1930.....	575	4,452	13
1931.....	377	3,580	10
1932.....	297	2,813	10
1933.....	319	2,722	11
1934.....	423	3,147	13
1935.....	466	3,371	13
1936.....	529	3,827	14
1937.....	595	4,368	13
1938.....	596	4,291	14
1939.....	676	4,554	15
1940.....	723	5,404	13
1941.....	880	6,500	13
1942.....	1,324	7,500	17
1943.....	1,126	8,800	13

Average of 15 years—13·8 per cent

Hon. members looking over this statement will notice, taking the whole fifteen years and adding them up, that the average net income received by Canadian agriculture, though it represents something over thirty per cent of the people employed in Canada, is 13·8 per cent; 13·8 per cent of the national income goes to something over thirty per cent of the workers. I agree at once that you must add to those figures the income in kind which the farmer and his family receive from the farm. He has a part of his living from the farm, and I have obtained from the bureau of statistics the figures with regard to that item. I will not trouble the house to give them all, because I understand that these figures may now be under revision. I have the figures from the bureau from 1929 to 1940 inclusive and they total $1,165·1 million or an average of $150 million a year. When you add that figure to the net farm income which I have already given you will find it brings up the net farm income figure to a point where it is still grossly below the share which this group in our economy should receive.

Mr. CASTLEDEN: You should also deduct the depreciation.

Mr. CLEAVER: I am coming to that. I think I know what the hon. gentleman's suggestion is. There is also one other item which should be deducted, not added, when you take the net farm income figure, and that is the figure of wages paid to hired men where they are able to employ them. The bureau tells

me that in figuring net farm income it is not net to the farmer, because included in that income is the wage to the hired man. I am told that a statement is now being prepared by the bureau and will be released soon showing the really net farm income figures. I hesitate to put the gross farm income on the record, because it would be only misleading, since the gross farm income includes all costs of production, out-of-pocket costs of production such as taxes, interest on mortgages to corporations, seed and feed, oil and fuel, repairs to equipment, binder twine, fertilizer, spray material, and the thousand and one other costs that are involved. I am pleased to learn that at long last a study is being made of the problem by the bureau and we are to have actual net figures, because I think they will conclusively prove the statement which I made a few moments ago, that Canadian agriculture is not to-day and has not been through the years, irrespective of what government has been in office, receiving its fair share of the national income.

It is only fair that I should comment on the fact that the lot of Canadian agriculture has of course gone up and down depending upon governments, depending upon crops, depending upon world conditions, depending upon trade agreements and tariff barriers. If you will turn to the years 1930 to 1934 inclusive, you will find in this five-year period that while it is true the world was going through a serious depression, it is also true that the government of that day had an unfortunate trade policy.

Mr. MacNICOL: Only in your opinion.

Mr. CLEAVER: I am trying to be frank and to place the facts before the house, and if there is anything wrong with any of my figures I shall be glad to have them corrected. It is only my opinion plus the opinion I have formed during the discussion of this distressing problem with hundreds of my farmer electors. However, if you will take the five-year period from 1930 to 1934 you will find that the average farm income was only $402 million, to at least 30 per cent of the workers of the country. Then if you take the four-year period from 1935 until the outbreak of the war, you will find that during that period there was a very sharp change in our tariff policy. Trade agreements were negotiated, trade started to flow again, and the farmers immediately began to receive the benefit of it, so that during those four years the average farm income increased from $402 million to $600 million. I say that $600 million is not good enough.

Mr. CASTLEDEN: Mr. Speaker, before you leave the chair, I wonder if it might be possible for you to consider releasing eight or ten of these page boys on Saturday afternoon in view of the heavy week they have had and the late hours they are compelled to remain here.

Mr. SPEAKER: I have made arrangements.

At one o'clock the house took recess.

The house resumed at three o'clock.

Mr. CLEAVER: When the house rose at one o'clock I was calling attention to the fact that farm income had dropped very sharply from $868,000,000 in 1927 to less than $300,000,000 in 1932. I should like also to call attention to the fact that the statement which I have already tabled shows that not only did agricultural income drop sharply with all other incomes in the country, but agriculture took a much more severe loss than did other industries of Canada, because the percentage of agricultural income to the total income in Canada in 1929 was sixteen per cent and in 1932 it had dropped to ten per cent.

In my community at one time farming was very prosperous. Our farmers built fine houses and barns. Our farmers were well to do and were able to set up their sons, when they came of age and married, on other farms. But unfortunately that condition has passed, and as I have said once or twice already, agriculture through the years has been steadily and seriously deteriorating. I agree that in time of war it is right to prevent the spiral of inflation which occurred in the last war and which would have been ruinous to our present war effort had it not been controlled; but having done that I do suggest, sir, that this is the logical time, the opportune time, for us to take advantage of the lessons we have learned from war financing, to take advantage of the weapons we have forged out of the necessities of war, to correct this serious inequality.

We all know that productivity in Canada, both industrial and agricultural, has increased very materially as a result of the war. I think that all economists now agree that if any country is to be permanently prosperous through the years the standard of living of the people must be high enough to consume the goods which are produced in the country, plus the imports which are received from exportable surpluses. I believe that to be fundamental. Therefore if this country is to be permanently prosperous in the post-war years we have no option, we simply must raise the standard of living of agriculture to parity

with the standard of living of the other groups in this country in order that agriculture may be able to purchase its just share of this country's tremendous production.

As I view the bill now before us it is a scientific measure designed to meet our immediate post-war problems in agriculture. I should like to see it continued as a permanent measure to assure parity to agriculture. Agriculture is quite content to share depression years and prosperous years with other groups in this country, but I do not think it is fair that agriculture should be asked to bear the most serious part of a depression when it comes and then not participate fairly in the prosperous years. We all agree that the problem is there. My suggestion is that we should use the material which we have available to determine just what that problem is. We should compute the proper share of the national income which agriculture should receive annually and then we should set about in a scientific way to see that agriculture does receive annually its fair share of the national income.

As we move toward the end of this war and as we look forward to the post-war period we have not hesitated to profit by the lessons which the war has taught us in other regards. The measure which was passed by this house yesterday to provide for family allowances is to me one of the most heartening things that we have done. In that instance we have not hesitated to profit by the lessons of the past years and to look forward to the future with courage and initiative. We have not hesitated to bring forward an instrument which we hope will bring about the results that we desire. I should like to urge that we use the same courage and initiative in regard to the restoration of agricluture in this country to its proper position with respect to the income of the other groups. I shall go farther and say if agriculture should be restored to that position it would employ at least five hundred thousand of the men from the armed forces and of the men and women now in war-time employment who will be seeking employment when the war is over. Do not think for a moment that the farmer does without a hired man because he wants to. A man carrying on mixed farming in Ontario without the help of a hired man is, as I said a few minutes ago, living a life of drudgery. It is a seven-day week job three hundred and sixty-five days of the year. Just as soon as the Canadian farmer has sufficient income with which to employ a hired man he is going to have one. Some hon. members ask me how he would keep him. Well, I have a suggestion to make in that regard. I think that every hundred-acre farm in this province—

Mr. HANSON (York-Sunbury): How would he keep him home on Sundays to do the milking?

Mr. CLEAVER: Well, I think the present system, where the odd farmer has a hired man, is a fair one. The hired man is home one Sunday and the farmer is home the next Sunday. They alternate. My suggestion is this. Every farm in Ontario should have a second house on it just as good as the one that is now there. In the early years of married life while the children are young that house could be occupied by the hired man. There would be no difficulty in getting the proper type of hired man on the farm if his wife and family had a good house in which to live. Then as the children grow up and the eldest boy marries he wants a home of his own. That son of the farmer will then live in the second house. I can look back forty years. I well remember forty years ago that wheat and other grains sold at practically the same price as wheat and other grains were bringing in 1939. There has been no substantial change in the selling price of grain in that forty years. But look at the cost of hired help; it has gone up at least three hundred per cent. Look at the cost of farm implements and the cost of everything that the farmer has to buy. All these things have at least doubled and in many instances trebled. The return to the farmer from his basic products has not improved to anything like the same extent. Therefore, Mr. Speaker, I urge that we scientifically determine the proper share of the national income that agriculture should receive, and then by way of subsidy, floor prices or in some other way, we should assure to agriculture annually just that amount.

A word in regard to export trade. I have had the thought advanced to me by farmers in my riding many times that in the past we have made mistakes. We have exported grain to other countries at less than the cost of production here, and in that way have permitted other countries to produce finished food products such as bacon to be sold in competition with our own bacon in the markets of the world. My farmers do not approve of that; they think that in future as far as may be humanly possible Canada should export only finished products such as flour, pork, beef, cheese and the like.

I have one word to say to our Minister of Agriculture before closing. When war came in 1939 it was only natural that farmers

living in this country who had been farming during the period of the last war should anticipate that they would make very substantial profits out of this war. During the early thirties our farmers took extremely heavy losses, and when war came they thought they would have an opportunity of making good those losses by substantial profits during the present war period. It was only human nature that they should arrive at that conclusion. But this country decided upon an all-out war effort, and the necessities of that war effort precluded anything of this nature taking place. During the last war Canada's main contribution was the men in our armed forces. We did have substantial war production, but it was limited as to type, and any surplus we produced in this country was sold at a profit. When war broke out in 1939 the Canadian people decided that this time we would have an all-out effort; this time we were to mobilize wealth as well as man-power, and that has been done. Our production has not been confined to shells and foodstuffs. We have built and equipped a Canadian navy and a Canadian air force. We have produced not only shells for our army but practically a full range of modern army equipment; tanks, planes, guns and the like. This time we have given to our allies, under mutual aid, all our surplus production. When we planned an all-out war effort it necessarily followed that prices had to be controlled if we were to avoid a spiral of inflation which would be ruinous to that effort. So that instead of allowing agricultural prices to rise as they did in the previous war we have controlled prices, and by the payment of subsidies have tried to give our farmers reasonable prices, and only reasonable prices for their products. But we have treated everyone alike; we have done the same to industry. We have restricted the profits of industry through the excess profits tax. We do not tax the excess profits; we take them all, and that is as it should be.

As a result of the fact that the farmers were denied the prices they expected they would have, some of them in my part of the country are blaming the Minister of Agriculture for letting them down. Nothing could be further from the truth, and nothing could be more unfair. Then, too, some people in Ontario are criticizing the minister because they say he represents western Canada and does not understand the problems of Ontario and eastern Canada. Once again I say nothing could be further from the truth and nothing could be more unfair. It is true that the minister represents a western riding and that for many years he was premier of Saskatchewan, but it is equally true that he was born and brought up in Ontario, and that he is operating a farm in this province. I do not think we could find anywhere in this country a man more conversant with all branches and details of agriculture across the entire country than the present Minister of Agriculture. Fortunately, however, I do not need to rely upon my own opinion; the facts speak for themselves. Notwithstanding the fact that we have recruited something over 500,000 men from agriculture for our armed forces and war industries, our agricultural production since the outbreak of war has gone up and up until to-day it is more than fifty per cent greater than before the war.

As to the charge of favouritism to western Canada, I should like to cite one instance of which I have personal knowledge. As hon. members know, the fruit and vegetable industry has special problems of its own. In this instance I know the facts, because I live in the centre of a fruit and vegetable producing district, and I want to tell the house that the fruit and vegetable growers in my district are truly prosperous to-day. I admit at once that they are well organized, and that from time to time they have given the minister good advice. But that does not detract one whit from the fact that he has taken that advice and that in every instance he has been more than fair to this specialized branch of the industry of agriculture of which I have personal knowledge. It is inevitable that in times of price controls, rationing, and so forth, grievances and emergency conditions should arise from time to time. Individual groups of producers in this country have often been annoyed at the minister and at this government because of some incident that has touched them for the time being. But I would urge that we look at the over-all picture of what this country has done in time of war in the production of foodstuffs; and, looking at that over-all picture, I think we have a right to be very proud of the industry of agriculture in Canada. I think we have a right to be equally proud of our Minister of Agriculture and of the staff which has assisted him to bring about these results in Canadian agriculture. And so I say that so long as the present Minister of Agriculture is in the saddle, to organize that industry properly, I have high hopes for its future.

In the bill before us we have a scientific weapon which will take care of the post-war transition period. I should like to see that measure continue on. I think the rest is up to the producers themselves. Under this bill ample provision has been made for the producers to express their views and to give their advice to the minister and the department.

If the industry organizes and presents to the department the true wishes of the farmers, we can look forward to the future with every confidence. I believe that the farmers themselves can solve many of their problems through self-imposed controls. But I do urge again that in the period following the war we should be bold and courageous in our planning, and take full advantage of the lessons the war has taught us.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I have listened with not a little interest to the remarks of the hon. member who has just taken his seat. The faith he has expressed in the Minister of Agriculture (Mr. Gardiner) is, I fancy, the kind of faith that members of a political party have when a minister makes the kind of remarks he made.

Mr. MACKENZIE (Vancouver Centre): That is a lame—

Mr. GRAYDON: Now, I wonder if the official interrupter will kindly keep quiet for a few minutes. I want to bring one or two things to the attention of the house. The first is that I believe the hon. member for Halton (Mr. Cleaver) perhaps unconsciously expressed a feeling which has been prevalent in his part of Ontario and in other parts of Canada when he attempted in his own way to deal with criticisms which for some considerable time have been directed against government policy. I think however that he did not over-emphasize in any way the criticisms which are abroad—criticisms which I believe any hon. member would be able to describe very freely so far as this government's policy in agriculture is concerned. But when he spoke about the qualifications of the Minister of Agriculture, stating that the minister was a westerner who had been born on an Ontario farm, he unconsciously, again, uttered a small word of recommendation respecting a man in the public life of Canada, who comes within the category my hon. friend has described, a man whom we propose to make the prime minister of this country so that for the first time we would have a farmer prime minister. I refer to the Hon. John Bracken. The qualifications which my hon. friend from Halton unconsciously gave as being very good ones for a man in public life are the ones found in the present national leader of our party.

Mr. MUTCH: He lacks one quality—a seat in the house.

Mr. GRAYDON: Perhaps you have supported your party so long that you find yourself in a difficult position.

Mr. MUTCH: He was always hard to elect.

[Mr. Cleaver.]

Mr. GRAYDON: In this debate we have heard a good deal about agriculture. There are many farmers throughout Canada to-day —and I think rightly so—who feel that it is time in Canada that we had a farmer prime minister. We are very proud, and perhaps at times we might be given to just a little bit of boasting—because in the midst of what goes on across the way it is not noticed—

Mr. WRIGHT: I would like to ask where he ever farmed.

Some hon. MEMBERS: Hear, hear.

Mr. GRAYDON: Well, most of the desk-thumping has been done by lawyers so far as I can see.

Mr. MACKENZIE (Vancouver Centre): And who is speaking?

Mr. GRAYDON: I would like to be allowed to answer the question, although I know the answer would not be very satisfactory to my hon. friend.

Mr. WRIGHT: I would like—

Mr. GRAYDON: Now you keep quiet. In answer to the hon. member for Melfort, the Hon. John Bracken, unlike so many others who have interrupted from time to time, has never been in any other line of endeavour than agriculture, except while he was premier of Manitoba. John Bracken himself is now an operating farmer in Ontario. He came from an Ontario farm, worked on an Ontario farm, took up farming as a vocation. I fancy there is no one in Canada who has been better schooled in that profession.

Mr. MACKENZIE (Vancouver Centre): And he will be on the farm a long time, too.

Mr. GRAYDON: Is the official interrupter going to have to be silenced again? Because after all there is a limit to usurpation of privileges. Of course he has his eye on the Clerk's job, I know, but for the present I wish he would listen to me.

I would say to the hon. member for Melfort that he has asked a question I am glad to answer. I was hoping someone would give me an opportunity to put upon the record the facts with respect to one man in public life in Canada to-day. He is the man, as I say, thoroughly familiar with farming in Canada—

Mr. WRIGHT: But he never farmed.

Mr. GRAYDON: May I have some order, please?

Mr. MACKENZIE (Vancouver Centre): Why is he not here?

Mr. GRAYDON: The interrupter is busy again.

Mr. MACKENZIE (Vancouver Centre): Why is he not here? Why the remote control?

Mr. GRAYDON: I think I might say that the problem in the future will not be that of having a seat for John Bracken, but that of having a seat for the Prime Minister.

Mr. MACKENZIE (Vancouver Centre): Oh, yes? The Prime Minister is here.

Mr. GRAYDON: And let me go further than that. We also hear, through the press, that not only is the Prime Minister in danger, but, as pointed out by the premier of Saskatchewan, the Minister of Agriculture, who has so often been lauded by the hon. member for Halton, will not be here again to represent his present seat at Melville.

Mr. GARDINER: And does my hon. friend accept the evidence of the leader of the government of Saskatchewan?

Mr. GRAYDON: Well, he seemed to be able to take the measure of the present minister a short time ago.

Mr. TUCKER: And what about the Progressive Conservative party?

Mr. GRAYDON: May I say this, in the midst of these stormy interruptions—

Mr. MACKENZIE (Vancouver Centre): Why bring this hash into the debate?

Mr. GRAYDON: Mr. Speaker, is it possible to have order? I have submitted to a good deal of interruption, and while I rather enjoy it, I should like to continue.

Mr. MACKENZIE (Vancouver Centre): It is hash.

Mr. GRAYDON: So far as agriculture is concerned, from time to time in this chamber we have heard far too much about rehabilitation and reconstruction of other parts of Canada; we have heard far too much about national endeavour and national enterprise, in comparison with the little about the farming industry in the post-war period. The job of rehabilitation and reconstruction in Canada is not confined to industry alone. It is not confined only to business. I believe I will have support when I say that without prosperity of agriculture in Canada in the post-war period, there cannot be a prosperous Canada. That I believe is one of the prime factors and one of the prime influences which will make for a greater Canada in the new era of a better world.

An attempt has been made by this bill to meet a problem which has been demanding redress for a long time. I am not going to endorse all the details of the bill before the house. I desire only to say that it is a step in the right direction. But there are certain omissions from the bill. One of these was touched upon by one or two speakers who preceded me; I refer to the period which the legislation covers. The problem of agriculture is not a matter only for the transition period. The problem of agriculture is one which will have to be solved by a permanent and long-range plan. If I were to offer any special criticism of this bill it would be that it deals only in a temporary way with what I think is a permanent and long-range problem.

There is a justifiable feeling in the rural parts of Canada that the agricultural income through the years has not been on a fair level, having in mind the returns obtained by other branches of industry. Look over the personnel of this house, if you will. You will see men who came here directly from many professions but who were born and raised and brought up in rural parts. Look at the various professions in Canada, the various industries. You will then see the tremendous contribution which has been made by the men and women who have come off the farms of this land. You will not find the same influx into agriculture from other activities and professions in Canada. Why? It is true that from time to time there are men who have made their money in other businesses and who go into farming in order to lose some of it, but that is not a normal influx into agriculture. I refer to this merely to show that the test as to whether or not agriculture is getting a square deal in Canada is the extent to which people are anxious to leave it, or on the other hand are anxious to go into it. I think that is the best test that should be applied.

Perhaps it is fortunate that agriculture has produced men and women who have entered other forms of industry. Most of these left the farms because they did not like the life, because of the inconveniences, because there was not enough cash return in it. Those of us who came off the farm know what our parents in those early days wanted for their boys and girls. You know it; so do I. Time after time they stated the reasons why they wanted an education for their children. They did not want their boys and girls to go through the drudgery and hard work, to suffer all the inconveniences and uncertainties that they had had to suffer. We may as well face that. Agriculture was left in that position while industry, the professions and so on were returning higher rewards. Some of these men and women I think could have achieved the same success in agriculture as they did in the professions or in industry. The important thing is to have a proper and decent balance in respect to the income received by agricul-

ture and by other parts of our national life.

One of the great difficulties facing agriculture is the fact that when the farmer wants to sell something, somebody else sets the price. That is one of the complaints that was made when I was a boy on the farm, and it is still being made. The law of supply and demand has been allowed to operate with respect to agriculture, but in scarcely no other type of activity in Canada has the law of supply and demand worked unhindered, unprevented and untrammelled. While somebody else sets the price for what the farmer has to sell, somebody also sets the price of what he has to buy. In between those two influences and those two factors the farmer attempts to make his plans, attempts to carry on and do his part in the national life of this dominion.

The farming population of our dominion is one of a few sections of our national economy that is not able to make its plans having regard to the long-range view of the industry. I ask you what industry there is that could survive if it were not able to plan any farther ahead with respect to prices and markets than agriculture. That is what is asked and that is what is done by the farmers of the Dominion of Canada year upon year and decade upon decade.

There are those who are not familiar with farming problems who will say from time to time, "Why should not the farmer have his prices controlled in the war period?" I am not going to go into a discussion with respect to that at the moment, but there is one cardinal factor which always remains in the farmer's mind. In time of peace the farmer has to assume more than a fair share of a lower demand for his products which operates upon the price level. In time of peace the farmer is largely in a depressed condition. In time of war there is a demand for agricultural products, but with man-power at a premium the result is that prices are allowed to rise. In between the depressed period of peace and the more buoyant period of war, provided prices are allowed to fluctuate in an ordinary way, the farmer finds himself on a level which is more in line with the general level than at the present time.

The difficulty we have in this war is that when the basic prices were set the prices of farm commodities were out of line with the price levels of other commodities. In many instances the wartime prices and trade board set prices which actually meant a freezing of a set of unequal circumstances and inequalities. I want to say one thing. We should never again allow agriculture to get into the condition in which it was in the last world-wide depression, when farm income was depressed, I am told, to fifty-five per cent of what it was previously, while at the same time investment income and income from other industries showed no such drop. I think that it is generally accepted that farm prices are always the first to fall and always the last to recover.

There is a problem in connection with farm purchasing power which the government through this legislation must endeavour to meet.

Production on the farm presents other difficulties. Successful production requires planning ahead. The average farmer wants to know ahead of time what markets are going to be available for his products and what prices are going to be for particular farm products. But he is not in that position to-day and has not been up to the present time, and considerable criticism has long been expressed by the farmer over that uncertainty that faces him. The result is that the average farmer who is engaged in mixed farming goes in for one thing this year, and then goes out of it and into other products the next year. It involves considerable cost in changing over from one type of production to another, and this uncertainty which the average farmer feels is reflected by farmers generally throughout the country. I hope that this legislation may have a part in remedying that situation. Undoubtedly this in-and-out-policy of going into one line of production one year, and then out of that and into some other the next year, ought to be replaced by proper planning, and this legislation if it is properly administered can go a long way towards helping the farmer in that respect. The farmer ought to be able to engage in that branch of agriculture in which he wants to engage, instead of being forced to depend upon the uncertainties of the laws of supply and demand to determine what line of production he shall go into this year, and what line next year. He ought to be assured of a market and of reasonable prices for his products so that he can make his plans a long time ahead.

The minister made some reference this morning to the fluctuation of farm prices. It is an old question. No other industry under the sun has suffered so much from the fluctuation of prices as has agriculture. I remember very well that in 1919, on a nine-acre field on our own farm, we took off ninety-nine bushels of cleaned sweet clover, and for that ninety-nine bushels of sweet clover produced on a nine-acre field we took in exactly $2,475 in cash. The demand for sweet clover seed was so great at that time that we had a local market for the whole ninety-nine bushels. We

did not even have to carry it out of our barn. Prospective purchasers, I remember very well, would turn the fanning mill in order to make sure that they got their supply at $25 a bushel. Next year the price of sweet clover seed, if my memory serves me correctly, and I am speaking entirely from memory, ran somewhere around $2.50 a bushel, or just about one-tenth of what it was the year before. I mention that only as an illustration of the fluctuation of prices with which the farmer has to contend and of the uncertainty to which it gives rise. Therefore I welcome any measure which will check the rapid and violent fluctuations in prices, which are one of the biggest handicaps of agriculture to-day, because the farmer should know what he will get when he markets his stuff.

The government of Ontario last fall set up an agricultural commission of inquiry to report on floor prices for farm products. That report was adopted on May 16, 1944, and I am sure that the minister has seen and given consideration to this report, which deals in an exploratory way with the whole question of floor prices of farm products. I should like to quote a passage to show what this group of qualified practical farmers placed on record in connection with floor prices for farm products. The report says:

> To establish any sort of a workable base for the actual building of floor price plans, much more specific definitions of their purpose must be devised. The social objectives stated above can with some limitations be all incorporated into one or another of the following definite economic ends:

And this is what I desire particularly to place on the record as the objectives which these practical farmers say are possible:

> (a) To give the farmer cost of production, plus a profit.
>
> (b) To assure the farmer a financial return comparable with that of producers or workmen on the same general income level.
>
> (c) To maintain the farmer's income at a level where it will buy as much as it did in some past period when farming was considered profitable.
>
> (d) To call out the required volume of production of each of the several farm products.
>
> (e) To keep farm prices from declining to ruinous levels.

Therefore, sir, I want on the second reading to give my support to the general purposes and objectives of this measure. I think that there will be considerable criticism of certain provisions which the minister has incorporated in the bill, as there may be differences of opinion as to their value. If any general criticism is to be offered it is that we have neglected agriculture for so long that it got into the position where the gross income of the farmers of Canada at one time in recent years amounted only to something like eleven per cent of the entire national income of Canada. That is a national disgrace. It is a national scandal which can never be allowed to recur.

I trust that in considering this measure on behalf of agriculture and other measures that may follow it we shall never forget that agriculture is still the major and perhaps the most important of all the enterprises in which the people of this country are engaged, and from many angles it is by far the most influential and the most valuable. When agriculture goes up, Canada goes up. When agriculture goes down, Canada goes down. The purchasing power of agriculture is great, and when the purchasing power of agriculture is maintained at a proper level, business generally throughout the country will be maintained at its very best levels.

Mr. G. H. CASTLEDEN (Yorkton): I wish to make just a few brief observations in order to point out certain things in this bill which, in our opinion, instead of leading to an improvement in farm conditions, a betterment of the position of the actual producer and the ultimate consumer, could produce worse conditions than those from which these people are already suffering. Generally speaking, the appointment of an agricultural purchasing and export board is in accordance with the Cooperative Commonwealth Federation programme which has been endorsed by that organization for a good many years.

Like so much important legislation which has been brought before the house in the closing days of the session, this bill, I am afraid, as the previous speaker (Mr. Graydon) has said, comes a little too late. It is too little, and the powers which it confers can be used one way or the other depending upon the personnel of the board and upon the personnel of the government which appoints that board. The need for planning in our agricultural life is evident not only in the farming areas but also in the industrial centres. In fact the records of Canada in the matter of nutrition show that this country has never faced the problems of agriculture or the distribution of the benefits to be derived from agriculture and which the people might enjoy.

It was interesting to most of us to note in the minister's remarks this morning the hint that this board might have the power to set prices in Canada and to control domestic prices. In view of the fact that the country's capacity for production in food very often, indeed in most cases, is from eight to ten times as much as the nation requires, this

power is necessary. The governments of this country can never absolve themselves of the guilt of having seen want and privation in the midst of a land which has the potential capacity to produce so much, and which in the past has produced so much. The fact that we could, in wheat alone, produce ten times as much as the Canadian people could consume in a year and still have a large number of young people, of older people, and generally those in the lower income groups actually suffering from want of food, never knowing what it was to have sufficient bread, is something which speaks for itself.

The minister put some valuable figures on the record this morning to show fluctuations in farm prices, but his figures were largely those which revealed wholesale prices. I should like to put on some figures to show exactly what happened to the farmer's income —not wholesale prices, but the farmer's income. His net income for a period of years, as recorded in the national income study prepared by the commission on dominion-provincial relations, and given in appendix 4, table VIII C. at page 86 of the report follows. This relates to our own province of Saskatchewan, for individual enterprises, showing income so far as agriculture was concerned. This is the net income for agriculture after we have taken out cash expenses, income in kind and depreciation on buildings and equipment.

In 1926 Saskatchewan's income was $203·8 million, 1927, 184·2; 1928, 228·4; 1929, 158·1; 1930, 33·9. In 1931 it was minus $8·1 million, which meant that the people engaged in agriculture in that province received $8 million less than operating costs, in other words there was a drop of 104 per cent between 1926 and 1931. It continued in the minus column, so that in 1932 it was minus 7·4; in 1933, 3·5 million; in 1934 it had improved to a net income of 20·1 million; in 1935 it was 35·5; and in 1936 it was 60·2. But even in 1937 it had only reached a net income of 22·7, about ten per cent of what it was in the year 1926, and during that period the depression had continued. The actual living conditions were so bad that the population of Saskatchewan had deteriorated. It was the one province in the whole dominion where the population had actually decreased as shown by the census of 1931 and the census of 1941.

The minister clearly demonstrated to us today that he and his department understand the condtiion of the farmer. They know what the farmer's income is; they understand his cost of production; they know what the plight of the farmer is and apparently they know a very great deal about the causes of that plight. But the people of Canada are asking this question: why has not this been remedied before? One of the Liberal members said to-day that we had learned a great deal during the war about these things. The fact is that we knew these things before the war; and the steps now proposed could have been and should have been taken before the war. We can only regret that these things did not come sooner.

There are many features of the bill which might result in the bill meaning absolutely nothing. In the first place, the board when appointed only sits during the pleasure of the governor in council. On the face of it—

Mr. GARDINER: The appointments are to be at the pleasure of the governor in council. The hon. member said the board only sits.

Mr. CASTLEDEN: They shall hold office only during pleasure of the governor in council. The bill uses a vague phrase when it states that it is for the support of prices during the transition from war to peace. I venture to say that if the act is properly administered in the welfare of producer and ultimate consumer alike, instead of in the interests of those people in between, the processors and the distributors, who have such control over these products, the continuation of this type of thing can well be considered. There is the fact that this board as set up will have only three members on it, so that it must be carefully picked. If the personnel of the board has the attitude that we may support the rights and privileges of so-called private enterprise, which in many cases, so far as food for example is concerned, are monopolies, then we can expect mighty little from this act.

A good many of the boards that have existed heretofore have given the people little cause for hope that there would be anything effective, and the powers of the board are so complete and exclusive that it could actually become a very dangerous weapon in the hands of those who have not at heart the final interests of the producing and consuming public. This board has the power to prescribe prices at which it may purchase products. It has the power to purchase those products. It has power to pay to the producers of an agricultural product directly or through such agent as the board may determine. It has power to sell those prdoucts or otherwise dispose of them. I hope we shall not have any more of that type of disposal that we had in the hungry days of the thirties, with fruit out in the Okanagan valley, and barley in Saskatchewan worth about six cents a bushel on the Winni-

peg market and farmers burning it in their furnaces rather than coal because they could not afford to pay for it. The board may package, process, store, ship, transport, export or insure any agricultural product. It may enter into contracts or appoint agents to do anything authorized under this act. Apparently these agents may enter into agreements with other governments and purchase at the request of any department of the government supplies that are required. It has the right to appoint commodity boards or other agents to undertake the purchase and the disposition of agricultural products. In fact the whole agricultural industry, the processing and distribution of goods in this country, comes immediately and completely under the control of this board. They have within their hands the fate of agriculture; they have the fate of the Canadian people in their hands with regard to whether or not the people are to be able to purchase the necessary nutrition. In the hands of the proper people this can be a very valuable board. In the hands of the wrong people it will actually be dangerous.

I am asking everybody to study this bill carefully and notice the powers. It is of most vital importance that the people of Canada see that the right people are in control of the boards that have so much of the welfare of so many people within their power.

Mr. W. G. WEIR (Macdonald): I should like to say a word or two with respect to the present measure, which is an act to provide a revolving fund of two hundred million dollars to assist in the matter of adjusting farm prices through the transition period following the war. I think it is reasonable that the farm people of this country and our general economy should expect to have some governmental assistance where necessary in the interests of this country during that time. I say that particularly for the reason that we as a government and as a country have during the period of the war instituted price ceilings. If the one was necessary for the general interest of the country on the one hand, it is reasonable to suggest that the other is equally necessary in the period during the transition after the war.

The measure provides for the appointment of a board, the functions of which were outlined by the minister this morning. As I understand it, the board is to operate in two ways, one by establishing the price at which the board may take over goods and market them, and the other by establishing a price and letting the market function, and pay the difference between what is deemed to be a fair price, or whatever price is decided upon, and the general price. I have not thought my way through as to exactly how that would work out, but I suggest that here is the place where our cooperative movements can be of real assistance. I hope that their machinery and organization can be brought into play in much of this marketing organization, particularly in carrying out the purposes of this measure. If we are to try to devise a price structure that is to carry on from year to year, the cooperative organizations in themselves will provide a very good type of machinery for doing that very thing. I am not suggesting that the state should enter into the picture in the sense of being similar to a cooperative organization, because I submit that from the point of view of competitive activity, of judging the merits or the demerits of an organization, there is a healthy balance to be achieved between well-established business organizations working in competition with cooperative organizations; and from these types of organizations I think in actual practice we can get the very best possible results.

Many have expressed a great deal of fear with respect to agriculture in this transition period. There is one aspect of the present agricultural situation—which will be of particular importance during the period of transition from war to peace—that is entirely different from the condition that prevailed during the last war. I believe that one of the greatest difficulties that agriculture suffered from in the last war was the inflated prices of land and the creation of debt which many farmers experienced. That situation is now entirely reversed. Farmers generally have been paying off debts to a very creditable degree. That being so, their position is much healthier to meet the period of transition at the close of this war than it was in the last war.

One other aspect of the price situation which should be kept in mind is efficiency of production and of marketing. It is not sound policy for us to devise a price structure in this country which will leave opportunity for careless management or keep sub-marginal lands or units of operation that are not economical in operation. Therefore the board when established must have due regard for efficiency of and economy in operation so far as the production of agricultural products is concerned. I believe that will be kept in mind.

On the question of parity prices which has been urged on many occasions by hon. members in this house, I hope that the idea does not get abroad that we should attempt to maintain throughout what is looked upon as

a parity price for individual items of farm products. I do not believe that is sound. I think our objective should be parity of income, taking the general situation rather than the individual situation.

I am pleased to note the general approval that has been given to this measure. I was interested to read only a few days ago the representations that have been made to one of the committees of this house on behalf of the Canadian federation of agriculture, which propounded many of the principles that are contained in the bill that is now before the house.

There is one other thing that I should like to refer to before I sit down. We hear a great deal of discussion in this house, and it has been urged by hon. members from all sides of the house, of the necessity of producer representation on government marketing boards or boards dealing with farm products on behalf of the government or semi-government boards. Before I came into the house this afternoon I happened to pick up the statement of the Canadian federation of agriculture, and I was pleased to note what they have to say with respect to the representation of that organization in government activities at the present time. The heading of this particular paragraph in the report is as follows:

How is the federation given recognition in national affairs?

And this is what follows:

The president and managing director of the federation is chairman of the advisory committee to the agricultural food board and the dominion Minister of Agriculture. This committee, formed in 1943 simultaneously with the formation of the food board, has twelve members. Three of these are nominees of the Canadian federation. Three other members are also federation officers, but were selected as representatives of their respective provincial departments of agriculture at the request of the departments themselves.

The first vice-president of the federation is a member of the board of governors of the Canadian broadcasting corporation as the representative of organized agriculture.

The president of the federation was a member of the advisory committee to the official Canadian delegation to the united nations conference on food and agriculture at Hot Springs, Virginia, in May, 1943, at which forty-four nations were represented.

The federation has been officially represented by its president or secretary at all of the dominion-provincial agricultural conferences during the past three years.

The federation has had a voice in the formation of advisory committees to various government wartime boards, on which organized agriculture is represented either by federation members or federation nominees, and thus, by their presence on these boards, have an active part in the deliberations of these committees.

[Mr. Weir.]

Summarized, the various wartime advisory committees on which organized agriculture is represented in this way, are as follows:

National advisory committee to the agricultural food board and the Minister of Agriculture.
Advisory committee to the meat board.
Advisory committee to the Canadian wheat board.
National employment committee.
Committee on farm income tax.
National war finance committee.
National selective service advisory board.
War assets corporation.
Beef advisory committee to the foods administration W.P.T.B.
Dairy products advisory committee to the foods administration W.P.T.B.
Eggs and poultry advisory committee to the foods administration, W.P.T.B.
Fertilizer advisory committee to the foods administration W.P.T.B.
Fruits and vegetables advisory committee to the foods administration, W.P.T.B.
Honey advisory committee to the foods administration W.P.T.B.
Maple products advisory committee to the foods administration, W.P.T.B.
Seeds advisory committee.

That seems to me a pretty commendable list of boards and committees on which organized agriculture is directly represented, and I think what has been done by these organizations reflects great credit upon them. I commend the Minister of Agriculture and other officials of the government on having recognized the contribution that agriculture can make, through its own organizations, in assisting to carry out the government's programme at this time.

I do not desire to say anything further on this occasion, Mr. Speaker. I am glad this measure has been brought forward, because agriculture has been looking for it. I am satisfied that it is necessary, and I am happy to see that it is receiving general support in the house.

Mr. L. E. CARDIFF (Huron North): It is not very often, Mr. Speaker, that my voice is heard in this chamber, but as one of the farmers elected to this house I thought perhaps I should add something to this debate.

This is a measure to support the prices of agricultural products during the transition from war to peace. If it is being brought in only for election purposes, of course it will do no good. If it is an honest attempt to do what it purports to do, then I support it whole-heartedly. Something of this kind is long past due. Being an agriculturist, and never having made any money in any other way, I know perhaps as well as any hon. member in this house just how much money is being made in agriculture to-day. Of course I am supposed to make more money now because of the indemnity I receive as a member of parliament, but I should like someone

to tell me how anyone can live in Ottawa for six months of the year and make anything on $2,857, which is what I have left of my indemnity after the income tax is deducted. It is impossible for a member of parliament to make anything out of his indemnity.

The board to be set up under this bill is to consist of three members, one of whom is to be the permanent chairman. If the right kind of board is set up I believe it can do a great deal of good. Then there is to be an advisory committee of twelve, and in the appointment of these men the minister will have an opportunity to put the right men in the right place. If that is done I have no doubt at all that this legislation will be of great benefit to the country. On the other hand if the wrong men are selected, this legislation will fall short, as other legislation designed to increase the income of the farmer has come to grief.

I was interested in the remarks of the hon. member for Halton (Mr. Cleaver) a short time ago. This was the first time I ever heard him make a speech in which I thought he really talked sense. As hon. members know, he is one of the lawyer members of this parliament, and he made that speech only because we are on the eve of an election and he realizes that his only possible chance of coming back is to secure the vote of the farmers. I am in a different position myself, since I happen to be a farmer. However, I agree with many of his statements, and I hope they did not fall upon deaf ears.

As the hon. member said, the farms of this country are being depleted because of the lack of labour. That is very true. I can remember very well, years ago, when my grandfather would take the scythe and go out to crop off the weeds that grew up in fence corners and along the fence bottoms. We do not have time to do that now, and that is why when you drive through the country you see a great many farms polluted with weeds. A farmer may be alone on his land, with a dozen cows to look after and his ordinary chores to do. He cannot get his nose off the grindstone long enough to do these odd jobs, and he has not enough money for a hired man. As a result these weeds are allowed to grow unchecked, and everyone knows that when a farm is allowed to go to weeds it is only a very short time until it is not productive at all.

In my opinion this bill, when it becomes operative, will help farmers to obtain the things they need and should have had long ago. Floor prices should have been established when ceiling prices were imposed. I contend that during the period on which the ceiling prices were based, the prices of farm commodities were not high enough. That is one reason why it is more than ever necessary to have floor prices during the transition period. Ceiling prices have not been high enough, but if we are protected by floor prices following the war the agricultural situation may be stabilized.

Everyone says we are entering a new world. Whether we like it or not the boys who are coming on are not going to farm as we did. They are bound to farm with machines, and operate their farms differently from the way we operated ours. For that reason they are not going to be content with the hours we have been compelled to put in from year to year. Their remuneration may be greater, because they intend to farm by machinery. Unless they are paid for the labour they put in, we shall not have any farmers. We might as well make up our minds that farm prices must be stabilized to the point where they will induce the next generation to stick to the farms. Otherwise this country will go down, down, down.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I intend to deal with one or two matters in connection with this bill. One observation I would make at the beginning is that it is passing strange that legislation as important as this should have been brought down so late in the session. When one considers that this bill will empower a board to control $200,000,000, that it is introduced on a Saturday in the dying days of the session when by reason of long hours of sitting during the week members are necessarily tired out and unable to give the bill as much attention as it should receive, it seems only right that protests should be made against this sort of procedure.

The hon member who preceded me in the debate referred to the fact that the hon. member for Halton (Mr. Cleaver), a lawyer, had spoken in regard to this matter. Well, I must say that if it were not for the lawyers in the house this afternoon—because they are very much in the majority, when compared with those who follow farming as an occupation—this bill could not possibly be considered in detail.

Mr. MacNICOL: There would not be a quorum.

Mr. DIEFENBAKER: I am in accord with the principle of setting up any scheme whereby, when the war is over, reasonable prices may be assured to farmers. All hon. members realize that in the last two or three years resolutions have been passed calling upon the government to do something in this regard. I

believe the Regina board of trade was the first organization in Saskatchewan to place before the government—in December last, I believe it was—a resolution, reasonable in terms and reasoned in attitude, calling upon the government to set up some type of machinery whereby farmers would be assured after the war, and for a reasonable period of time, prices in keeping with costs of production.

All hon. members know that six months after the cessation of hostilities measures which to-day are being utilized to maintain prices, but which are effective only through the operation of the War Measures Act, will be at an end. One hon. member stated that something should be done toward having a definite fixation of prices by the board at this time. While this matter has been referred to on other occasions, the minister has not yet assured the committee that the board would have the power in question. I can understand that it would have power to go into the market and make purchases, as apparently under this bill it is empowered; but I do not believe that it could set prices, for that legislation based upon any scheme such as that would be legally effectual.

This bill seems to follow a definite scheme on the part of the government, that of introducing skeleton bills, bills containing titles and preambles and wide delegations of power, but from which no hon. member can possibly tell in advance the course to be adopted by any board set up, the controls to be put into effect, or the scheme of operation or the philosophy which would control a board operating under such measure.

Against this procedure I protest. The hon. member for Yorkton (Mr. Castleden) referred to this point in some detail a few moments ago. It is a serious situation when a bill is brought before parliament which does not set forth the basis upon which moneys belonging to Canada are to be expended, or the basis upon which the board for which it provides will operate. In effect it is a blank cheque to the board, the operations under the measure depending upon the circumstances prevailing or the exigencies at the time of its application. In other words some will say that the bill will ensure parity prices, when in fact, there is nothing in the bill to indicate that parity prices will be the aim of the board in the price levels which it will set. This measure sets a floor price by an indirect method, that of permitting the board to go into the market and make purchases, but the level of prices at which the board will make those purchases is not indicated. The farmer understands floor prices to be prices set at a level which will assure him of a reasonable profit over and above his cost of production, although some consider them to be the same as parity prices. Under this measure the board is empowered to make purchases, and to set the level of prices at which it makes purchases, regardless of whether that level may be below the level of the cost of production or not. To be fair to the farmers of Canada, and not hold out to them hopes that may not culminate in action, the minister should set forth in this bill the principle that prices paid in respect of farm commodities shall be based upon costs of production and a reasonable profit. That would not require his setting price levels to-day to be effective in the post-war period. But if this bill is to be anything more than the promise of a hope, there must be something in it to show that the prices farmers are to receive will assure them of reasonable costs plus a fair return.

I realize, of course, that if definite prices were set for a period of years after the war there might be constitutional difficulties in the way. Great Britain is setting prices to-day for agricultural products after the war at a level that will assure a fair and reasonable return. Under this legislation the farmers of Canada may hope that the price they are going to receive will be a fair one. And a year hence or two years hence may realize for the first time that under this legislation there is no mandatory requirement on the board to assure our farm population a fair return for products they produce.

We have had ceilings in war time and the provision of post-war floor prices is to be a corollary of that. If the farmer has been willing to accept price ceilings in time of war he must be assured after the war that there will be price levels which will secure for him a fair and proper return.

I should like to ask the minister some questions. Is it his conception that in the operations of this board, in order to effectuate the various sections of the bill, quota systems will be set up? Will prices be fixed from year to year on a contract price basis, or what in general has the minister in mind as to the means whereby the fixation of prices will take place? Finally, what is the basis upon which these prices are to be fixed? Are they to be fixed upon the basis of farm prices in other countries, or are they to be fixed by negotiation between farm representatives of this country, the Canadian council of agriculture, other farm organizations and the board itself?

I have looked over this bill, and in my opinion it represents a continuance of the trend that has been evident during the past

few years, that is, a continuance in peace time of bureaucratic control of this country. Section 4 of the bill provides:

> The board may, with the approval of the governor in council, employ such professional, technical or other officers, clerks and employees, as it may deem necessary for the conduct of its business.

There is control in a board independent of parliament except that it must report to the minister from time to time. Section 9, paragraph (a) reads:

> (a) to prescribe from time to time, with the approval of the governor in council, prices at which the board may purchase agricultural products in the market.

Paragraph (d) provides that the board may have authority to purchase at such prices any agricultural products as meets the standard. Paragraph (c) provides:

> To pay to the producers of an agricultural product directly or through such agent as the board may determine the difference between a price prescribed by the board with the approval of the governor in council for such product and the average price.

The three powers I have mentioned must be given to the board. Then the next paragraph states that the board may sell or "otherwise dispose of" any agricultural products purchased by the board. Why the necessity of empowering the board to give away if necessary the farm products that it has purchased? Why those words, "or otherwise dispose of"? The power that is given under this section permits the board unequivocally to dispose gratis of products that have been secured.

Mr. CASTLEDEN: It might burn them.

Mr. DIEFENBAKER: I think that method of disposing of extra production is a thing of the past, although it prevailed in all parts of the world between 1930 and 1939. The next subsection reads:

> To package, process, store, ship, transport, export or insure any agricultural product.

As a matter of fact what the hon. gentleman said is perfectly true. The board has power to do anything with these products. The statement of the hon. gentleman indicates the width and the amplitude of the board's powers. We have no idea as to how the provisions of this subsection are to be used. We have no indication of the philosophy behind it. Somebody recommended this, some departmental investigation has taken place in regard to this whole question, and I think we should know to what extent the government expects that this board will take over the processing, storage and packing industries of this country. We do not want a repetition of what took place in connection with the rental of our terminal elevators to private companies during the war—government-owned elevators rented to private individuals and in them government wheat stored for the period of the war at a cost three or four times the total amount of the annual rental.

How does the government intend this board to operate? I realize that it is impossible to give every detail, but it is important that any board that is given the power to purchase up to $200,000,000 worth of farm products and to dispose of them in any way, to store them and so on, must have some instructions as to how it will operate under this section.

Not only do we delegate power in that regard, but we delegate to the board the power to redelegate certain powers. Under section 9 (i) this board has the power to appoint commodity boards or other agents to undertake the purchase and the disposition of agricultural products. In other words there is a delegation of power by parliament to a board, with the power being given to that board to redelegate the powers that it has received. I have no objection to paragraph (j), which gives power to appoint a committee or committees to assist the board in an advisory capacity. I believe that is necessary, because it in no way implies the exercise of executive authority.

Then there is the section with regard to the price the farmer is to receive. Is there to be a system of participation certificates? When this board purchases from the farmer at a certain price and sells or otherwise disposes of the product at a profit, will that profit go to the farmer? The reason I ask that is that under section 9 (i) (c)—

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order, Mr. Speaker. I hesitate to interrupt my hon. friend but I want to direct attention to Beauchesne's Parliamentary Rules and Forms, second edition, paragraph 759, which reads:

> On the motion for the second reading, it is out of order to discuss the clauses *seriatim*.

Mr. DIEFENBAKER: Mr. Speaker, I am endeavouring to cite particular sections of the bill with a view to ascertaining what the philosophy is going to be in the operations of this board. To discuss the bill in detail is the only way in which I can show, as I am endeavouring to do, that too great power is being placed in the hands of too few without the necessary controls being imposed by parliament.

Mr. SPEAKER: The hon. member knows, of course, that it is the principle of the bill that is discussed on the second reading and

that the clauses cannot be discussed *seriatim*. I am inclined, however, to think that the hon. member is making a general argument with respect to the bill, although he is going into a little more detail than I would want him to do.

Mr. DIEFENBAKER: I was referring to individual sections, Mr. Speaker, for the sake of clarity so that the minister can follow my argument.

Mr. GARDINER: You have covered all that there are.

Mr. DIEFENBAKER: There are so few sections dealing with so important a matter that we have to ask these questions for the purpose of ascertaining the philosophy underlying this bill and what is to be the method of operation. There is a title to the bill, a preamble, a delegation of authority—

Mr. GARDINER: There is no preamble.

Mr. DIEFENBAKER: As a matter of fact the minister is correct. The government have actually extended themselves and have done away with the preamble, and preambles are usually used by the courts to ascertain the purpose of the legislation and the method of operation. Just in that connection let me say that there is one section, 10 (3), which refers to the possibility of a profit being made. I would like to find out from the minister just how it is expected that this board, if the farmer is to receive fair and proper prices, can possibly expect a profit in its operations. That requires elucidation and, if there is any profit, under this section it is apparent that it goes not to the farmer but into the consolidated revenue fund. One section provides for the possibility of the farmer receiving the highest possible price less the costs of administration, and another section provides for the possibility of there being a profit.

There is one other matter to which I wish to refer, and that is in connection with grain farmers. The grain farmers in western Canada to-day are not as well off proportionately, even taking into consideration present day prices, as other groups of farmers across this dominion. As a matter of fact, the grain farmer has benefited least of all in the period of the war by the prices that are being paid to-day. The prices which the wheat farmer and the other grain farmers are receiving to-day are far below the level of 1926-29.

Mr. GARDINER: The prices for grain to-day are not below the 1926-29 levels.

Mr. DIEFENBAKER: I always believe in having a witness to call in support of the statements which I make. I am now going to call as my witness the Minister of Agriculture himself. In the Regina *Leader-Post*—

Mr. GARDINER: That was some months ago.

Mr. DIEFENBAKER: Oh, but there has been no change in grain prices since last November.

Mr. GARDINER: Oh, yes.

Mr. DIEFENBAKER: The minister will be able to explain afterwards. The farmer is still receiving the initial price of $1.25. There have been slight fluctuations in the prices of certain other grain products, but this is what the minister said when he was speaking in Regina last November—not on a political platform, but addressing a delegation from the Saskatchewan wheat pool, and there of course he was speaking to grain farmers. He is reported in the Regina *Leader Post* as follows:

> Mr. Gardiner quoted figures compiled by the bureau of statistics to show that the grain farmer had benefited least of all classes of farmers in price advances which had taken place during the war years, and was still well below the average of the 1926-29 period.

Mr. GARDINER: The 1943 prices were not available at that time. I had in mind at that time the 1942 prices. I handed the sheet to my hon. friend a little while ago with the 1943 prices. Put those figures on the record.

Mr. DIEFENBAKER: The statement of the minister as reported by the Regina *Leader Post* is scarcely in accord with the statement that he made here to-day. There may be an explanation, but the statement he made to-day had to do with products other than grain products. I am dealing now with grain products. I quote further from the Regina *Leader Post*. The minister said:

> Taking the 1926-29 price levels as the base and designating this period by the index figure 100, Saskatchewan was the only province that was below that mark—20 points below to be exact after including acreage payments.

Mr. GARDINER: That was for 1942.

Mr. DIEFENBAKER: The minister can give the 1943 figures when he comes to reply. Let me finish what he said on that occasion, on November 10, 1943:

> By provinces he quoted the index figures in relation to the 100 representing the 1926-29 average as follows: Prince Edward Island, 124: Nova Scotia, 166: New Brunswick, 170: Quebec, 165: Ontario, 132: Manitoba, 124, Saskatchewan, 80.

In other words, when the minister was speaking, and it was a matter of only a few months ago, the grain farmers of the province

of Saskatchewan were receiving prices 20 points below the index figure of 1926-29. I am bringing this up not by way of criticism but for the purpose of showing that something must be done to raise the level of prices for the grain farmers at least to parity; for it seems to be inexcusable that Saskatchewan is the only province in the dominion that is receiving grain prices below the basic price of 1926-29. The minister said:

> It is all very well to say that there are good prices for eggs, cheese, butter and live stock products, but the figures determine one thing, that there is one type of farmer not dealt with on the same level, the grain farmer.

I mention this for the purpose of asking the minister to consider raising the standard level of prices paid to the grain farmers to the end that our farmers in Saskatchewan may attain parity price or a reasonable price above that amount having regard to all the circumstances.

I welcome this bill as a step in the right direction. Its aim and purpose are commendable. The criticism that I offer is designed only to the end that improvements be placed in the bill. Above all, we in this parliament should put a stop to the perpetuation of bureaucratic controls after the war is over. We have accepted war controls. Every one is legislating to-day, controllers, deputy ministers, heads of departments. It got so bad that the government had to appoint a controller to control the controllers; and yet, Mr. Speaker, that trend is being continued into peace time under legislation such as this. Not only is the trend being continued, but we are delegating authority in this case to a board which in turn has the right to redelegate that authority. We have had some experience of boards during the period of the war which indicate the grave danger of placing power in the hands of individuals removed from parliament and from effective control by the representatives of the people. I ask therefore, so far as the powers of redelegation are concerned, that they be not proceeded with. I ask that this legislation, before it is passed, should give in detail an indication of the circumstances and terms under which it will be operative, to the end that we shall not be in a position of promising much to the farmers, who are expecting much from it, without having at the same time something within the terms of the legislation which will ensure that the prices that are set shall be determined upon such a basis that the farmer will receive not only costs but a fair and reasonable profit.

One thing more, and I pass this on to the Minister of Agriculture. In the post-war period, as all of us believe, the demand for agricultural products will be tremendous in volume during the first two years or so in the rehabilitation of the countries of Europe. That was the attitude taken by the conference in Atlantic City. Under the provisions of UNRRA, all the countries of the united nations to-day are contributing to a common pool, in order to make available the resources of our various countries in the rehabilitation of the countries of Europe as they are recovered from the enemy. In Canada's contribution, in my opinion, too small a portion is devoted to agricultural products. The other day I saw figures in connection with the United States contribution to UNRRA, and it would seem that the proportion of agricultural products that Canada is contributing to this fund for the rehabilitation and relief of the conquered countries is made on a basis which does not take into consideration to a proper extent, as has been done in the United States, the necessity of reestablishing in those countries in Europe a potential market for our farm products once those nations find themselves in a position again to become a potential market for Canadian farm products. I would appreciate it if the minister would indicate why it is that in this scheme of UNRRA, Canada's contribution of a greater proportion of farm products is not provided for. During the period of the war we have industrialized the country. We in the west have not benefited to the same extent as industrial eastern Canada by war industry. Little have we in the province of Saskatchewan. Out of a matter of almost a billion dollars in capital assistance, to industry, the capital assistance to industry in Saskatchewan has been less than $2 million. Eastern Canada, and to a lesser extent the Pacific coast, has become greatly industrialized in the period of the war. The central western provinces have not benefited to the same extent. I appeal to the minister to endeavour to secure as large a proportion as possible, and certainly a greater percentage than to-day, of farm products in all future contributions or in all future assignments on the part of Canada to the UNRRA mutual aid and the like so that western agriculture may benefit in the post-war period.

I agree with the principle of the bill, but I do think that certain controls are necessary not only in the interests of the people as a whole but in order to assure the farmer that the hopes being built up by reason of this legislation shall be realized and that after the war the price he will receive will be in keeping with the fact that, through his patriotism in time of war, he has consented to his prices being kept down.

Mr. J. L. DOUGLAS (Queens): Since I represent a constituency in a province which is largely agricultural I am naturally interested in this legislation supporting farm prices. It is essential that the farmer, upon whom we depend to so large an extent, should be protected from any collapse of prices of his marketable products during the readjustment period following the war. Through the wisdom of the government in its price ceiling and other measures during the past few years, farm prices have not become unreasonably high, in fact, scarcely high enough to offset, in some instances, the additional cost of production. In some instances the farmers have paid twenty-five per cent more in wages than in former years; nevertheless, despite ten years of low farm prices which prevailed prior to 1941, the farmers to-day are in better financial circumstances. This measure introduced to support the farmer up to or about the level of production is vital to the welfare of the dominion as a whole. It is a broad one that requires careful consideration, because cost of production varies in the different provinces. In Prince Edward Island we are subject to heavy freight rates and other handicaps not found except in a province separated from the mainland. Our principal marketing crops are potatoes, both seed and table stock; dairy products, hogs, poultry and eggs. Fish, of course, will be dealt with in another important bill.

The knowledge and experience I have gained from both farming and marketing convinces me that there is no other way by which we can protect the producer in the annual outlay of cash necessary to maintain production than by establishing a minimum price under the direction of a board so that he will not be made bankrupt. A board wisely constituted should be able to protect both the farmer and the government, or the consolidated revenue fund. This fund should be sufficient to meet all such needs.

For some time there will be a large demand for most food products. This demand will ensure at least a price equal to any floor that may be set. Other farm products which vary greatly in yield one year with another from the same acreage are, in years of heavy yield, sold at low prices. Take potatoes, for instance, a crop that varies greatly, depending on the weather and the infestation of fungus disease. In Prince Edward Island potatoes constitute our main cash crop. We produce a good quality of both seed and table stock, and without a reasonable revenue from this crop our farmers are not prosperous. Hon. members know that eighty per cent of the certified seed potatoes are produced in Prince Edward Island. The production of those potatoes requires special and scientific methods, which are more expensive than growing ordinary table stock potatoes. Production in Prince Edward Island, as in other provinces, has been increased twenty-five to thirty per cent. This is remarkable, especially in my own province where out of a population of 95,000 people 12,000 of our young men and women have enlisted in the armed forces, probably the highest percentage of all of Canada. The fathers and mothers at home have worked long hours, most of them from daylight to dark, to meet the needs of producing more food.

Since transportation is linked closely with production, we in Prince Edward Island are handicapped by ice conditions in the Northumberland strait in certain months of the year. February and March are the months in which the greatest difficulty is experienced. We hope that when the new car ferry, which is under construction, is brought into service in a few months' time it will improve the service between our province and the mainland. Our twenty-nine year old car ferry, which was built in Newcastle-on-Tyne, where many great ships are built, has done wonderful work. A great deal of credit is due to the crew who in some instances work day and night to keep the freight moving.

The people of my province have faith in the Minister of Agriculture (Mr. Gardiner) and in his department, which has dealt fairly with all provinces. We appreciate the relief he has given us in the subventions on fertilizer and feed, the bonuses paid on dairy products, and so on, which, I am sure, all our people in that business appreciate.

It would be foolish for me or for anyone else to attempt to outline what minimum prices should be set for the various products, and as I have already said, a wisely constituted board will arrive at those conclusions. I wish to say, in conclusion, that I most heartily endorse the principles of the bill.

Mr. J. H. BLACKMORE (Lethbridge): The principle underlying this bill is apparently the one that it is the duty and responsibility of the federal government of Canada to establish and maintain equitable and stable prices for agricultural products. That principle is sound. Apparently the technique involved in this bill is that of taxing the money from the people of Canada in order to attain the stable and equitable price level. That principle is unsound.

On the whole one must support the bill because the objective of attaining stable and equitable prices is so important that one

would be very foolish to oppose it from any consideration whatsoever. It seems that during the debate thus far a good many members have taken pains to point out to the minister how long ago it was that they or their party began to advocate this particular principle. Probably it would be well for me to say just a word on this score also. When social credit proposals were first advocated the great founder of the proposals, Major Douglas, advocated a just price. When the campaign was being waged in Alberta perhaps the most attractive aspect of the campaign was the second principle of social credit, that of the just price. This is exactly the principle which apparently the minister and his department have been aiming to establish in this bill.

There are three principles of social credit. The first one is the free flow of credit; the second one is the just price, and the third one is the issue of consumers' purchasing power in the form of a dividend or in some other form that would increase the purchasing power. This principle was apparently actuating the Prime Minister (Mr. Mackenzie King) when he introduced his bill with regard to family allowances.

I do not wish to bore the house or the country by elaborating once more that the objectives which the government is aiming at in most of the legislation which is coming forth now are the objectives which were clearly indicated as desirable objectives by the social credit movement many years ago, as long ago as 1923; and if those objectives had been recognized as sound in those days and had been greeted with any sort of respect instead of universal derision, doubt and disrespect by the Liberal party, conditions in Canada would have been far different from what they have been.

May I now raise one question to which I believe the minister should give a great deal of attention? In his well planned and informative speech this morning he drew to our attention the fact that in 1927 the income of the farm population of Canada was $934 million; in 1929 it was $926·7 million, and in 1932 it was $383·5 million. If he takes the last figure from either of the two other figures he will have a sum in the neighbourhood of $600 million. It will be a most interesting mathematical problem for the minister to give the members of the cabinet, and also his department, as to how the difference between $383·5 million and more than $900 million could be met in any year by the expenditure of $200 million. I think it must be apparent that to deal with a national problem anything like that which confronted Canada in 1932, this figure of $200 million is pathetically inadequate.

Another question which I think needs to be asked right at this point is, where is it proposed to get this money? If we are to have money for family allowances, for reestablishment, for servicing a debt of over fourteen billion dollars, and so on, this is a really serious question to ask. Where is the money to come from?

Another important question is raised by the bill. It may not be exactly involved in the measure, but certainly it is associated with it. Where are the markets to be found for the produce which will be available as a result of these measures which are designed to stimulate the production of agricultural commodities? Are these markets to be found abroad, or are we to depend upon the home population for our market? It seems to me that this matter must be given a great deal of earnest thought. Suppose the foreign market should be found quite inadequate to absorb the generous production of agricultural products which most certainly will result from a sincere application of the principles contained in this bill. What devices would be adopted by the government to deal with a situation which would leave vast surpluses of a wide variety of commodities on the Canadian market, with all the disruptive effects on prices that would naturally result from such surpluses? I think this matter ought to be given a great deal of attention, and no doubt the minister will discuss it in considerable detail when the bill is in committee. We shall be listening to what he has to say. Once more may I suggest that, if foreign markets fail, the home market can be expanded to any degree desirable by the use of a dividend, and I would suggest to the minister that the sooner he gets his colleagues in the cabinet to discuss with him quite earnestly the matter of a dividend and how it can be paid in Canada, the sooner he will be placing the whole economy in Canada on something like a sound foundation.

So far as I have been able to discover in reading the bill, nothing is said as to what is to be done with respect to the cost of production of the various commodities. Very likely provision is being made somewhere else in this regard, but as yet I have not discovered it. The cost of production is a matter that has greatly embarrassed the farmers of western Canada. Anyone who has followed with care the reports of the Searle Grain company and has seen therein the statement of the rising costs of the commodities farmers have to buy, will have been impressed with the fact that between 1914 and 1935 the cost of the 147

commodities western farmers buy increased from 100 to something in the neighbourhood of 133·5 or 134. That increase in the cost of living, and consequently in the cost of production for the western farmer, constituted a great source of irritation and perhaps temporary ruin financially. In reading over the bill I just wondered if the minister had made adequate provision for taking care of the rising cost of production, whether he had any device similar to the social credit compensated discount, by the application of which he could prevent the cost of production from rising. This is another avenue thoroughly worthwhile exploring.

Raising the question of where the money is to come from brings to mind a matter that seemed to be disturbing the hon. member for Lake Centre (Mr. Diefenbaker). He was afraid of the increase in centralization and regimentation in this country, of the increase in taxation, of the tendency to level people down, to redistribute poverty or scarcity. He did not use those words but I think those were his ideas. May I point out to the minister that wherever centralization of power takes place, wherever there is a tendency to tax people more and to level down the general income of the country, these tendencies are socialistic and consequently are directly contrary to democracy. The greatest danger that can arise under socialism is the destruction of democracy. I say that in no passionate way whatever; it is a simple, straightforward fact. The hon. member for Lake Centre went into considerable detail to show that there was a tendency toward the destruction of democracy through centralization and greater taxation. I do not know whether the Liberal government feel very happy to think they are lining themselves up with the great socialistic trend in the world, but they must face the fact that to the extent they have shown in this bill what their technique is to be, they are doing that very thing. The people of Canada hardly need to bother about building up and electing a Cooperative Commonwealth Federation party in order to get socialism in this country; they need only to return the Liberals next time and probably they will get all the socialism they can endure. I have no grounds for believing that the people would fare any better under a Conservative administration, either, because apparently the Conservatives think along exactly the same lines. They think there is only one way in the world to get money, namely, by taxing it out of the people. They are obsessed with that foolish notion. According to them, it does not matter what goods and services we have; it does not matter how much the real wealth of the country increases, there is no other way to get money. Apparently they seem to think money is a divine thing which has to rain down from the skies. It cannot be created in accordance with need—impossible, according to their ideas! They will have to outgrow these ideas, or the results of their efforts—both Liberals and Conservatives—will be socialistic, just as definitely as will be those of the C.C.F.

There are one or two other questions which I think should be propounded for consideration at this stage, while we are considering the principle of the bill. Is it the aim of the bill, in a general way, to guarantee the farmers of Canada against loss? Or is it the aim to guarantee them an adequate income? The minister will correct me if I am in error when I say that I assume the object is to guarantee them a good income. And since he does not contradict me—

Mr. GARDINER: I am waiting until you have finished.

Mr. BLACKMORE: I am asking the minister a question.

Mr. GARDINER: And I will answer it; but I cannot answer it yes or no.

Mr. BLACKMORE: I assume the minister has answered that the object of the bill is to guarantee the farmer a good income. If that is the object, then, of course, the increase in production in nearly every kind of agricultural product in Canada will be tremendous.

I have no objection to that; I have no fear of abundance. I can see plenty of places in Canada and in other parts of the world where abundance can be used, if the government can discover the proper technique of distributing that abundance. But if the government stupidly persists in being unable to see the method of distributing an abundance of goods, then there is a serious danger arising from that abundance.

When a few minutes ago the hon. member for Lake Centre said that we never again would see destruction of goods he probably was just a little out of contact with realities in his reasoning; because the advocates of scarcity, the men who think scarcity will do anything under the sun, except discover a means of distributing abundance, will do almost anything except use that abundance. They will keep producers so that they cannot deliver more than so much of their goods, and the goods will sit out in the field and spoil. Even the minister, with his enlightenment, has been guilty of that.

Mr. GARDINER: No, no.

Mr. BLACKMORE: Has not the minister paid a wheat acreage reduction bonus?

Mr. GARDINER: Not to reduce production; it was to increase production—and it did increase it.

Mr. BLACKMORE: Oh, this is a most interesting kind of reasoning. It must be unique. One ordinarily supposes that if you pay a man to keep a certain area out of production, it would decrease production.

Mr. GARDINER: He was not paid to keep it out of production; he was paid to take it out of wheat, and put it into something else.

Mr. BLACKMORE: What would happen if we had a surplus of everything?

Mr. GARDINER: He would change to something else.

Mr. BLACKMORE: The minister is thinking along a profitable line. If he would keep along that line, I would point out to him in a very few minutes how without any serious effort at all we can produce of most things more than Canadians can consume, and more than we can sell to the peoples of the world. I shall refer, for example, to my favourite subject of sugar.

Mr. GARDINER: Do not start on that.

Mr. BLACKMORE: I do not propose to start on it; but it is a good thing for the minister to bear such things as this in mind. Let him bear in mind that the total consumption of sugar in Canada to-day could be produced in Alberta alone, south of Calgary, without seriously affecting wheat production. That is one of the things we have to face.

I shall just refer to one or two others which occur to me. Take the production of alcohol. Everyone in Canada must have wondered why we have had to have a shortage of gasoline, and why we could not produce alcohol for fuel purposes. Surely everyone has wondered why it is we have been so careful not to produce freely of synthetic rubber, notwithstanding the fact that apparently we have an ideal set-up for such production.

Surely these examples are enough to indicate the potential capacity of Canada in connection with agricultural products. And those potential capacities will be opened up, if this bill is sincerely administered. I am not saying that it will be sincerely administered. I do not know. It may be administered somewhat as the meat board was administered this year in connection with beef in Alberta. That, of course, would be an entirely different matter.

But if it is sincerely administered, as the wording of the bill would suggest, then this bill will stimulate agricultural production from coast to coast in Canada in a way which I believe will constitute a genuine embarrassment to everyone who persists in thinking in terms of scarcity. The question now ought to be raised: What would we do with these surpluses? Would we destroy them, or forbid further production, or give them away? How would we pay for them? All these questions have to be asked.

I am wondering this: As a result of the application of the principles of this bill in maintaining a floor price, are prices to be raised to the consumer? For example, supposing we see fit to pay, we will say, ten cents a dozen on eggs, so as to put a floor under the price of that commodity, would the ten cents be charged to the consumer? If it would not, that would help. But suppose the government raised the price from twenty cents to thirty cents a dozen, paid the difference of ten cents a dozen, and then charged the consumer thirty cents, when the consumer could otherwise have bought them for twenty cents from the producer. The result of this, of course, would be a matter which should be given consideration, before we plunge too far into it.

Another matter which I suggest should be considered at this stage, is this: Is it the intention to make Canada more self-sufficient, or to leave Canada more or less non-self-sufficient, as it is at present? That is, is this bill intended to be applied so as to cause the people of Canada to produce successfully certain agricultural products which at the present time it might appear could more profitably be imported from abroad?

Let us suppose we are dealing with butter. Would the object be to raise the price of butter to producers in Canada, so that it would not be profitable for anyone to import New Zealand butter, thereby tending to shut out the New Zealand product? I give this just as illustration. Would that be the general idea? Would the idea be to raise the price of wool to producers in Canada to the point where it would pay the Canadian wool grower so well to produce wool that the country would produce all our requirements of that commodity? These serve as an illustration of the point I have in mind.

I think the government has to decide definitely, before long, whether it proposes to make Canada a more and more self-sufficient country, or a country more and more dependent upon foreign trade. If it does not make a definite decision in this respect, then its policies will be at variance with each other, and there will be a lack of consistency in the moves the government makes.

I can quite readily understand how a bill like this could be used to make Canada more self-sufficient.

Mr. GARDINER: Is that what you wish to have done?

Mr. BLACKMORE: Perhaps the minister would like me to make a pronouncement so that the Liberals could use it. I know he would. I have propounded certain questions—

Mr. GARDINER: I am not afraid to say what I think about it. What do you think about it?

Mr. BLACKMORE: I am glad the minister is not afraid; and I am not afraid to say what I think about it. But I will say it in a way which cannot be distorted on some remote platform. I am going to say that in a general way it is a dangerous and an uneconomical situation for any country to be dependent upon external sources for the products it needs to support the lives of its people. The minister will readily get that. Time and time again I have advocated a greater beet sugar production in Canada, thereby laying down a principle which I hold to be completely sound. I think I have answered the minister, and he will understand.

Mr. GARDINER: You are in favour of making the country self-sustaining.

Mr. BLACKMORE: I am in favour of the principle I have just laid down by implication. If this Bill is sincerely applied it will aid greatly in the attainment of that desire, but we shall have to deal with the serious problem of where the money is to come from. An amount of $200,000,000 will not begin to maintain prices where they ought to be. Prices in 1929 and 1927 were not high enough to give the agricultural population of Canada their fair share of the national income. I think every one in this house will agree that what the hon. member for Halton (Mr. Cleaver) said this afternoon—I congratulate him upon saying it—is applicable to this situation.

From 1905, when I first began to take an interest in these matters, down to the present time, the farmers of Canada have not had a fair deal. Their situation has been getting worse. Their situation was not happy in 1927, 1928 and 1929 when prices were good. If the government are to undertake to correct a situation similar to that which existed in 1932, if they are to attempt to support prices, they will need much more than $200,000,000. If the country should fall upon evil days, such as we had from 1930 to 1935, the amount of money which the people could pay in taxes would not be very great, and one can imagine the clamour that would be raised against the taxation which would be necessary to supply even $200,000,000.

I believe that all thoughtful members will be impressed with the need of a careful examination of the question of where the money is to come from. It must not be taxed from the Canadian economy because the Canadian economy just will not stand it. If the sponsors and drafters of this bill really mean to put it through, if it is not just a means of deceiving the people, then they must be sure that they have a source of money which will yield much more than $200,000,000 and which will not constitute a tax burden on the Canadian people over and above what they are called upon to endure.

Having said that, I have just one more statement to make. If the object of the bill—I imagine the minister proposes to tell me this in a minute or two—is to grant the Canadian farmer an adequate income, I suggest that it is a matter of considerable importance that the minister define what, in his opinion, constitutes adequate. There are altogether too many wage-earners and income earners in Canada who are getting less than $1,000 a year. There is a scandalously large number of Canadian people receiving less than $500 a year to support their families. The other day the Prime Minister gave us some figures which have an impressing bearing on that statement.

What is adequate to-day? Does it mean that when the average farmer gets done with his year's work he will have a $500 balance in his favour? Does it mean that he will have a $2,500 balance in his favour? What will be in the minds of the men who are to determine what that adequate income shall be and who, therefore, are to determine what the prices shall be which the farmer will receive and what the prices shall be which he must pay for the items that enter into his cost of production?

I think I have indicated the line along which I desire a considerable amount of information. May I say once more that I support the principle of this bill in so far as its objectives are concerned, namely, the introduction and maintenance of equitable and suitable prices for agricultural products throughout this country. I support that principle, but I oppose the principle of the technique or the method by which that objective is to be attained, namely, the levying of a tax burden upon the Canadian people.

The taxation structure upon the Canadian people is altogether too destructive right now and it must be relaxed. Otherwise such a thing as freedom will leave the shores of this country if it has not already done so. To

contemplate seriously adding more taxation to the people under a condition like that is simply to contemplate something which borders on lunacy. I repeat that I oppose the principle of the technique, namely, the taxation by which it is apparently proposed to attain the objectives of this bill.

Mr. CLEAVER: Mr. Speaker, I rise to a question of privilege. When taking part in the debate the hon. member for Huron North (Mr. Cardiff) threw out the implication that I as the member for Halton had been neglecting the farmers in my riding, and he made the statement that I had made the speech which I made to-day only because we are on the eve of an election. I should like to remind the hon. member and the house that I came here as a new member in 1936 and I made my maiden speech within one month of the convening of the house. At that time I supported agriculture when I spoke on the Canadian-United States trade agreement. From 1937 down to the outbreak of the war, whenever I felt that I could make a constructive suggestion in regard to legislation being dealt with by the house with regard to agriculture, I spoke upon the matter. It is quite true that since the outbreak of war the few speeches I have made have been in regard to the war effort.

If my hon. friend was referring to the fact that I have not participated in the general free-for-all discussion which takes place yearly on the agricultural estimates he is 100 per cent correct, because I have always felt that I could make a more effective contribution to the welfare of the farmers in my riding with respect to departmental matters by making my representations direct to the heads of the different departments rather than by taking up the time of the house. I have consistently followed that practice, I think with only one exception when I made a short speech a year ago in support of an increased grant for research and experimental work.

I considered that I was quite within my rights in rising to-day to present some views which I thought would be helpful to the house and by passing on to the membership of this house the views of the farmers of my riding with respect to the important piece of legislation we are now considering. I ask my hon. friend: Could I have made the speech any sooner than I did? I feel that I was quite within my rights, that I had a right to make that speech without having any slurs cast upon me for making it. I say to my hon. friend that the statement he made that my speech was made only because we are on the eve of an election is untrue.

Mr. ROSS (St. Paul's): In answer to my hon. friend on the other side I may say that unfortunately the hon. member he is criticizing is not in the house at the present time because he had to attend an important meeting. I must say this on the question of privilege. It is difficult, Mr. Speaker, to understand the hon. gentleman because nearly every time he speaks in the house he makes a political speech.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, I had not intended to speak again on the second reading, but a number of questions have been put to me to which I assume the members expect answers before the bill goes to the committee. Most of the questions I think can best be answered when we are dealing with the different sections of the bill in committee, but there were one or two general matters raised to which I think I should make reply at this stage.

In the first place I wish to deal with the statements which were made by the hon. member for Lake Centre (Mr. Diefenbaker) toward the end of his remarks when he referred to a statement which I had made in the city of Regina in the latter part of 1943. It is obvious to anyone who considers that statement that it could be made only with reference to the statistics as they existed at that time, and it is equally obvious that a speech delivered in 1943 could not be based on the final statistics for the year 1943 because they were not issued in final form until after the end of the year.

I have in my hand the revised figures of the dominion bureau of statistics, as of February 22, 1944, giving the final figures for 1943. The statement which I made at the wheat pool meeting in the city of Regina, and a newspaper report of which was read by the hon. member for Lake Centre, referred, as I said across the floor of the house a few minutes ago, to the figures for 1942. The index figure for Saskatchewan at that time was 67. Those figures have been revised up to a later date, and the latest figures that I have in my hand show that the Saskatchewan figure is 69·2 for 1942, which is two points higher than the figure which was contained in the statistics that I had in my hand at the time I was speaking in Regina. In addition, there is paid in western Canada the wheat acreage payment, and this payment at that time increased the returns to the farmers of Saskatchewan to an index figure of 80. I assume that since the basic figure of 67 has since been raised by two points, the new figure will now be 82. But the most important part of my statement made in Regina was that

which prophesied that when we had reached the end of the year and had the figures, the index figure for Saskatchewan would be past the 100 mark. I have now the 1943 figures, and they show that the index figure for Saskatchewan is 110·3, as I gave it to the house this morning.

I even went farther when I was speaking in Regina and pointed out that the price of wheat had been increased to $1.25 a bushel on September 28 last, and as I was speaking about two months later that increased price could have had little effect on the index figure of returns to the Saskatchewan farmer. The increased payment of fifteen cents on barley and ten cents on oats had just been established. What I was really saying to the western farmers at that meeting, and I said it at twenty-five different meetings, was that they had not had their proportion of returns during the war down to 1942, and the statistics indicated that, but that the reason why they had not received returns down to that time was that we had not the information with regard to the sales of live stock products generally across Canada, and with regard to the sale of fruits and other products, and, therefore, that we were not in a position to make a proper comparison until we had those figures; and that as soon as the complete figures for 1942 were in our hands we made adjustment of the returns on grain, which, as I stated at that time, would bring the index figure past the 100 mark, and I prophesied that by the end of 1944 Saskatchewan would be on a comparable basis with the other provinces. I repeated that statement this morning; and I am quite sure, knowing as we do now that the income in Saskatchewan is up by over sixty per cent in the first six months of the year, whereas the increase across Canada is up by only twenty-five per cent, that there will be a considerable adjustment of the index figures relating to the grain growing provinces during the year 1944 and in all probability the figures for Saskatchewan will be as good as the figures for most of the other provinces. That is the point I was wishing to make at that time. That is what the hon. member for Lake Centre himself says should be the objective of this government, and since we hope to reach that objective during this year I trust that when the election rolls around he will support the government on that particular matter of policy.

A number of other questions were brought to our attention. One was the question raised by the hon. member for Lake Centre whether this legislation is intra vires. Along with that he quoted at some length the title of the bill, and I am not at all surprised that when he read the title he thought it was a preamble because it takes two lines to recite the title to the bill, which reads: "An act for the support of the prices of agricultural products during the transition from war to peace." The reason why this bill has such a long title, and the reason why the title on the inside page of the bill appeared to the hon. member to be a possible preamble to the bill, is the fact that in order to make the bill intra vires it had to be made absolutely clear that this is not a bill to set prices. This house has not the authority to set prices on goods which are produced within the different provinces and which are consumed in those provinces, and we do not presume under this bill to do anything which we have not the authority to do, which would only result in having the bill thrown out of court before it could come into operation. So that it is made perfectly clear that the bill does not intend to set prices. It does not set prices. It merely places within the power of a board which is to be set up under the bill the authority to prescribe prices which will do certain things. Those are the prices at which we are prepared to purchase products, and the purchasing of the products will do certain things. In this way we are accomplishing what we have stated on previous occasions we would accomplish, namely putting floor prices under the goods which are being produced in the dominion and which have been affected by ceiling prices during the time the war was on.

I have been asked whether this would involve the setting of quotas. I do not know whether the hon. member for Lake Centre had in mind the placing of quotas upon production, but I assume he had that in mind from the references that he made. Or perhaps he had in mind the setting of quotas such as we have put on during the war, whereby after the products have been produced we put a quota on their delivery to the market. That was particularly true of wheat and some other grains. We put a quota on their deliveries during the year. But I think what the hon. member for Lake Centre had in mind was the old question whether we were going to say to the farmers, "This is all you can grow, and if you grow any more you will not get this particular return on it; or if you produce any more the government is not prepared to take it." If that is what he had in mind, that is not what the bill intends to do. We do not intend to say to the farmers, "If your production happens to run high next year, or the first year following the war, only a certain percentage of that production will be taken."

That is one of the reasons why it is not possible in this bill to do some of the things which it has been suggested ought to be done somewhere sometime. It may lay the basis upon which other legislation can be built up later on, or other actions taken later, which may accomplish some of the things that some hon. members have in mind. But this bill is intended to do exactly what the title says it is intended to do—an act for the support of prices of agricultural products during the transition from war to peace. Then, as we read everything which is in the bill, and everything which has been said from time to time, the intention is to take into consideration all the things that have been done in relation to farm products during the period of the war and particularly during the period of price control, and then in any transition period following the war, whenever it is declared that the terms of the bill be applied to a product during that period, we apply the terms of this bill in such a way as to see to it that anything at all that the farmer was denied by way of price through control during the war is made up to him during the period of transition after the war, in order that he may maintain his position among the different producers and consumers. That, in general terms, is the object of the bill and that is what we have in mind doing.

Many questions have been asked with regard to different subsections of section 9, and I think those can be best dealt with in committee. However, it might be necessary to call attention to certain remarks made with reference to paragraph (c) of subsection 1 of section 9. In that there will be found some reference to how certain products may have to be handled, and the question is asked, particularly by the hon. member for Lethbridge (Mr. Blackmore), as to whether under that we are to set a price to consumers in Canada and whether we are to pay subsidies over and above these particular prices, or what is to happen, or what may happen under this legislation.

That clause was intended to deal with products such at cheese. Cheese is handled in a certain way in this country. It is largely produced by the cheese factories which are under control of the farmers who deliver their milk to the cheese factory, and their cheese is marketed before boards. They obtain certain price levels for that cheese. If nothing is done about it at all, cheese will go on to this market at the price level established before these boards, but it is conceivable that a price level of that kind may not be as high as the price level ought to be to take care of the circumstances then existing. In such circumstances the price would be paid by the factory to the farmer, and the factory would be reimbursed by the board.

That is a possibility under that clause of the bill, in which case it would result, to all intents and purposes, in a subsidy being paid to the producer. It has been stated that if that were carried to the extreme, and if the other powers given here were applied in certain ways, one might get certain results. I have no doubt that if the price were retained at too high a level, or the return at too high a level, one might get a greater production of some commodity than was desired; but in placing this bill before the house, I would impress upon hon. members that during the period through which we have been passing, and which we wish to have taken into consideration in deciding what we are to do in the transitional period, no one has been preventing the farmer from producing as much as he possibly can of the products we are discussing in this bill. The reason for that is that there has been a market for all these products. The only one for which we have not had an unlimited market is wheat, and that is not dealt with under this bill. But there has been up to date an unlimited market for all farm products we are discussing under the bill. I submit that it would not be just to the farmers to say to them, "In the first year after the war you must cut ten, twenty or twenty-five per cent off your production, and at the same time not provide that you should obtain a floor price for all the product you do produce, if that floor price may be above cost of production; because there has been a time during this war when some of our products were sold under cost of production. You may have to make an adjustment which is not based on cost of production alone."

That is another reason why the bill is applied to the transitional period. That does not mean that when the transitional period is up, any government which happens to be in power at that time is in duty bound to do away with the legislation in its entirety, that it will have no right to amend that legislation in any way. Of course, any house that may be here at any time after the war has the right to amend the measure in any way it may see fit. But this particular bill is for the purpose of dealing with a situation that does exist, as it exists, during the transitional period between war and peace. I hope that our markets for farm products for a period of years, possibly two or three or more, for most of our products, will be sufficiently good that we shall be able to obtain a price which is comparable with the price we are now obtaining

for our farm products of different kinds. If so, the board that is in existence during that period of time will be keeping a check on what is happening during that period, comparing it with what happened during the war period; and immediately there is any necessity for taking action in connection with any farm product, authority is given the board under this legislation to purchase a surplus of that farm product at the floor price which the government of the day considers to be a reasonable floor in the light of all the facts existing in connection with the case.

I am asked, what will they do with all that, will they get rid of it? I can assure hon. members that if I am minister charged with the task, there will not be any of it that will be burned or dumped into the ocean or into the lake. One thing has been demonstrated to us during the war, and as a matter of fact we have always known it. We have always known that there are areas in the world where there are famines from time to time. There are areas where great masses of the population are never properly fed, and there has never been a time when it would not have been possible to take all the food commodities of Canada and send them to some place where someone could have made use of them. Unfortunately, in the past we have kept our actions of that kind limited pretty much to the people that we know most about. But we are entering upon a period when one can leave his home in any part of the world and be in any other part of the world in which he wishes to land sometime within the next twenty-four or forty-eight hours. Therefore the radius of our activities and our friendships and all that kind of thing will be very much wider when this war is over than they have ever been before. I am not worrying about finding some place where we can put the surplus food of a country that has only twelve million people in it to start with.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. GARDINER: Before the dinner recess I was dealing with some of the points that were suggested by hon. members opposite, particularly the questions raised by the hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Lethbridge (Mr. Blackmore). Perhaps I can best sum up the answers I should like to give to those questions by saying that it would not be fair to the farmers of Canada to do certain things in the transition period. First, I should say it would not be fair to order them, immediately the war is over, to reduce production to the level at which it is certain the commodities could be sold at a given price. I was asked what we were going to do, provided that we had great surpluses, and I call attention to what I have just stated as an answer to that question, and to repeat what I said just before the dinner recess. During this war period we have been asked to increase production to the limit in order to provide food to those of our allies who require it, as well as to our own people. I repeat that it would be unfair to the farmers, immediately the war is over, to say they must reduce their production to the point where everything they produce can be disposed of at a given price. And I would state that this bill contains provision for dealing with a situation where a given price is essential for uncontrolled production during the transition period.

Then I should say it would be unfair to the farmer immediately to require him to sell at the cost of production, without considering at all any losses he sustained because of the war or any returns he was denied through the controls established during the war. The suggestion was made that farmers had been denied returns in the earlier part of the war and that just at the time when in the ordinary course of events, according to the experiences of the last war, he would have reaped some returns which would have been helpful to him, ceilings were placed upon prices, as a result of which he was denied as great a return as otherwise he might have received. All those matters would have to be taken into consideration during the transition period along the lines I have suggested.

Then, too, I should say it would be unfair to hold that because a farmer had an exceptionally good crop during the transition period he should be prepared to accept a low return per unit, and I make that statement also based upon what I said a few moments ago. During the period of control, in 1942 the farmers had one of the best crops they ever grew. They had a very fair crop in 1943, and it seems likely that this year they will have one of their very best crops again. During these three years we have had prices controlled. I am not at all sure, and neither is anyone in this house, how many years longer those controls are going to remain in effect, but up to the present the production of field crops has been far beyond what we had any right to expect at the time those controls were established. I make that statement in reply to the suggestion of the hon. member for Lethbridge this after-

noon that because we had suggested that wheat acreage be reduced for the time being we were really paying the farmers to decrease production. If he had applied that statement to the efforts of the government in relation to wheat only, it would have been a statement of fact; but when one takes into consideration the further fact that the government made those payments in such a way as to increase the production of feed grains and in turn increase the production of live stock products, it cannot be said that the policy was intended to lower the production of food products. If the policy had been adopted for that purpose it certainly failed, because in 1942, 1943 and, as far as we can tell, in 1944, as was stated this afternoon by the hon. member for Halton (Mr. Cleaver), our production has increased by at least fifty per cent. While hon. gentlemen opposite may not agree I venture to say that, making allowance for the fact that we had good weather in some of those years, these results have come about almost entirely from the policy that was announced and put into force by this government in relation to agriculture. So that I say the fact that we shall have had two very good crops and one average crop during the period of price ceilings should be taken into consideration in the post-war or transition period, and that farmers who were denied higher returns during war time should not be denied a fair return on their products simply because in some of the years following the war the yields may be very high.

One of the questions asked directly was this: Is this bill intended to make this country self-sustaining? I would put it in a little different form and say, if the question is whether this bill is intended to promote the production of everything we need in this country, or all the food products that we might desire to have in this country, then those of us who had to do with the drafting of the bill had no such idea in mind and did not intend that the legislation should be used for that purpose. The hon. member for Lethbridge was very much concerned as to how we were going to raise the money. He spoke of this $200,000,000 as an amount of money that had to be found somewhere in order to carry on the activities contemplated by this measure. Of course the $200,000,000 is a revolving fund. If a market can be found for all the products over which the government may take control, owing to the fact that they have taken charge of those products at floor prices through some of the organizations provided for in this legislation; if the government can dispose of all those products at floor prices, it will not be necessary to raise any money by taxation or in any other way. In other words, the $200,000,000 is provided in order to have a fund from which to purchase the commodities, or with which the purchase of commodities may be made. Those commodities may be some I mentioned in my speech this morning. One commodity might be butter purchased in the months of May, June and July, put in storage, and put back on this market at possibly the same price in the winter months with the costs added to it.

If the whole $200,000,000 were used for transactions of that kind, then, of course, it would not be necessary to raise money from taxes, or to issue paper money, or to do anything else of that kind, in order to get the money that would be necessary with which to carry on activities under the bill. But if, on the other hand, in dealing with some of these products we were to find it necessary in order to provide floor prices, which we think are essential to give the farmer a proper return, to place the products on this market in Canada, or on any other market at a price lower than that which we had paid under the floor, then it might be necessary to take part of the $200,000,000 in order to make up the difference between the price paid to the farmer for the surplus, and the price received from whatever country we were sending it to. In other words, there might be part of the money which would have to be found by general taxation, or in some other way. But to the extent that products can be disposed of at any price at all, the price received for them, or the money received for them, will go into this revolving fund. And if we make up $200,000,000 through transactions, it would not be necessary to raise anything by taxation.

Mr. STIRLING: In connection with a transaction such as that referred to, would the storage costs be paid for by money provided by parliament, or would they be charged against the $200,000,000?

Mr. GARDINER: I should not like to be too definite in my answer, because this is a matter which would be placed under a board, and which will be dealt with by the governor general in council from time to time. I should judge, however, that if the transactions in the products make it possible to have a balance, the costs would be taken out of the transactions in the products themselves. But if there were a case where a certain amount of money was being paid in order to maintain the price at a certain level, then I would not wish to be too definite as to what the board might decide to do. Just as is being done now, I think different products might be dealt with in

different ways. Some products are now bearing all costs; with others some of the costs are being charged.

For example, we took over grass seeds some time ago. In providing for taking them over we took them over at a certain price level, and we are selling them out at a certain price level, in order to have the two balance. But the government is bearing the cost of administration in connection with it, and that means that to the extent of the administration costs there is really a subsidy on the product. There are some other products dealt with in that way, and some dealt with in the other. But they are all dealt with in the light of conditions surrounding the transactions.

The only other point I wish to deal with is a question raised by hon. members who have spoken from the other side of the house, and that is the question as to who is responsible for this kind of legislation. Well, there is only one thing I can say, so far as this piece of legislation is concerned, and it is this: I am absolutely certain as to who is responsible for its drafting. I am also just as certain as to who is responsible for bringing it into this house. I am also absolutely certain, as a matter of fact, that I would not have brought it into the house if it had not had the support of the whole government. So that there can be no question as to who is responsible for having this legislation in the position in which it is at the present time.

I am fairly certain of another thing. I do not recall at this time a single piece of social service legislation that ever got into this house through any other medium than that of the Liberal party.

Some hon. MEMBERS: Oh, oh.

Mr. GARDINER: It is all very well to be able to go back to conventions, to be able to go back to meetings at which people spoke here and there throughout the country, and quote what was said, and what was to be done, as indicated in the form of resolutions. But the fact remains that every piece of important social service legislation that has ever been brought into this house has been brought in by a Liberal government.

The outstanding illustration of that—and I think it is an illustration which demonstrates conclusively what I say—is this: When family allowances were first announced they did not have the outspoken support of any one of the political parties sitting opposite. Every one of them gave support, but with reservations, when those family allowances were first announced.

I have noticed, too, in connection with this legislation, that there has not been a single member on the opposite side of the house—and I am not referring to hon. members sitting in the corner of the chamber to your immediate left, Mr. Speaker—not a single member rising on the opposite side of the house has unreservedly supported the legislation. They have said, "Oh, the principle is good. If you are going to do with this legislation what we think you are going to do, then it is all very fine, and we are all for it. But if you are going to do something else"—and I do not know where they got these other ideas, because certainly they are not in the bill—

Mr. GILLIS: Just from past experience.

Mr. GARDINER: They say, "If you are going to do something else, then we would not be in favour of it." What I point to is this, that they are just hoping that something will develop that they will be able to hang themselves on, when the time comes.

Mr. CASTLEDEN: We will hang you with it.

Mr. GARDINER: Well, my hon. friend says they will hang me with it.

Mr. PERLEY: It will hang on your past record.

Mr. GARDINER: I know the record of the hon. member for Yorkton (Mr. Castleden). He used to live in my town. As a matter of fact he used to support me. And you do not need to take my word for it, because it is on the record. I know some of the reasons why he does not support me to-day, but it certainly was not that he was ever able to hang me anywhere.

The situation in this matter is simply this, that right back through history, as far as you wish to go, it will be found that Liberals advocate a certain policy over a certain period of time. They eventually put it on the statute books, and it works well. Then our Conservative friends agree with it. In other words, right through the history of the development of our democratic institutions within the British empire, the Liberal party has been the leader in reform—and the Conservative party has had to be convinced.

I am pleased to have lived to see the day when all that the leader of the Conservative party can find on which to hang an appeal to the people at the present time is policies which have been advocated and put into effect by the Liberal party over a long period of years. In other words, we have apparently succeeded in doing what was done in Britain about a hundred years ago when the leader of the Conservative party, although he was leading the government, was persuaded for the first time to become an advocate of free

trade in commodities being passed to and from Great Britain. While it is true that after that both parties agreed with the policy, that did not alter the fact that those of the Conservative point of view—I have not any great criticism of them for holding that point of view other than to say that it tends to retard reform—have always tended to hold on to the things they have just as long as they possibly can. Then when they find they cannot hold on any longer, and the great majority of the people are in favour of it, they come in and agree. I said the other day when the leader of the socialist party—I say that advisedly—socialist party, not socialistic party—

Mr. CASTLEDEN: Cooperative Commonwealth Federation to you.

Mr. GARDINER: I hope my hon. friends are not becoming ashamed of the term "socialism".

Mr. CASTLEDEN: We are not, but you call us national socialists.

Mr. GARDINER: I sometimes believe that they are. Every piece of socialistic or social service legislation which has been brought into this house, and almost every piece of socialistic or social service legislation which has been brought into the provincial legislatures of this country, have been brought in by a Liberal government.

Mr. HANSON (York-Sunbury): That is not true. What about workmen's compensation?

Mr. GARDINER: You can make a speech some other time. I have listened to you saying a lot of things I thought were not true. The other day I said across the floor of the house that if our hon. friends of the socialist party had joined the Liberal party they would be farther away from Toryism than they are in the socialist party, and they questioned me. Every student of history in this country knows that Conservatism, or to go back beyond Conservatism to Toryism, had its birth in an attempt to hold the land and everything else in Great Britain under the ownership and control of the crown. In other words, the ownership of property and everything else in the original days following Norman rule in Britain was based upon the principle of state ownership. The whole battle between Liberalism and Toryism in Britain was a battle against state ownership and control. For that reason I say that when our hon. friends, in order to obtain what they consider to be reforms, base their ideas upon that of state ownership, it is a retroactive step and not a progressive one that they are attempting to take. I believe that the Progressive Conservatives of to-day are more advanced Tories than are the socialists.

Mr. HANSON (York-Sunbury): That is a kind of left-handed compliment.

Mr. GARDINER: That brings me to this. We have only the Liberalism left. These other groups who are claiming credit for everything that has been brought forth in this session under the name of Liberalism either do not know their history or are simply attempting to occupy the position which the Liberal party has occupied throughout the history of this country and throughout a considerable part of the history of Great Britain.

I am quite sure that in spite of the fact that they have had some encouragement—this applies more particularly to our hon. friends opposite to the extreme right—they should again read the history of this country. One has only to look back a few years to find the time when we had only one representative from Saskatchewan; one has only to look back to the same year to find that there was not a single representative of the Conservative party from that province; yet in the intervening period there has not been a member who was associated with the group which at that time swept the province elected to this house. In other words, there are certain principles related to the carrying on of government which abide in spite of all the intervening attacks that are made upon them. One of the principles which have remained in the minds of a great many people in this country is the principle which has established Liberalism, not only in Great Britain, not only in this country, but in the Atlantic charter and every other great charter that has been drawn up as a result of the activities of this war.

When I say that I give answer to the question asked me by the hon. member for Lethbridge, in which he associated himself with the hon. member for Lake Centre. The Liberal party does not believe and never has believed that we could advance the welfare of the human race by producing all the things that are necessary to our existence within the bounds of our own country. We have never believed either that we should produce an economy in this country or in any other country where all the activities should be associated with the production only of things that we ourselves require and want and need.

The hon. member for Lethbridge would like to know why we are not more concerned about the production of rubber, why we are not

more concerned about the production of some other commodities. The answer is to be found in the history of the last twenty or twenty-five years. During that time certain nations tried to make themselves self-supporting or self-sustaining, and the penalty was the building up of the greatest war machine the world has ever known. I am not one of those who would associate himself with the idea that appeared to be in the mind of the hon. member for Lethbridge when he suggested that unless we did certain things, unless we provided ourselves with the commodities that we might be able to obtain from some other part of the world, we were going to find ourselves some day in the midst of another war when we would not be able to obtain the things we have not been able to obtain easily during this war.

I want to say that the only principle which will end war is the principle that the people of every country should put all their force to work producing the commodities that they are most suited to produce. They should produce them in abundance and then they should exchange those commodities with the commodities that other people can produce to better advantage than anyone else. If we all do that there will not be any necessity for war. People fight for food; people fight for shelter; people fight for clothing, but give them the things which they desire to have and which they need in order to live, and people cease to fight.

We have proof of that in the history of the British empire, since they adopted the policy of moving commodities as freely as possible. We have proof of that in the United States where forty-eight states have joined together instead of living on half the continent as half a dozen different countries, and where there is the freest movement of their products among the different states that is to be found anywhere in the world. The same principle is being demonstrated again to the peoples of the world through the different conferences and activities that are being carried on in connection with this war. In my opinion, the only principle that is going to establish that period of peace for which we are all hoping is that very principle which is accepted by peoples of liberal minds and people of conservative minds in Britain, by free men generally and by democratic countries the world over. I hope that as a result of this struggle which has brought us all nearer to one another in distance than we ever were before, these principles may be applied to the whole world and, if they are, I am convinced that we shall have the resulting peace that we all desire.

[Mr. Gardiner.]

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Bradette in the chair.

On section 1—Short title.

Mr. HANSON (York-Sunbury): Mr. Chairman, on this section perhaps I might be permitted to say a word. I refrained from taking part in the discussion on the second reading of the bill because I felt that there were many in this house who were much better qualified than I to discuss the important subject matter of this bill. I am surprised that the minister has just made the type of speech which he has on a bill which, so far as I could observe, had no partisan considerations invested in it.

Mr. GARDINER: You should have been here this afternoon.

Mr. HANSON (York-Sunbury): At least I did not approach the consideration of this bill on the theory that it was a partisan bill or that there would be any attempt made to make political capital out of its provisions. I regret that there has been injected into the discussion of the bill a spirit of partisanship which I believe is entirely uncalled for.

It has been urged on many occasions by many bodies, especially those interested in agricultural production and distribution, that having regard to the depressed conditions of agriculture in that great period of depression which began in 1929 and followed on for a period of ten years, and that great period of deflation, some steps should be taken by this legislature to prevent a repetition of that disastrous era. With that theory I was in full accord because I know as a representative of a semi-rural community of the disastrous nature of that period to the whole national economy. I had given some thought to this very problem and I was hopeful that with the staff at the command of the minister, those versed in economic problems and especially the problems of agriculture and the economic aspects of production, and especially of distribution, a scheme would be evolved for the peace-time period to which we are all so devoutly looking forward that would have brought some specific remedy for the situation which may be envisioned as time goes on.

I recall the statements which were made in the speech from the throne. I recall having read the speech of the Minister of Agriculture in London to which he referred this morning; I recall other declarations which have been made from time to time on this subject matter, and recalling these things I thought something affirmative would be produced which would lay down certain principles by which

the objectives sought would be attained. And what have we? We have a measure based on the if, as and when principle.

Mr. KINLEY: It is a good principle.

Mr. HANSON (York-Sunbury): Well, it is a measure of what it may be expedient to do in a given period of time in a somewhat remote future. It is a matter, therefore, of entire speculation. I must confess that sympathetic as I am to the objective of all of us I am disappointed that no real solution of this problem has been reached. I have reflected on this matter, and I have come to the conclusion, because of the inexorable laws of economics, the principles of supply and demand—and here I find myself in agreement with the minister when he said that we should not do anything to retard production of agricultural products in the post-war period—because of the very nature of the problem from an economic point of view, while I had hoped that a specific remedy would be found, that no formula can be adopted that would be entirely satisfactory or hold out the promise of that which we all desire to attain.

Canada is an agricultural country. We have large surpluses and those surpluses must be exported. They are subject to world competition and world prices, and unless we are prepared to resort tremendously to the principle of subsidies in peace time—and I do not think the minister or anybody else likes that kind of economy—I do not think any real solution of this problem in peace time can be found.

I have always thought that in a peace-time period the best prices that could be obtained for our butter, we will say, were obtained when our domestic consumption of butter just about equalled our production. When we had a surplus there was bound to be a drop in the price of this important farm product. Therefore, so far as my intelligence carries me, I have reached the conclusion that no economic formula can be adopted which will carry with it the objective that every one of us would like to see attained. I daresay that is also the result of the minister's own investigations and the investigations of his advisers. Perforce he has been driven by the old laws of economics, which are in peace time more or less inexorable, to adopt a policy which, after all, in its final analysis means subsidization. I cannot see anything else for it. I must confess, therefore, to a certain degree of disappointment with the measure that has been brought down which is now before us and which we have been debating to-day; yet, to be absolutely fair about the matter, I do not know what else the minister could have done. I am going to pay him that compliment. He may think it is a left-handed compliment, but it is not intended to be. It is intended to show that if this is his considered judgment, that it is the only thing that can be done and that no other legislation is possible, then I think the country ought to accept it. I thought it was in that spirit that we were debating the matter to-day. I am a bit disillusioned by the minister's speech, because I thought he went out of his way to make a political dissertation over a matter that should be far beyond the realm of party politics. I suppose he will not pay much attention to that; he has said that he has not paid much attention to things that I have said in the past with which he has not agreed. Be that as it may—

Mr. GARDINER: I just said that. I did not say they were untrue.

Mr. HANSON (York-Sunbury): I understood the minister did not want to be interrupted; that was his way of settling me for the time being, and I am not disposed to quarrel with the position he has taken.

May I now, having dwelt on the principle of the measure, refer just for a moment to the political aspect of the minister's speech. I know that this is outside the rules, but I ask the Chairman to forgive me. The minister is quite in error when he says that the only social legislation ever introduced into this house was introduced by the Liberal party.

Mr. KINLEY: Passed.

Mr. HANSON (York-Sunbury): No; he said "introduced into this house." That, of course, is not a correct reading of history. He was not here between 1930 and 1935—

Mr. GARDINER: I qualified it with the word "important".

Mr. HANSON (York-Sunbury): That is not important either. I recall to his mind that a very earnest and sincere attempt was made on the part of the government of that day to introduce social legislation, and I will say this further that we thought it was based on sound, legal, constitutional considerations. The courts declared otherwise, and we have to abide by the result. But the minister must not think, and I do not want anyone in this house to think, nor do I believe the country thinks, that the membership of the Liberal party has a monopoly of all the virtues, that it has a monopoly of all fine feeling for the well-being of the people of the country, for that is not true. He talked about Liberalism as they had it in England, and about reforms instituted in England. I wonder if his reading

of the history of England is the same as mine. I recall to him that, nowithstanding the fact that the so-called reform measures were first introduced in England in 1832 by what might now be termed a Liberal government, it was the great Disraeli who really gave reform to the electoral system in England and extended the franchise far beyond anything that was ever thought of by the Whigs of that day. History does not bear out what the hon. gentleman said, and I have read my history too.

Mr. GARDINER: I gave Peel credit.

Mr. HANSON (York-Sunbury): I am reminded that perhaps the greatest reformer of the last century, Lord Shaftesbury, was not a Liberal. He was a son of an old Conservative family, or Tory if you like, in Britain; yet he has to his credit the advocacy of more reforms in the United Kingdom than any Liberal government headed by Gladstone or anyone else.

Mr. HANSON (Skeena): That has nothing to do with this bill.

Mr. HANSON (York-Sunbury): I quite agree that it has not; neither had the minister's remarks. Nearly all the remarks he made to-night were irrelevant to the bill, but he took the opportunity, after the debate had been closed, to chastise and castigate those of us who profess Conservative principles, and to show that we were as dust under the feet of the Liberal party and had no place at all in the sun.

Mr. GARDINER: I was answering what was said when you were not here.

Mr. HANSON (York-Sunbury): That may be true, and yet I cannot let these things go unchallenged if I am given an opportunity to reply to them.

Mr. CASTLEDEN: You only went back a hundred years; he went back a thousand.

Mr. HANSON (York-Sunbury): Yes. He went back to the time of the Norman Conquest and blamed the Tory party of England for the system of land tenure that was set up by William of Normandy.

Mr. GARDINER: No. I blamed them for defending it, not for setting it up.

Mr. HANSON (York-Sunbury): My recollection of history is that the defence came more from the Whigs of the last century and the eighteenth century than from any other part of the nation.

Mr. GARDINER: You and I have not been reading the same history.

Mr. HANSON (York-Sunbury): That may be true, but my recollection is that there was a time when the crown as such was battling manfully against the Tory party of the day for various aspects of land tenure.

Mr. CRUICKSHANK: I rise to a point of order.

Mr. HANSON (York-Sunbury): All right. I have said nearly all I want to say on that.

Mr. CRUICKSHANK: I have the floor on a point of order. I have spent the whole of this Saturday afternoon in the house; I am going to stay here until eleven o'clock on Saturday night; and I say that this bill, one of the greatest on behalf of the farmers of Canada, should be proceeded with. I do not care a hoot what happened a thousand years ago. Let us get on with the bill.

Mr. HANSON (York-Sunbury): The point of order is well taken. I will not for a moment dispute that. But the minister took time out himself to raise these issues and I am entitled to a little leeway. If the minister is to have that leeway I claim it for this side of the house. I am in the hands of the chairman. If he decides that I may not proceed any longer I certainly will not.

The CHAIRMAN: The hon. member for York-Sunbury qualified his position in this connection before he stated it.

Mr. CRUICKSHANK: He has gone back a thousand years.

The CHAIRMAN: I thought he had the unanimous consent of the committee to make the statement he did, and that was why he was allowed to continue.

Mr. HANSON (York-Sunbury): I have said nearly all I want to say in that regard.

I wish to make just one or two further observations about this bill. The minister has correctly stated that the fund to be set up is to be a revolving fund and that it is to be used in the discretion of the members of the board who are to be appointed under the authority of the measure to buy surplus commodities. I assume that is perfectly practicable in connection with certain commodities, but I assert that with respect to other commodities it will be found wholly impracticable. I am not referring especially to agricultural products at the moment, but more particularly to the products of the fisheries, and perhaps I shall have something to say with respect to that when a similar bill comes down which is being sponsored by the Minister of Fisheries. Yet this whole thing is to be left on the basis of the judgment of the board, advised, if you

will, by the advisory council set up under the bill, a board which will have very large powers. It will not be subject to parliamentary control, and not even to ministerial control.

I think that is one of the weaknesses of the bill. What supervision has parliament, which will have to vote the money, over the authority of this board in peace time? I put that query to the minister and he may answer it when he comes to the appropriate section. We have in war time delegated authority to boards and commissions that are not responsible to parliament. We have done so under the theory that this is necessary for the effective prosecution of the war. I suggest that we cannot apply that policy to peace time and vacate the authority of parliament; yet, as I have said perhaps twice before, I have given considerable thought to this bill and to the provisions of it, and having at heart the objective which the bill was intended to reach, I must confess to the minister that I do not know that anything could have been done but to introduce this bill. I do not pretend to be dogmatic about the matter. I do not pretend to know enough about the science of economics to say that another and more complete plan could have been brought before parliament; therefore I did not oppose this bill in any way. I am sympathetic to the bill, and I do not think we ought to be chastised because we are critical of certain specific methods that are to be adopted when we all want to see something accomplished along the lines that have been indicated in the debate.

I was very much interested in the figures which the minister gave this morning. If they showed anything it was this, that in what we call the transitional period there is not going to be very much danger of a sharp decline in agricultural products. That is my recollection of what happened after the last war. What we have to fear in this country more than anything else is that there may be a period of inflation after certain controls are removed which, I think, the people will clamour to have removed; that there will be a period of inflation such as we had from 1925 to 1929, a period of inflation that was absolutely uncontrolled in Canada, and I do not think it could have been controlled, because of conditions in the United States.

Mr. WRIGHT: I do not think there was any inflation so far as agricultural products were concerned.

Mr. HANSON (York-Sunbury): No; I did not say there was inflation with regard to agricultural products. The inflation I am referring to was inflation in the stock market which had its reflection on every part of the economy of the whole continent. That is the thing that I am afraid of more than anything else, and that is the thing we ought to keep our eye on. I have a feeling that in what we term the transitional period, which will be from the cessation of hostilities until, we will say, demobilization is completed—

Mr. GARDINER: Oh, longer than that.

Mr. HANSON (York-Sunbury): It may be. I hope that demobilization will not be carried out in as hasty a manner as it was after the last war, due, I think, largely to the desire of the men in the armed forces to get out of uniform under any consideration. That, I believe, is quite true—

Mr. MITCHELL: Will they not feel the same way this time?

Mr. HANSON (York-Sunbury): I daresay they will, and that is the biggest problem that the government will have to meet. There will be, of course, the intense desire on the part of the men who are at present in uniform to get back home and be done with this cruel business once and for all, to return and become reestablished in civil life; and yet I hope that the period will not be rushed. I hope that wise counsel will prevail and that a substantial time will intervene between the cessation of hostilities and total demobilization. I have no idea how long that would be; it may be one year, two years, three years or four years. I do not think it could run beyond two and a half years. When these men get back into civil life and production of consumer goods has been started in a big way, I think this country is going to have good times, and I believe agricultural produce will be in great demand. I fancy, if there is anything in Europe with which to buy our commodities we shall have a fine export market. I am just a little bit afraid that the impoverished nations of Europe will not be able to buy the produce of our farms. I am just afraid that the starving population of Germany that must live if they are to survive at all by producing those goods which they can produce and exporting to this country—

Mr. MITCHELL: The same for Great Britain.

Mr. HANSON (York-Sunbury): Well, I am just taking Germany as an example because she cannot survive unless she is allowed and encouraged to produce and to export. Those goods that she will produce and export are bound to come into competition with the industrial life of the new world. That is what

I think the leading industrialists in the United States visualize. Therefore, unless the peoples of Europe can find money to buy the products of our farms I have great fears as to our being able to establish and carry out a substantial export trade.

I think the people of this country, notwithstanding the high praises that the minister has tendered to his own party and its political philosophies, will be willing to wait and see how this legislation works out. I think they will be willing to give anything a trial that the best brains of the country say is the best that can be produced. Yet I am not satisfied that it is the best that can be produced. I offer no alternative; I do not know enough about the situation to offer an alternative, and in that I am entirely honest and frank. Therefore, while I think we are 100 per cent behind the objective of this bill, yet I believe that the minister should not have gone out of his way to give us all a lecture at this time in the house, and that is really what I wanted to say.

Mr. CASTLEDEN: I believe that our time would be much better spent in looking forward rather than in looking at the history of the past. In order to keep the record straight I should like to say something in regard to the reference that the minister made to myself. He said that I had previously supported the Liberal party. It was 1926 when I first went to his town that I supported the Liberal party.

Mr. GARDINER: I am talking about 1929.

Mr. CASTLEDEN: I went to your town in 1926.

Mr. GARDINER: The time I was talking about was 1929.

Mr. CASTLEDEN: I supported you in 1929. If proper social legislation had been forthcoming from the Liberal party in this country I might have been supporting it yet.

Mr. MARTIN: You will do it again.

Mr. MITCHELL: You will come back to earth.

Mr. CASTLEDEN: It was the failure of the Liberal party which caused us to build this new cooperative party.

Mr. GARDINER: You changed while we were not in power.

Mr. MARTIN: You have a long life ahead of you.

Mr. CASTLEDEN: The minister has not been defeated since 1914.

Mr. GARDINER: No.

[Mr. R. B. Hanson.]

Mr. CASTLEDEN: And you were Premier of Saskatchewan in 1929. It was because of the failure of the Liberal party that we found it necessary to start building a new democratic social party.

Mr. MITCHELL: What is new about socialism?

Mr. CRUICKSHANK: Now that is straightened out, let us get on with the business.

Mr. BURTON: I did not take part in the debate on second reading of this bill for two reasons. One was that I was in full accord, as were the other members of this group, with the principles contained in the bill. The second was that other members of the group had previously stated our position, and I did not think it necessary to take up any of the time of the house on second reading of the bill. However, I say that while I enjoyed listening to the minister in his first speech on introducing the bill and enjoyed still more his speech when he closed the debate, yet, like the hon. member for York-Sunbury, I feel that it would have been a better speech had he left out some of the things which he felt it was necessary to bring in toward the close of that speech. It seems to me that the minister is not satisfied, even though he has support for his bill from all sides of the house; he must have unqualified, unquestioned support for the dot over every "i" and the cross over every "t". With his experience in the legislature and in parliament he certainly knows it is the duty of those sitting in opposition to help the government to improve legislation that is presented to the house. When we offer criticism in committee of the whole, which is the proper place to deal with the details of a bill, we are not only exercising our right but performing our duty as we should. So that if the minister has not known it up to the present, we are serving notice that we are not sheep in his fold. While we are in agreement with the principles contained in this bill, still we contend that certain parts of it need to be improved if it is to come up to the expectations of those whom it is designed to help.

The minister questioned the wisdom of those who suggested that this legislation should remain in effect beyond merely the transition period, that it should be of a more or less permanent nature. He contended that it would be required only during the period of transition, and that if it were found necessary to extend its life that could be done by the government of the day. I should like to point out to you, Mr. Chairman, and to the

members of the committee that this bill contains a provision authorizing the government to bring the legislation to an end by order in council. The hon. member for York-Sunbury dealt briefly with what took place following the last war, and I should like to enlarge on that a little. The transition period then was from 1918 to the early twenties. It is quite true that in the early twenties we had a little slump, but I am sure hon. members will agree that if nothing worse than that had had to be contended with, we would have come through pretty easily. Certainly by 1925 the period of transition from war to peace was ended; and if this legislation had been in effect at that time, and the then government had held the views of this government, an order in council would have been put through suspending the measure. But what happened after that? We all know what took place after the boom period from 1925 to 1929, and that is what may happen again. Therefore I say that in connection with some sections of this bill we consider ourselves justified and, in fact, in duty bound to suggest to the government that it be strengthened in certain details.

I am a new and comparatively young member of this house. The minister went back a very considerable period of time, but he did not quite go the length of trying to tell some of us that he had thought of this kind of legislation while we were in our cradles or in kindergarten, although he got very close to it. I want to tell the minister that we are quite prepared to give him and his government credit for having brought in this bill, but I want to tell him further that the people out in the country have been asking for legislation like this for a long time, and have not had it. I may not be as old and as experienced as the minister, but I have been told many times that it does people good to go through trials and tribulations because it makes them face up to their wrongdoings in the past. Yes, it is very often quite beneficial to face sinners with the consequences of their wrongdoing. The only trouble is that very often the sinners see the error of their ways too late. However, if even at this late date we can help to make their repentance complete and sincere, we shall have performed our duty as an opposition.

The CHAIRMAN: Before we proceed further I must state here that the Chair has a duty to perform. I believe I am voicing the sentiments of the great majority of the members of this committee when I suggest that we should come down to earth now and discuss the bill which is before us.

Mr. PERLEY: I did not intend to say anything at this stage, Mr. Chairman, but I was very much surprised this evening—

Mr. GARDINER: Did you change your mind and decide to make another speech?

Mr. PERLEY: I did not interrupt the minister when he was making his speech, although he had three shots at this measure. I was surprised when the minister took advantage of the opportunity, at this stage of the proceedings, to make what could only be termed a political speech. I should say he made a campaign speech; perhaps it will be the last one he will have a chance to make here.

The CHAIRMAN: I just gave a ruling, by which I would ask the hon. member to abide. The hon. member for York-Sunbury qualified his statement before making it, by saying he knew he was out of order and asking for leave to make a few remarks. However, I would ask hon. members to discuss the bill itself.

Mr. PERLEY: Then I shall refer to the section you have called. The principle underlying this bill is similar to the principle underlying the wheat board act of 1935. Why was that bill brought in? Because we were facing a situation similar to the one we are facing to-day with respect to the marketing of wheat, the chief product of our agriculture.

Mr. HATFIELD: Wheat is not under the bill.

Mr. PERLEY: No; but the underlying principle is the same. On that occasion the measure was brought down early in the session and, as I said this afternoon, this measure should have been brought in much sooner. Then it could have been sent to the committee on agriculture, where it could have been considered section by section. We could have had before that committee men like the present chairman of the bacon board and others who have had something to do with the marketing of these products for the last two or three years. I protest once more against this important measure being brought in at this very late stage of the session. We have to find a solution of this important problem of the marketing of agricultural products. We shall not find it along political lines, or in listening to political speeches. We must work as a united parliament.

I just wanted to make this statement before we went farther. I think it would have been a fine thing if this bill had been referred to the committee on agriculture early in the session, where it could have been thoroughly studied. I am in favour of the principle, but in closing let me say that you will not see

the opposition to this bill that we encountered in connection with the wheat board act. At that time an amendment was brought in providing that the measure should not become operative until August 1, 1936, a year later. You will not get that in this case, because we want this bill to operate properly, to take care of the post-war period.

Section agreed to.

On section 2—Definitions.

Mr. HATFIELD: I should like to know why all agricultural products in a processed and manufactured state are not included in this bill. In my opinion that is the only way we can take the surplus off the market, namely, by processing and manufacturing agricultural products. In my view all agricultural products should be included in paragraph (a). All that are included are processed meats, and dairy and poultry products. We use the surplus potato crop by manufacturing the potatoes into potato starches and flour.

Mr. GARDINER: It is intended to cover all agricultural products, except wheat.

Mr. MARTIN: Including corn?

Mr. GARDINER: Yes, including corn. "Agricultural products" means any products of agriculture, except wheat, designated by the governor in council, and includes processed meat, dairy and poultry products if so designated.

Mr. HATFIELD: Why "meat, dairy and poultry products"?

Mr. GARDINER: There was some question as to whether certain products, when some distance removed from the farm—and we had in mind corn flakes and things of that kind—might properly be included. I wanted to make absolutely certain that there would be no question about dairy products, and products of that kind. Those words were inserted for that reason.

Mr. WRIGHT: When the minister spoke upon introducing the bill I asked some questions as to what was included. I mentioned specifically coarse grains, and the minister then suggested that they were under the control of the wheat board, and would not come under this bill.

Mr. GARDINER: No; I said that wheat was not under the bill at all. But I did say that if it were declared by the government that we required floor prices under coarse grains, in all probability the wheat board would be appointed as the commodity board to handle oats and barley—but after decision had been reached under this bill, and they had been appointed the same as any other board must be appointed.

Mr. BRYCE: Will honey and honey products come under the bill?

Mr. GARDINER: It is possible for any agricultural product, with the exception of wheat.

Mr. HATFIELD: Why does not wheat come under the bill?

Mr. GARDINER: Because there is a wheat board act which involves the same principle, and is applied to wheat now.

Mr. GRAYDON: I have no doubt the answer I shall receive from the minister will be in the affirmative, but I ask the question for clarification. I would assume that horticultural products would be included under "agricultural products". When we refer to horticultural products we generally have in mind all garden and orchard crops.

Mr. GARDINER: It is possible for them to be brought under the bill. They are natural products of agriculture.

Mr. GRAYDON: There has always been some question as to whether the broad word "agriculture" does include "horticulture". My view is the same as that held by the minister, namely, that the word "agriculture" can be interpreted to cover the field of horticulture.

Mr. GARDINER: Yes.

Mr. BLACK (Cumberland): Could we have a more definite statement from the minister with respect to fruits, and certain other agricultural or horticultural products? I have in mind apples, which would be of particular interest to Nova Scotia. In former years prices of strawberries were depressed considerably below the cost of production. What about blueberries, and commodities of that kind? There should be a clear and definite statement from the minister as to whether, under the bill, floor prices will be established to protect the products I have mentioned.

I might refer to peaches as a horticultural product; we should have some statement with respect to them. Some years we have a surplus crop of peaches, and no market for them. The question arises as to whether there will be a guaranteed or protected price on peaches, along with the other commodities I have mentioned.

Mr. GARDINER: The definition is as plain as it can be made. It includes any agricultural product, except wheat. There surely cannot be any doubt about that, because it covers

them all. Of course, if I am asked to say to-night that there will be a floor price under any particular product, I could not do so, because I would be going far beyond what it is possible for me to say under the bill. The fact is that we are setting up a board to make recommendations to the government, and decisions, based upon those recommendations, are finally made by the governor in council.

Mr. BLACKMORE: Just to make it definitely sure—and I know the minister has been specific, but what he has said sounds almost too good to be true—I am wondering if this applies to any agricultural product, in either its natural or its processed state. That is, could the bill be used, for example, for the support of sugar, flour, starch, canned vegetables, canned fruits, bran, shorts, flax seed, various kinds of foods for animals, and all that kind of thing? Would they be included, in either their natural or their processed state?

Mr. GARDINER: I do not wish to start limiting the definition. It refers to any natural farm products. I said a few minutes ago that some question had arisen as to whether it would be wise to include products such as corn flakes. I would not like to say that it takes in every possible form of processed products. That is something we must leave to the judgment of the board, the advisory committee, and others, at the time a matter is being dealt with. I would not like to say definitely that it includes everything of that kind. But the intention is that all agricultural products, in all the forms in which they are generally sold, will be included, so long as they can be related to the fact that they were produced on the farm. They will come under this bill.

Mr. BLACKMORE: I am particularly concerned about this question, because under section 9 (1) (c) we find this:

> To pay to the producers of an agricultural product directly or through such agent as the board may determine. . . .

We will suppose that the bill applies both to a canning company that is canning beans and peas, and to the people who are producing those beans and peas to be canned. My question arises as to whether the primary producer or the processing producer would be paid.

Mr. GARDINER: There would be no payment made, except under conditions that the money advanced would go to the original producer. Take the case I mentioned this afternoon, the cheese factories. Payment would be made in such a way that any subsidy paid would go to the farmers.

Mr. BLACKMORE: One reason why this will stand out in the minds of my constituents is that it reflects indirectly upon the beef question over which we had trouble in the spring. The producers of beef had the idea that purchases would be made directly from them, but as a matter of fact they were made from the packing companies, the processors of the beef, which was an entirely different matter. There are possibilities of great misunderstanding and unhappiness unless the whole matter is clarified.

Mr. BURTON: The minister stated that if coarse grains were desired the government could declare them as being under this legislation. They could bring butter in for a certain period, or barley, or apples, which the hon. member for Cumberland mentioned. All the commodities would not necessarily be under the bill for the same length of time; it would depend upon what the governor in council set for each commodity.

Mr. GARDINER: I did not catch the last part of the question.

Mr. BURTON: All commodities would not necessarily come under the bill for the same length of time.

Mr. GARDINER: I do not think there is any one in the house or any one outside the house who is interested in agriculture who has any intention of doing anything under this bill to bring down prices to the farmers. As long as the price is satisfactory, as long as conditions are such that a floor is not required, I do not think any one is going to suggest that we do something which might suggest to some one else that there should be less paid for that farm product. As has been stated right through, the duty of this board will be to study conditions existing now and conditions that exist during the transitional period. As long as the product is being sold, under whatever is the system of doing business, at a price which is either satisfactory or more than satisfactory to the farming community, there would be no necessity for the government to maintain a floor price. The different commodities will be studied at all times, and it is possible that in some areas there may be only one product under which it is necessary to put a floor, or there may be half a dozen. The recommendation will be made by the board as to the level at which the government should be

prepared to take the product, and then that will be established as the floor for whatever season is required.

Mr. BURTON: Would the government intend under this bill to say at the beginning of each season that a particular commodity comes under the bill?

Mr. GARDINER: The board will have authority to act at any time. On any day of the week they can make a recommendation to the government. Take butter, for instance. As I have said on a number of occasions during this discussion, the peak production is in May, June and July. The tendency before the war was for butter to sell at about twenty cents a pound in the summer and at about thirty-five cents a pound in the winter. I would hope that it would not be the intention or desire of anyone who may have control over this legislation to permit that to happen during the transitional period. If there were any chance of it happening, say around May 1 or in the middle of April, the board could make its recommendations to the government and action could be taken. That action might be necessary only down to October and then from October on it might only be a matter of selling the butter or putting it back on the market at whatever price level had been decided upon.

Mr. HATFIELD: My understanding of this bill is that if the price of an agricultural product goes below the cost of production the board immediately takes action to remove the surplus from the market or to bring the market price up to the cost of production, perhaps by taking the commodity off the market, putting it in storage or processing it. Is that right?

Mr. GARDINER: I was careful to see that there was nothing in the bill which said that we were going to base any decision on the cost of production. The cost of production may be only part of the consideration. I think it is possible the board might determine that the farmer should have considerably more than his cost of production because of some other experience he has had in order to get through the transitional period in a proper position.

Mr. BLACKMORE: What we are concerned about is that the time may come when the board may force the farmer to take less than the cost of production.

Mr. GARDINER: I would hope that that time will not come and I do not think it is likely to under this bill.

Mr. BRYCE: The minister has mentioned butter as an example. There is a ten cent subsidy on that and I should like to know if this board will blend that subsidy into the price? The butter producer gets the ten cents a pound because he cannot produce economically without it. Will this board have anything to do with that?

Mr. GARDINER: It is difficult to say what the position will be at the time. The hon. member for York-Sunbury said that he was looking forward to the time when many of these controls will be taken off. He is not looking forward any more anxiously than I am, or than I imagine many members of this house are. I would hope that at some time not too far distant some of the controls we now have will be taken off. It is just possible that some of those we would like to see removed may not be removed for a longer period than others.

The position in relation to butter is a peculiar one. We have never attempted to produce butter for export from this country; we have always tried to produce just enough to supply our own people. We make mistakes in that connection sometimes. It is just possible that if we were trying to control the price level of butter we might find ourselves with a short supply and have to purchase butter from the places other people have had to buy it in the past, namely, New Zealand or Australia. In that situation some money might have to be spent in certain directions, but I would hope that the matter could be regulated in such a way that it would be possible for the people in this country to pay for their butter at what the butter is thought to be worth. The simplest way to carry on the transaction under those circumstances would be to have the butter taken at a certain price and to dispose of it at approximately the same price, with whatever difference is necessary in order to carry the expenses of the transaction.

Then, if we have to deal with cheese, the other dairy product, we find that seventy per cent of the product is sold outside the country and only thirty per cent consumed in the country. The situation is somewhat different and would have to be handled in a different way. There is no possibility of having any price arrangement in Canada which would take care of that product entirely.

Mr. BRYCE: Milk is in the same category because it is something that is used 365 days in a year. Milk is being subsidized so that the consumer will buy more of it. Everybody tells us that we have prosperity to-day, and nobody denies that; I do not deny it myself. But what a price we have to pay for the prosperity we have! In one township in my

riding we had nine boys killed at war in the last week alone. Farmers do not want prosperity like that. We want to get back to the basis where we have a square deal and a fair price. No farmer wants to charge extortionate prices. I hope that this bill will result in a square deal and fair prices. Let us make whatever amendments may be necessary to bring that about. If the bill does not do that you are going to come to the end of your tether and we shall be back where we were. I hope the minister will take that into consideration.

Mr. GARDINER: I think the authorities under the bill will have those considerations in mind.

Section agreed to.

On section 3—Agricultural prices support board.

Mr. DIEFENBAKER: It seems to me that subsection 1 is loosely drafted. I should like to know whether or not the meaning of this clause is that the board shall be subject to the direction of the minister, or alternatively, that the board shall only be set up should the minister so direct. If the minister will answer my question I will make my suggestion.

Mr. GARDINER: The meaning is that the board in its operations will be under the direction of the minister, and through him under the direction of the government.

Mr. DIEFENBAKER: Then I suggest that the clause as drafted does not convey that meaning. I suggest that it should read as follows:

> There shall be an agricultural prices support board consisting of three members, including a chairman and a vice-chairman, to be appointed by the governor in council and who shall hold office during pleasure, which board shall be subject to the direction of the minister.

It appears to me that the clause, as drawn, is capable of only one meaning, that the board shall not obligatorily be set up but rather shall be set up only on the direction of the minister.

Mr. GARDINER: The clause was drafted in the justice department. The Minister of Justice is here. The clause reads:

> There shall be, under the direction of the minister, an agricultural prices support board. . . .

It does not give the minister any part in setting up the board.

Mr. DIEFENBAKER: I think it is loosely drafted.

Mr. GARDINER: I think it means what it is intended to mean, but the other would mean that, too.

Mr. GRAYDON: The change suggested by the hon. member for Lake Centre is a very simple one and would make the clause absolutely clear. I am impressed with his suggestion, which would involve adding no new words but simply be a transposition of one part of the clause. Or you might say: "There shall be an agricultural prices support board under the direction of the minister," and so on. I do not know whether that meets my colleague's suggestion, but I think that the clause is badly drafted. I am quite sure that the Minister of Justice had no personal responsibility for it.

Mr. ST. LAURENT: No, the Minister of Justice had no personal responsibility, but he would not like to admit that it was bad drafting. There can be no serious objection, I think, to adopting either the suggestion made by the hon. member for Lake Centre or the suggestion made by the leader of the opposition.

Mr. GRAYDON: They were both intended to cover the same thing.

Mr. ST. LAURENT: As I listened to them I thought the directions of the minister were not coming in at quite the same place. I am sure that we are all agreed as to what is intended, and if it is felt by any members of the committee that the clause will be clearer by putting the words at the place suggested I would be prepared to move accordingly.

Mr. GARDINER: That would be to insert "under the direction of the minister" directly after "board", so that it would read:

> There shall be an agricultural prices support board under the direction of the minister, consisting of three members. . . .

And so on.

Mr. MICHAUD: I move accordingly.

Amendment agreed to.

Mr. DIEFENBAKER: In view of the great responsibility which the board will have and the necessity of assuring the farming population of Canada that the interests of agriculture will be properly looked after by the board, I make the suggestion that one of the appointments to this board should be that of a member of organized agriculture such as the Canadian Council of Agriculture. I know that suggestion has been made in the past and I pass it on to the minister at this time.

With regard to subsection 2 of section 3,

I ask, for information only, why it is stated that the board shall be "a body corporate and politic." What is the reason for the addition of those two words "and politic"?

Mr. ST. LAURENT: The hon. member has been puzzled by that as I have been. It has been handed down through a great many years and I have found it in the oldest books.

Mr. DIEFENBAKER: I am asking for information.

Mr. ST. LAURENT: I have never found any good reason given for the necessity of it.

Mr. WRIGHT: When I was speaking on the bill before I said I thought the board should be appointed immediately. The minister has said that the proposal is that the chairman be appointed and that two technical men from the department be appointed *pro tempore* as the other members of the board to secure the necessary data with respect to agricultural products, which will be necessary before the board can render any decision. I said then that I thought, and I still think, the other two members of the board should be appointed now, and that there should be a secretariat to obtain information; otherwise the chairman, after you have appointed the permanent members, will be the only member of the board who will have all the figures available. I suggest that it would be wise to adopt this proposal because the board, we hope, will be functioning within a short period of time. I would also suggest, along the lines submitted by the hon. member for Lake Centre, that the board should not be entirely composed of technical men. There should be on it a representative from the producers and one from the consumers with a government chairman. That would give better satisfaction than if you appointed three men for their technical ability.

Section as amended agreed to.

Sections 4 to 7 inclusive agreed to.

On section 8—1931 c. 27 to apply.

The CHAIRMAN: Shall the section carry?

Mr. BRYCE: You are going too fast for me, Mr. Chairman. I was waiting until you read the sections. I would like to go back to section 3 if I can have your permission.

An hon. MEMBER: That section was carried.

The CHAIRMAN: With the permission of the committee I will call the section. Section 3, agricultural prices support board.

[Mr. Diefenbaker.]

Mr. BRYCE: I want to ask a question with regard to subsection 9, oath of office. Why is this necessary? We are always asking producers to go on committees. When an organization such as the Canadian Federation of Agriculture or any other producers' organization sends a man to act on such committees the members of that organization want to know what he has been doing and when he comes back, if he has taken an oath of office, he will not tell them what he has been doing. I do not think there is any Canadian sitting on one of these committees who would reveal anything that he should not, but he should be left free to report to the organization that sends him, if the government has sufficient confidence in him to appoint him to the committee.

Mr. GARDINER: Someone says that he might be compelled to make known some things he might not wish to make known. I can assure the hon. member that this is for the direction of the treasury and for some other reasons.

Mr. WRIGHT: This is an important matter. During a war there is excuse for the oath and the promise of secrecy, but during peace time I do not see any reason why a member of an advisory committee appointed to a board should take an oath of secrecy. It is ridiculous in peace time that such a provision should be put in. I can see some sense, in war time under conditions that make it necessary to maintain public morale, that the proceedings of the board should not be made public, but I do not see the force of such a provision in peace time. I think we should have some further explanation.

Mr. GARDINER: This has nothing to do with the members of the advisory committee; it refers to the three members of the board. They are required to take the oath the same as any other employees of the government.

Mr. BRYCE: Advisory committees that have been set up under your department have had to take it.

Mr. GARDINER: They are not compelled to by the passing of this clause, which has reference only to members of the board.

The CHAIRMAN: Shall section 3 carry?

Some hon. MEMBERS: Carried.

The CHAIRMAN: We are on section 8.

Mr. HATFIELD: Will this be a new board, or will there be members of the special products board on it?

Mr. GARDINER: I said this morning in introducing the bill that it was my intention to recommend to the government that we should appoint the chairman immediately, that is, a full-time or permanent chairman, but that for a period at least we should have temporary appointees who are members of the staff of the department. We have two members in that capacity. My reason for so stating was that the period may be very short, as was said by the hon. member for Melfort. If it is quite short it does not make much difference which way it is done. It will be only a short time that there will be officials of the department on the board. If it is a period of considerable length there will be considerable expense which I do not think is absolutely necessary. However, I will take into consideration, and bring before the government, the suggestions made by members of the committee with regard to this point. One or two suggested that a full-time committee should be appointed immediately.

Mr. HATFIELD: I presume, since this does not include wheat, the chairman would be an eastern man.

Mr. GARDINER: We have enough divisions in the country now without putting that in the bill.

Section agreed to.

On section 9—Powers of the board.

Mr. WRIGHT: With regard to paragraph (b) of subsection 1, will the board be empowered to purchase products for which the provinces have set the standards? I believe there are certain products for which the provinces have set the standards. Will the board accept those standards or set their own?

Mr. GARDINER: So far as I can recall at the moment, in connection with most of the products such as live stock, the standards are set by the federal authority. The provincial authorities in some cases are cooperating with us. That is, if the commodity is taken in within the province and sold within the province we have no authority to do anything about it. What happens is that the provinces appoint our officials as their officials and they do work relating to the grading and standardizing of products. I think there will be no difficulty about having it operate in either way. I think in some cases it is done now. Where they are the authority they do the work; where we are the authority we do the work, and there is full cooperation as between ourselves and all the provinces.

Mr. HATFIELD: Will this board have the power to buy and sell, manufacture, export and import?

Mr. GARDINER: It can only purchase Canadian products. It does not import. It deals only with Canadian products, but it can make any kind of arrangement for the disposal of farm products, whether by export—

Mr. PERLEY: There is no provision anywhere in this bill for the purchasing of live stock products.

Mr. GARDINER: While it does not so state, it makes provision to cover every product of every farm.

Mr. PERLEY: I think it would be worth while to have it stated in the bill that there is that power.

Mr. GARDINER: The bill covers every product on every farm.

Mr. PERLEY: Can the minister state that there is power here under certain circumstances for the board to purchase live stock?

Mr. GARDINER: They can, yes.

Mr. DIEFENBAKER: In connection with paragraph (c) I asked a question this afternoon whether it was the intention to establish participation certificates. This paragraph provides that the purchaser shall be paid the difference between a price prescribed by the board with the approval of the governor in council for such product and the average price, and a little later on in subsection 3 of section 10 provision is made that if there is a net operating profit to the board in any fiscal year it shall be deposited to the credit of the consolidated revenue fund. In what way would it be possible for a profit to be secured if the price that is being received on the sale of these products, less the administrative expenses, is paid to the producer?

Mr. GARDINER: Well, just reading it hurriedly I do not think the proviso in subsection 3 of section 10 prevents participation certificates from being given. It states:

> Provided that the net operating profit of the board in each fiscal year, as reflected in the said account, shall be deposited to the credit of the consolidated revenue fund as revenue; and provided further that the net operating loss in any fiscal year may be recouped to the said account from moneys appropriated by parliament for the purpose.

I would think, and I am just expressing an opinion—I do not know whether the Minister of Justice will agree with it or not—that, as the thing proceeds, anything that may be done under the other sections they have the

power to do. Whether paragraph (c) restricts them or not I would not be certain just offhand.

Mr. DIEFENBAKER: Can the minister answer this question? Is it the intention to have participation certificates issued in order to assure that the producer will receive the average price that is secured on the sale of his products less the cost of administration as provided for in section 10? For, Mr. Chairman, there can be no net operating profit if the farmer or the producer receives the final return of the profits that are ultimately made on the resale. As I understand these two sections, reading them together, one provides for a price being fixed at the time of the purchase, and later a provision is made that an average shall be arrived at on whatever is secured on resale and that average price shall be paid to the producer for that year; therefore it must be the intention to set up a system of participation certificates. If a system of participation certificates is set up there could be no operating profit.

Mr. GARDINER: That is what I was trying to say in another way. If it is possible under this to set up participation certificates, the fact that the board did decide to do that with the consent of the governor in council would be taken into consideration in determining whether or not there were any profits. If the board has not decided to do that, then, of course, as has been said, there might be profits. Those would go into the account, and I can see some reason for it in some cases. What we are doing is we are guaranteeing the farmer a certain fair price for his products. We say we are going to buy those products. Let us say the product is barley which can be kept for an indefinite period of time. We may find that in 1944, if this measure were in operation, we have a considerable supply of barley, and it is determined that the farmer shall receive a certain floor price on that particular product. We say to him: "You go ahead and sell it if you can at a better price, but if you must take this price for it we are prepared to take it." We take the barley and we put it in storage. We may not sell it for three or four years. In the meantime he has what we guarantee him, the floor price. Our costs of carrying it may run to more than we ultimately get, or they may run to a little less than we ultimately get. I would think in some of those cases it would be considered inadvisable to carry all accounts over that considerable period of time, and if there is a small amount, turn it back to the farmer at the end of the time.

[Mr. Gardiner.]

Mr. DIEFENBAKER: This board is to be under the direction of the minister, Does the minister intend to ask the board to set up a system of participation certificates?

Mr. GARDINER: It cannot be done at this stage.

Mr. DIEFENBAKER: I understand. That is one of my objections to this entire section. No one in this parliament knows anything about the general method of the operation of the scheme that the government has in mind. That can be ascertained only if the minister is able to advise the committee as to whether the farmer, having received the base price and the board later on selling at a profit, will receive the difference, or whether it is the intention of the government to take all the commodities together, put them all into one account, take the losses of one and balance them against the profits of another, and in the end make no further division, provided that there is a profit, among the vendors or the producers? That is the point I have in mind. Is it the intention of the government to put everything together in one fund? If that is done it would be impossible to set up a system of participation certificates. What in fact the government or this board would be doing would be simply taking all the profits and applying them against all the losses.

Mr. GARDINER: Of course the last statement, that the government intend to put everything into one fund and operate it in that way, is quite wrong; that could not possibly happen as the bill is drawn, because this legislation may operate with regard to a dozen different products in certain years, and may operate in a dozen different ways in regard to those products. That is, we may turn one commodity over to the wheat board and tell them to deal with it. In that case, if we turned oats or barley over to them, under their method of doing business they would require a separate account to be set up by legislation or by order in council. On the other hand we might simply say to a business concern, perhaps the people who export cheese, "We want you to do this job," and indicate what the job is. They will go ahead and do it. In another case we might appoint a commodity board to handle a product. The way a product will be handled will depend very largely on what the product is. For example, if we were handling butter in the way I suggested a few moments ago, simply taking up surplus stores in the summer months and carrying them over into the winter, that transaction would be so different from the handling of oats or barley through the wheat board that there could not possibly

be any standard way of carrying on, or any single decision made. It would have to be a matter of coming to a decision with regard to each product as we deal with it.

Mr. POTTIER: I am somewhat concerned about the meaning of "producer" in paragraph (c). I can see that a farmer would get the advantage if he were selling a natural product such as potatoes, carrots or something like that. Under this section the board has power to pay a primary producer the difference between the floor price and the market price. When you come to a manufactured article, however, I am not so sure that under this section as it is drafted the primary producer is going to get any advantage, because here you are only providing that the producer of the manufactured article will be paid the difference between the fixed price and the market price. He might keep that extra amount, and the farmer producer would not get any advantage. I have in mind that after the word "producer" you might add something like this: "On such terms and conditions as may be deemed necessary to ensure that such payment reaches the farmer producer." That may be going too far, but if "producer" means the primary producer and not the person who manufactures the commodity, I am wondering what the effect will be.

Mr. GARDINER: No; "producer" there means the farmer.

Mr. POTTIER: The primary producer?

Mr. GARDINER: Yes.

Mr. POTTIER: This paragraph contains the words "at which such product is sold in the market." You have the word "product" there, and I am wondering if it could not be interpreted as relating to a manufactured product. In the beginning you have the word "producer" which might mean the producer of the manufactured product. I am wondering if that is what it means. In that event it might be interpreted in such a way that the farmer producer would get no advantage in connection with a manufactured product.

Mr. GARDINER: The idea is that the board can package, produce, process, store, ship, transport, export or insure any agricultural product. We may even process it ourselves under that provision. Paragraph (c) was drafted precisely to make sure that the advantage in price would go to the farmer; that was the purpose of it.

Mr. POTTIER: That is clear, then.

Mr. WRIGHT: As yet the minister has not stated whether it will be the policy of the government to issue participation certificates.

Mr. GARDINER: I said that we shall have power to do so under this legislation, and the question will be determined when we decide to deal with any particular product.

Mr. WRIGHT: I wish the minister would explain how this clause can possibly work equitably in connection with any product on which there is a speculative price which varies with the season.

Mr. GARDINER: Which clause is the hon. gentleman dealing with?

Mr. WRIGHT: I do not see how section 9 (1) (c) can work equitably in a case like that. If the product is handled cooperatively by the producers themselves, under some method by which they make an advance payment and a final payment at the close of the season, I see how the clause can operate. I should like the minister to state whether it is the intention to have this clause apply to products which vary in price during the season, or whether it is put in simply to cover such products as cheese, where the producer pretty well controls the product, and where in many cases there is an advance payment and a final payment at the end of the season.

Mr. GARDINER: It is intended to cover producer organizations such as cheese factories and other organizations of that type. The cheese factory organization is a farmers' cooperative in the broadest sense of the term. They do not necessarily call themselves cooperatives in all cases, but in principle that is what they are.

Mr. WRIGHT: Then is it the intention to have this clause apply to other products? I quoted an example this afternoon. I do not want to go all over it again, but I said that a product selling in a speculative market might have one price early in the season, and later on have that price go up by fifty or even one hundred per cent, as we have known prices of agricultural products to vary. Under this provision the government would prescribe a price and would pay the difference between that prescribed price and the average price brought by the product throughout the season. Some people might sell at less than the average price; some might sell at very much above it. All would receive the same payment from the board under this section. I do not see how it can work satisfactorily except where the cooperatives control the product, and where initial and final payments are made.

Mr. GARDINER: I tried to deal with that point in my general remarks this afternoon

on second reading. This bill is not intended to cover any products except those we buy ourselves. In other words, we cannot set prices. We have no authority to do so, in the sense referred to; the provinces have that authority. We simply say that we will buy a particular product at a particular price. I take it for granted that no one will sell to anyone else at less than that price; they will sell to us. Once we have bought the product, of course we have control over what is done with it. I should assume that if a cooperative organization were handling the product we would say to that organization, "We guarantee a certain price". Then the cooperative organization would do as the wheat board does now; it would make that the initial payment. If, later on, it should turn out that we did not get that much for the product, we would have to provide the difference. The company paid it out, and we would pay the company the difference. That is the answer to the hon. member for Victoria-Carleton.

Mr. HATFIELD: Is the board going to do this, or is it going to use the machinery already set up?

Mr. GARDINER: I would say that the board can do it in either way. The board has authority to recommend to the government to do it either in one way or the other. In many cases they would handle it through the machinery set up.

Mr. WRIGHT: Mr. Chairman, I have something to say with respect to paragraph (i)—

To appoint commodity boards or other agents to undertake the purchase and the disposition of agricultural products.

When speaking this afternoon I said I believed that so far as possible these commodity boards should be cooperative organizations handling farm products. I said, further, that there are in Canada a considerable number of cooperatives which have practically complete control over the products they are selling. I mentioned particularly the fruit boards and vegetable boards in British Columbia. There has been a great growth in cooperative operations, and a great deal of thought given to this matter by the Canadian Federation of Agriculture. They have considered carefully the idea of commodity boards controlling various farm products. I believe that where a vote is taken in connection with the control of a certain product, and where there may be a fifty per cent or sixty per cent vote in favour of complete control, such a product should come under their control, entirely, so far as collections and the selling of their products are concerned.

I suggest that this section can be made into one which will assist the endeavours of agriculture to get control over the sale of their products. Toward that end I am moving an amendment to this paragraph. I move:

That section 9 (1) (i) of Bill No. 169 be amended by striking out all the words after the words "commodity boards" and substituting therefor the following words: "Which shall include representatives of the primary producers to undertake the purchase and disposition of agricultural products."

I believe this amendment will strengthen the bill, and will tend to assist agriculture in its laudable efforts to control its own products, and to see that through its own efforts it is able to obtain a fairer share in the economic structure of Canada.

Mr. GARDINER: Paragraph (i) makes it possible to have the business carried on through organizations of that kind, where they exist, and where it is advisable to have them. It does not compel them—that is all. The suggestion has been made, for example, that apples are handled in a certain way. Well, the government has had more continuous dealings with apples than with any other product since the beginning of the war. In the very first year of the war we made agreements with the apple board to handle apples in Nova Scotia, Ontario and British Columbia, and perhaps one of the most satisfactory arrangements we have had has been with that particular board.

I should think there would be no possibility of any board set up operating in any other way in relation to the product under the control of that board. This simply says that we can appoint commodity boards, which means that they may be boards already in existence, boards in cooperatives, or in any other organizations—"or other agents". That is. we may say, if we are going to handle a particular product produced right across Canada, that this is a fair price. Anyone who takes delivery of that product at that particular price will conduct a transaction which will be recognized by the board. Money will be advanced in connection with it.

It may be that when we have taken products over in that way we may have to dispose of them at prices less than the prices paid for them. But they are guaranteed by us, which means that they can pay the initial price. But to make it compulsory, so that we could only operate through cooperatives, would make it so that it would be impossible to operate at all in some sections of Canada in respect of certain products, unless, of course, we saw to it in the first place that an organization of that

kind was set up. It is not the intention behind this bill to insist upon that kind of organization.

Mr. COLDWELL: This amendment, as I see it, does not insist upon that. All it insists upon is that the producer—the primary producer—shall be included on that board, or represented there. It does not necessarily force producers to set up cooperatives. It would encourage them to organize so as to have representation on a board so set up.

Mr. GARDINER: But if we strike out all the words after the word "commodity boards", there are no other organizations than commodity boards which can handle certain products. That would not be the intention of the bill. If there were no other kinds of agencies handling products, it would be all right; but a very considerable part—probably by far the greater part—of farm products produced in Canada are handled in some other way. It is not our intention simply to reconstitute the whole business set up in the country.

The CHAIRMAN: I believe the amendment changes the intention of the bill, because the words "other agents" are excluded.

Mr. PERLEY: In my view this is a good amendment. When we leave the words "or other agents" in there we make the section pretty wide. Agents might be organized by a company to work in cooperation with this commodity board, and it would be giving too much power altogether. I certainly support the amendment, because it gives a chance to have the primary producer represented on commodity boards.

Mr. GARDINER: I am sure if my hon. friend really understood this paragraph he would not be in favour of the amendment. I doubt very much if the greater part of farm produce in any community could be handled at all if we were to follow this amendment. It would mean that before we could take delivery of any farm product, through a commodity board, that board would have to be one on which there is farm representation; that is, a representative of the primary producers. That means that we would have to have primary producer representation on a board before we could take delivery of products. I do not think we want to start out by insisting upon every little community in Canada having an organization of that kind before we could take the products from that community. We should have it open, so that we can say, "Here is the floor price; it does not matter to whom the farmer delivers the products. That organization is in a position to take delivery of those products at a price, and turn it over to the government at that price, or to do what the government says ought to be done with it." They become the agencies of the government to conduct the transaction.

I would quite agree that where there is a considerable cooperative organization of producers, that organization ought to be the agency, and it would be one of the agencies that would do the job. There should be no other representation. The farmer should have the privilege of delivering to the cooperative or to anyone else and getting the same price. He should not be compelled to deliver to some particular agency in order to obtain the price.

Mr. PERLEY: I think this amendment would set up boards which would carry out the principle of the Natural Products Marketing Act. It would give the farmers the power to organize and to have some say.

Mr. GARDINER: They can do that, but we are not compelling them to do it.

Mr. PERLEY: I think that is the principle the hon. member for Melfort wants embodied in this subsection.

Mr. GARDINER: As my hon. friend will recall, the first suggestion in connection with the marketing act was just that. Votes were taken in the provinces and the votes were against it. The votes taken in the three prairie provinces were against being compelled to do that and the compulsory feature was taken out of that act. Under that act the government was not guaranteeing anything, but under this measure we are undertaking to provide floor prices. We guarantee the price to the farmer and we say to him, "In order to get this commodity into the channels of trade or into storage, certain agencies will be appointed or designated in addition to the commodity boards, if we set up commodity boards, in order to carry out the activity.

Mr. PERLEY: I think the minister has put a wrong interpretation upon the Natural Products Marketing Act. They appointed a farmers' committee.

Mr. GARDINER: When the bill was first framed a vote was taken in the three western provinces to see whether they wanted it compulsory or optional, and the vote was that it should be optional. When the bill was brought down it was optional. The suggestion here is that we compel them to market their products through the agencies upon which there is producer representation. I do not think we should go that far.

Mr. REID: The amendment before the committee deals entirely with wheat growing.

It does not deal with agriculture generally. In British Columbia there are two localities where potatoes are grown, one in the interior and the other on the coast. We have never been in agreement with the man on the potato board who comes from the interior. There are only a few men growing onions or onion seed and there are a few growing alsike seed. If you are to have a man representing every little industry you will clutter up the thing so that it will not work.

Mr. GARDINER: I think what the hon. member has in mind is that if we do set up commodity boards, then the boards should have these members, but in order to do that he should strike out all the words after "or other agents." If we put the words he has in mind before "or other agents" I think it would achieve his purpose. It would then read:

To appoint commodity boards which shall include representatives of the primary producers or to appoint other agents to undertake the purchase and disposition of agricultural products.

Mr. KNOWLES: I was trying to draft something along the same line. I think it could be amended by taking the subsection exactly as it is and adding these words, "Provided that any boards appointed under this subsection shall include representatives of the primary producers." That phrase would refer only to the boards and not to the other agents.

Mr. COLDWELL: The minister seems inclined to accept the suggestion so why should not this clause be left over for redrafting?

Mr. GARDINER: There will be no difficulty about drafting it because it can be done in a few seconds. There is just the possibility that we may want to appoint a commodity board of one in some case where it is just a matter of dealing with a product for a short period of time. We may want to put on some official and I do not know whether it would be advisable to make it absolutely compulsory. I can say this to the committee that it would be our desire to have representatives of the primary producers.

Mr. COLDWELL: Could not you call such an official an agent, and where you have a commodity board you could include representatives of the primary producers? If you want to appoint one man, appoint him as an agent.

Mr. GARDINER: I think this can be safely left in its present form. I may say again that wherever it is feasible or wherever it is possible to do it we would desire to have primary producers on the board, but I can conceive of cases where it might be rather difficult or where it is possible that they would not desire it.

Mr. COLDWELL: The only thing is that this will be in the statutes, and we do not know who will succeed the minister if there is a sucession, if the government is changed. We have been told so often that it is the written word that prevails in the court of law. I think if we can safeguard the interests of the primary producers we should do so. If it is necessary to appoint one man to deal with an isolated commodity he could be designated an agent.

Mr. GARDINER: If it is desired to make it more certain I think it could be done under paragraph (j) which gives power to appoint a committee or committees to assist the board in an advisory capacity. It could be stated there that there may be representation of the primary producers. I have in mind a matter about which there was some discussion in connection with the food board. We were given the power to put representatives of the producers on the food board and we suggested it to them.

I think it is acknowledged by all of us that the only persons that all parties will agree are producer representatives are officials of an official farm organization. When we go to an official farm organization and say that we want the full time of one of their officers as a member of this board they may say, "When he becomes one of your full-time officers he ceases to be one of our full-time officers." We might find it difficult to get the man that we desired to have or that they would desire us to have on the board, but the same man would act on the advisory committee.

That advisory committee would consider the very question that is in the minds of hon. members. When it was decided to turn a product over to a commodity board they would want to know how it was to be constituted and we would try to satisfy them in the setting up of the board. I do not think there will be any great difficulty, no matter what minister is here. I think under the pressure of public opinion in connection with matters of this kind it would be considered advisable that there should be representatives.

Mr. PERLEY: This is the advisory committee of twelve which the minister referred to this afternoon?

Mr. GARDINER: There are twelve members on the food committee. I do not see how you can have an advisory committee of less than twelve members that would function properly.

Mr. PERLEY: You are suggesting now that when you come to that you would have primary producer representation?

Mr. GARDINER: That we put a provision in the bill that there may be producer representation on that committee.

Mr. WRIGHT: If you amend paragraph (j) that simply has reference to the advisory committee and it would be saying that the primary producers shall be represented on the advisory committee. I think we can all take that for granted. No government would appoint an advisory committee on which the primary producers were not represented. But my amendment was rather designed to see that the primary producers would be represented on the commodity boards.

Mr. GARDINER: We did not take it for granted in connection with the wheat board act. There was quite a battle over it.

Mr. COLDWELL: But is there not a difference here? Paragraph (i) refers to commodity boards and paragraph (j) refers to the board, meaning the agricultural prices support board.

Mr. GARDINER: The advisory committee is adviser to the board and to the minister. The advisory committee is called in to discuss all matters of importance relating to such questions as: Should this product be brought under this bill? That would certainly be discussed with the advisory committee. Then, after they have discussed it, the next question would be: How are we going to handle it? If the board in consultation with the advisory committee says: We will handle it by commodity boards, then the question will arise: How are we going to constitute that board? I would think the representatives of the producers on the advisory committee would hold the view in most cases that there should be a representative of the producers on the commodity boards and would so state. Wherever it would be possible to have the primary producers represented, I think you would get that representation. But there might be a case where the advisory committee and the board and the government would all think: We need only a board of one, and here is the man. It might be a producer or someone else. We should be free to do that; we should not be compelled to do the other.

Mr. WRIGHT: It was not my intention that the government should be restricted to commodity boards, and if my amendment has that meaning I ask leave to withdraw it so that I can move another that expresses my meaning more clearly.

Amendment withdrawn.

Mr. WRIGHT: I move, Mr. Chairman, that clause 9 be amended by adding the following words to paragraph (i) thereof:

Provided that any board appointed under this subsection shall include representatives of the primary producers.

Mr. GARDINER: I am afraid that if the hon. member presses that amendment I must ask the committee to vote it down. I do not think we should be absolutely compelled to put a man on, no matter what the circumstances may be. If the hon. member withdraws his new amendment and would move an amendment to paragraph (j), it would be just as satisfactory from his point of view, I think, because it would get the same results.

Mr. WRIGHT: I cannot see that because paragraph (j) applies only to the advisory committee and my object is to see that there should be representatives of the primary producers on these commodity boards when they are set up by the government, representatives not only on the advisory committees but on the boards themselves.

Mr. GARDINER: I think there will be in most cases.

Mr. WRIGHT: Then what objection is there to the amendment?

Amendment (Mr. Wright) negatived.

Mr. BRYCE: With regard to paragraph (j) I want to ask about the advisory committee that is to be set up in connection with this board. Will it be like the big committee there is now in connection with the food board, or is it to be like the committee in connection with the bacon board, or will it be like the advisory beef committee to the meat board, between the last two meetings of which there was an interval of twenty months, which was not any good? When that advisory committee did meet, the board had pretty well made up its mind what it was going to do, and it brought the advisory committee here from away across the western provinces and told them what it thought should be done. The trouble we have had in the meat situation in Canada in the last eighteen months has been due to the fact that the advisory beef committee let twenty months pass between meetings. It was no good.

Mr. GARDINER: Which committee is the hon. member speaking of? There are two of them.

Mr. BRYCE: The advisory committee to the meat board.

Mr. GARDINER: I think it met oftener than that.

Mr. BRYCE: Once in twenty months and I can give the minister the exact dates because I was there. The advisory committee to the bacon board was pretty well a farce too. That was the previous one before you set up the meat board which now takes them all in.

Mr. GARDINER: There are two committees; one comes under the prices board and the other under the bacon board.

Mr. BRYCE: The new one that has been set up by the minister meets every two months. It is some good because the people know what is going on, but when a committee meets only once in twenty months you might as well have none.

Mr. WRIGHT: It seems to me that subsection 2 of section 9 is very weak. It states:

(2) In prescribing prices under paragraphs (a) and (c) of subsection one of this section, the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

It says: "the board shall endeavour." Why do we not say: "the board shall"? As it stands, we are asking the board in a half-hearted way to "try" to do these things. If they succeed, all right. If they do not succeed, all right. It also says: "by promoting orderly adjustment from war to peace conditions." That refers to the transition period following the war. I am going to move an amendment to strengthen the clause. I move:

That subsection 2 be amended by striking out all the words after the words "the board shall" in the second line and substituting therefor the following: "ensure adequate and stable returns for agriculture by promoting orderly marketing and shall secure a fair relationship between the returns from agriculture and those from other economic activities."

Mr. COLDWELL: The subsection as it stands now is merely a pious hope. They shall endeavour to do something, but it does not say that they shall do it. The amendment suggested by the hon. member for Melfort, whether in his wording or not, is one that deserves some consideration. As it stands now, the provision is peculiarly weak.

Mr. GARDINER: It must be read along with paragraphs (a), (b) and (c).

For the purpose of this act, the board shall, subject to and in accordance with regulations made by the governor in council, have authority

(a) to prescribe from time to time, with the approval of the governor in council, prices at which the board may purchase agricultural products in the market.

Then we say that in prescribing prices under paragraphs (a) and (c) of subsection 1 of this section the board shall endeavour to ensure. I do not think we can say that the board shall ensure. They try to ensure that the prices arranged will produce the results suggested here, but to say that they shall produce those results would leave room for a difference of opinion as to whether they had done so or not, no matter what wording might be inserted. Endeavour is as strong as you can put it. After all, what they really do is this. They bring a recommendation to the minister; he has to take responsibility for saying whether they accomplished what they were endeavouring to accomplish; he recommends it to the government, and the government has to consider whether they have accomplished what they endeavoured to accomplish. The government makes the decision; then the matter comes back to the board and they put it into operation. It is about as strong as you can put it.

Amendment (Mr. Wright) negatived.

Section agreed to.

On section 10—Expenses.

Mr. MacNICOL: What is the system of checking expenses in a case of this kind?

Mr. GARDINER: All these expense accounts are checked by the auditor.

Mr. MacNICOL: Are vouchers submitted?

Mr. GARDINER: Yes. They are all checked by the auditor under section 8.

The CHAIRMAN: It has been moved by Mr. St. Laurent that subsection 2 of section 10 be amended by striking out the concluding words of the subsection, "two million dollars," and substituting therefor the words "two hundred million dollars."

Amendment agreed to.

Mr. PERLEY: On subsection 3, this is the only provision under which there could be something with regard to participation certificates. As it reads now, there is certainly no provision for distribution of profits. I will not read the whole thing, but take line 35:

. . . provided that the net operating profit of the board in each fiscal year, as reflected in the said account, shall be deposited to the credit of the consolidated revenue fund as revenue.

Then further it is provided:

. . . that the net operating loss in any fiscal year may be recouped to the said account from moneys appropriated by parliament for the purpose.

Any profits that are made go into the consolidated fund. This is the only place

where provision could be made for distribution of these profits. I have not prepared an amendment, but I should like to see some provision made for distribution of profits. This means that the profits which the board makes in any one year are not set aside against losses of the board in the next year or in any other year but go into the consolidated revenue. I regret that there is no provision for distribution of profits by way of participation certificates.

Mr. GARDINER: There would seem to be some doubt as to the relationship of paragraph (c) to the latter part of subsection 3 of section 10, as suggested by the hon. member for Lake Centre. I would ask the committee to allow those two sections to stand and we shall take them up before third reading on Monday.

The CHAIRMAN: Paragraph (c) of section 9 and subsection 3 of section 10 stand.

Section stands.

On section 11—Regulations.

Mr. HAZEN: Is there any reason why these regulations should not be published in the *Canada Gazette* and also be tabled in parliament, if this house is sitting, or within fifteen days after it meets? There should be some way in which the public can be informed of what the regulations are, and I think an additional sentence should be inserted to provide that the regulations be published in the *Canada Gazette* and also tabled in the house.

I should like to call the attention of the minister to bill No. 134, to encourage the provision of intermediate term and short term credit to farmers which was recently passed in this house. It provided that:

> No regulation shall be effective until published in the *Canada Gazette* and upon such publication shall be effective and shall have the same force and effect as if it had been enacted in this act.

I should also like to call his attention to Bill No. 88, to establish the Department of Veterans' Affairs.

Mr. GARDINER: There is no objection to that provision. We shall let that section stand along with the others.

Section stands.

On section 12—Coming into force of section 9 by proclamation.

Mr. WRIGHT: Why is authority given to the governor in council to discontinue this measure at any time? Most measures that are passed by this house remain in force until repealed by the house. This measure can be repealed at any time by the governor in council.

Mr. GARDINER: That is really not the meaning of it or the intention of it. It states:

> Section 9 of this act shall come into force on a date to be fixed, and remain in force for such period as may be determined, by proclamation of the governor in council published in the *Canada Gazette*.

That is, a decision will be reached at the time that section 9 has been brought into effect whether it is possible to put a definite term in the bill or whether it is decided to put no definite term in it. Once that proclamation is issued there is no authority for the governor in council to discontinue it.

Mr. PERLEY: Could it be set aside by an illegal order in council as Doctor Motherwell suggested the wheat board was?

Section agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, July 31 1944

The house met at eleven o'clock.

STANDING ORDERS

CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. W. H. GOLDING (Huron-Perth) moved—

That the fourth report of standing committee on standing orders, presented to the house on July 28, be now concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

COMMODITY PRICES STABILIZATION CORPORATION—PROSECUTIONS FOR BRIBERY

Mr. KNOWLES:

1. Have any prosecutions been launched by or on behalf of the Commodity Prices Stabilization Corporation against any firms or individuals involving charges of bribery or attempted bribery of any employee or employees of the corporation?

2. If so, against what firms or individuals have such prosecutions been launched and what specific charges have been laid?

3. Are any other prosecutions, similar to those referred to above, contemplated by the corporation? If so, in how many cases?

Mr. ILSLEY:

1 and 2. An information was laid by Royal Canadan Mounted Police, against Samuel Gross and Reuben Gross, reading as follows: ". . .that Reuben Gross and Samuel Gross in the months of April and May in the year 1944 at the city of Toronto, in the county of York, unlawfully did corruptly give or agree to give or offer a gift or consideration to C. C. Cardoza, a person employed by the commodity prices stabilization corporation as an inducement or reward or consideration to the said C. C. Cardoza for doing or forbearing to do, or having done or forborne to do an act relating to the affairs or business of the commodity prices stabilization corporation or for showing favour or forbearing to show disfavour to the National Rubber Company Limited with relation to the affairs or business of the commodity prices stabilization corporation contrary to the criminal code, section 504 in such case made and provided."

An information was laid by the Royal Canadian Mounted Police, against Maurice Levine, reading as follows: ". . .that Maurice A. Levine in the months of April and May in the year 1944 at the city of Toronto, in the county of York, unlawfully did corruptly give or agree to give or offer a gift or consideration to C. C. Cardoza, a person employed by the commodity prices stabilizaton corporation, as an inducement or reward or consideration to the said C. C. Cardoza for doing or forbearing to do or having done or forborne to do an act relating to the affairs or business of the commodity prices stabilization corporation, or for showing favour for forbearing to show disfavour in the Inner Spring Mattress and Cushion Company Limited with relation to the affairs or business of the commodity prices stabilization corporation contrary to the Criminal Code, section 504 in such case made and provided."

3. No similar cases have arisen.

MOBILIZATION ACT—MARRIED MEN—
MILITARY DISTRICT NO. 5

Mr. DIEFENBAKER:

1. On what dates in 1944 were each of the 106 married men from military district No. 5 (as referred to in sessional paper No. 142 i, May 25, 1944), called up for service under the National Resources Mobilization Act?

2. What are the names and ages of each of the said men?

[Mr. Knowles.]

Mr. MARTIN:

1 and 2.

Names	Ages	Date of reporting for military training
Lalancette, Jos. Rosaire	27	21-2-44
Tremblay, Ls. Joseph	28	21-2-44
Desaulniers, Marcel	29	22-2-44
Bouchard, Rolland	28	25-2-44
Bourgeois, C. Issaac	28	25-2-44
Guay, Georges	31	25-2-44
Page, Fernand	29	25-2-44
Paquet, Earl	28	25-2-44
Simard, Maurice	27	25-2-44
Tremblay, Rolland	33	25-2-44
Bouliane, Joseph	30	28-2-44
Carreau, Rosaire	27	28-2-44
Davis, Normand	24	28-2-44
Dery, Lucien	28	28-2-44
Gagnon, Rolland	28	29-2-44
Gauthier, Adrien	28	29-2-44
Tremblay, Georges	28	29-2-44
Ouellette, Henri	26	29-3-44
Belanger, Roméo	29	29-3-44
Doucet, Jules	29	29-3-44
Cadoret, Emery	30	29-3-44
Lachance, Alfred	31	28-3-44
Boutin, Rio	26	27-3-44
Bourgeois, Philippe	31	N.R.
Hamel, Joseph	28	27-3-44
Durepos, Aurèle	27	27-3-44
Tremblay, Uldéric	25	24-3-44
Holmes, J. A.	29	23-3-44
Lavoie, Adelard	26	22-3-44
Gingras, Joseph	29	22-3-44
Pelletier, Henri	27	21-3-44
Vazeau, Arthur	27	20-3-44
Gagnon, Arthur	26	13-3-44
Menard, H.	29	20-3-44
Gauthier, Paul	29	20-3-44
Cote, Paul	27	16-3-44
Plourde, Patrick	28	16-3-44
Bellemor, Fredérick	29	16-3-44
Blackburn, Adrien	29	16-3-44
Guimond, Adrien	28	15-3-44
Levesque, Patrick	29	10-3-44
Gingras, Borromé	26	14-3-44
Laberge, Oscar	27	14-3-44
Gagnon, Arthur	26	13-3-44
Bernier, Geo. A.	27	13-3-44
Gagnon, Léopold	28	13-3-44
Poitras, Léon	28	9-3-44
Blackburn, René	29	6-3-44
Bouchard, Gustave	28	6-3-44
Levesque, Roger	28	3-3-44
Girard, Daniel	29	30-3-44
Giguere, Léonard	26	20-3-44
Tremblay, Henri	26	20-3-44
Simard, Jean Arthur	27	14-3-44
Tremblay, Laurent	28	13-3-44
Girard, Roland	28	28-4-44
Vaillancourt, Emilien	28	26-4-44
Rathe, Joseph Henri	31	26-4-44
Routhier, Lorenzo	30	26-4-44
Cote, Fernand	27	24-4-44
Bernier, Roland	27	24-4-44
Ducharme, Léo	30	20-4-44
Dufour, Charles Joseph	31	20-4-44
Fradette, François	31	20-4-44
Gagnon, Eudore	31	20-4-44
Gauthier, Ulysse	31	20-4-44
Giroux, Lucien	31	20-4-44
Hamel, Lucien	31	20-4-44
Hervey, Donat	31	20-4-44
Laforge, Gérard	30	20-4-44

Names	Ages	Date of reporting for military training
Larouche, Léopold	30	20-4-44
Leclerc, Roméo	31	20-4-44
Guay, Davie	31	19-4-44
Martel, Robert	31	19-4-44
Rouleau, Noel	30	19-4-44
Tremblay, Henri	31	19-4-44
Bourdeau, Jos. Geo.	27	18-4-44
Lambert, Maurice Jean	27	18-4-44
Simard, Philippe	29	17-4-44
Robichaud, Adrien	28	17-4-44
Coulombe, Raymond	28	17-4-44
Desbiens, Fernand	29	17-4-44
Maltais, Richard	29	17-4-44
Duchaine, Paul Emile	29	17-4-44
Gagne, Joseph Armand	30	17-4-44
Gagnon, Rosario	30	17-4-44
Larouche, Georges	31	17-4-44
Therrien, Joseph	26	13-4-44
Barbeau, Raoul	26	12-4-44
Charbot, J. Alphonse	27	11-4-44
Lefebre, Agenard	27	4-4-44
Tremblay, J. Charles	30	4-4-44
Villeneuve, Paul-Arthur	31	4-4-44
Desbiens, Paul Emile	29	20-4-44
Girard, J. Arthur	30	20-4-44
MacKenzie, Robert A.	30	20-4-44
Maltais, Jean Isaie	30	20-4-44
Minier, Lorenzo	30	20-4-44
Munger, Yvan	29	20-4-44
Glen, Robert	29	20-4-44
Rathe, Charles Omer	30	20-4-44
Tremblay, Lucien	29	20-4-44
Tremblay, Paul	30	20-4-44
Turgeon, Laoreat	30	20-4-44
Villeneuve, Jean-Marie	30	20-4-44
Desbiens, Edouard	31	20-4-44

NATIONAL REGISTRATION—CHIEF REGISTRAR

Mr. BLACK (Yukon):

1. When was J. K. Houston appointed chief registrar for Canada of national registration?

2. What salary or remuneration is paid him by the government?

3. What are his duties?

4. What was his occupation immediately prior to his appointment as chief registrar for Canada?

5. Is he a civil servant?

6. Did he pass a civil service examination? If so, when and who were his examiners?

Mr. MARTIN:

1. September 1, 1943.

2. $3,600 per annum.

3. As chief registrar his duties are:

(a) to exercise general direction and supervision over the administrative conduct of the registration of all persons of sixteen years of age and over, held under the national registration, 1940, as amended;

(b) to issue to registrars and other persons, employed in respect to said registrations, such instructions as from time to time he may deem necessary;

(c) to execute and perform all other powers and duties imposed upon him by the aforesaid regulations, including the charge and direction of the central registry and staff at Ottawa and the custody, filing, preserving, classifying and otherwise dealing with all official registration records and making available the information therein contained, as directed by the governor in council.

4. Assistant to chief registrar.

5. Yes.

6. Mr. Houston's appointment as assistant to chief registrar was concurred in by the civil service commission. His appointment as chief registrar was by order in council P.C. 23/7430, dated September 22, 1943.

RADIO BROADCASTING—RECOMMENDATION AS TO NEW C.B.C. STATION AT HALIFAX

Mr. GILLIS:

1. Was a decision recently arrived at, or a recommendation made by the board of governors of the Canadian Broadcasting Corporation, regarding the establishment of a new C.B.C. radio station at Halifax, Nova Scotia?

2. If so, what was the decision and/or recommendation and when was it made?

3. Has an order in council been passed to ratify or implement the board's decision and/or recommendation?

4. Have any representations been made to the said board to reverse or alter such decision or recommendation? If so, by whom, and to what effect?

5. Have any steps been taken by the C.B.C. toward establishing a new publicly owned station and has a transmitter been installed for that purpose?

Mr. LaFLECHE:

1, 2, 3, and 5: The subject-matter of these questions is under consideration, and no decision has been arrived at.

4. No representations have been made to the board in this matter.

DEPARTMENT OF PUBLIC WORKS—WAR RISK INSURANCE

Mr. ROSS (St. Paul's):

1. Did the Department of Public Works insure its properties against war risk?

2. If so, what was the date of the effecting of this insurance?

3. Was this insurance renewed or replaced on the expiry dates and how often?

4. (a) How many policies were originally effected; (b) how many policies were replaced or renewed on each expiry date?

5. (a) What was the total original amount of the insurance placed and the amount of the premiums thereon; (b) what was the total

amount of insurance renewed or replaced on expiry dates, and the amount of the premiums thereon?

6. (a) What was the amount of each policy originally placed, and the premium on each; (b) what was the amount of each policy replaced or renewed on expiry and the premium on each?

7. (a) What company or companies or agents effected each policy of insurance originally placed; (b) what company or companies or agents effected each policy of insurance on renewal or replacement; (c) what commission and to whom was it paid on each of these policies?

Mr. FOURNIER (Hull):

1. Yes.

2. September 30, 1942, for one year.

3. Yes; once on September 30, 1943.

4. (a) One; war damage policy No. 270338E. (b) One.

5. (a) Amount of insurance, $179,160,470; amount of premium, $268,740.69. (b) Amount of insurance, $179,160,470; amount of premium, $214,992.56.

6. Answered by Nos. 4 and 5.

7. Cheques for payment of premium were drawn in favour of receiver general of Canada and forwarded to James Matson, supervisor of war damage insurance, Montreal. No insurance agent or company entered into the transaction betweeen this department and the supervisor.

QUESTIONS PASSED AS ORDERS FOR RETURNS

LEGAL SERVICES—MCCARTHY AND MCCARTHY

Mr. STOKES:

1. Has the firm of McCarthy and McCarthy, barristers, of Toronto, or any member thereof, been employed by the dominion government from 1936 to the present time?

2. If so, in what matters?

3. What fees have been paid in each case?

LEGAL SERVICES—MCRUER, MASON, CAMERON AND BREWIN

Mr. STOKES:

1. Has the firm of McRuer, Mason, Cameron and Brewin, barristers, of Toronto, or any member thereof, been employed by the dominion government from 1936 to the present time?

2. If so, in what matters?

3. What fees have been paid in each case?

BRETTON WOODS CONFERENCE

Mr. BLACKMORE:

1. What are the names of the people who represented Canada at the Bretton Woods conference?

2. By whom and upon whose recommendation was each appointed?

[Mr. Douglas G. Ross.]

RADIO BROADCASTING

CHAIRMAN OF CANADIAN BROADCASTING CORPORATION—PROVISION FOR FULL-TIME SERVICE AND ANNUAL SALARY

Hon. L. R. LaFLECHE (Minister of National War Services) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to amend the Canadian Broadcasting Act, 1936, to provide that the chairman of the Canadian Broadcasting Corporation shall devote the whole of his time to the performance of his duties under the said act, and that he shall be paid such annual salary as may be determined by the governor in council.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

HOUSING

PROVISION FOR LOANS FOR CONSTRUCTION, REPAIR, ALTERATION, ETC.

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That in order to promote the construction of new houses, the repair and modernization of existing houses, the improvement of housing and living conditions and the expansion of employment in the post-war period, it is expedient to introduce a measure to authorize the Minister of Finance:

1. to join with approved lending institutions in the making of loans under certain conditions for the construction of homes for prospective home-owners, and the sharing of losses, if any, in respect of such loans, the aggregate amount of the advances to be made not to exceed one hundred million dollars;

2. to join with approved lending institutions in the making of loans under certain conditions for the construction of houses to be rented to tenants and the sharing of losses, if any, in respect of such loans, and to make loans to limited dividend housing corporations under certain conditions to assist in the financing of low rental housing projects, the aggregate amount of the advances to be made by the minister for the construction of houses for rental purposes not to exceed fifty million dollars; to authorize life insurance companies under the jurisdiction of parliament to purchase land and construct thereon and manage low cost or moderate cost rental housing projects subject to certain conditions and to authorize certain guarantees in respect of such investments, and to authorize the Minister of Finance under certain conditions to make grants to municipalities, up to an aggregate amount not exceeding twenty million dollars, for the purpose of assisting in the clearance of slums or blighted areas;

3. to provide special assistance in the contracts with approved lending institutions to encourage the making of loans in rural areas, and to enter into contracts with manufacturers of building equipment to assure the production of components for rural homes on an economical cost basis, provided that the gross liability of the dominion in respect of such contracts with manufacturers of components for rural homes outstanding at any one time shall not exceed five million dollars;

4. to guarantee under certain conditions loans for the repair, alteration and extension of existing homes to an aggregate amount of one hundred million dollars;

5. to carry on and promote technical research and investigations designed to lower housing costs and promote better housing conditions and the more efficient planning of communities;

and further to provide that the moneys required for the making of the said loans and grants and the payment of losses incurred under any guarantee or other contract authorized by the act shall be paid out of any unappropriated moneys in the consolidated revenue fund and that all other moneys payable under the act, including the salaries of technical and clerical staffs and all other expenses of administration, shall be paid out of moneys appropriated by parliament for the purposes of the act.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

ROYAL CANADIAN NAVY

ESTABLISHMENT OF TRAINING BASE AT BERMUDA FOR CANADIAN SHIPS

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, will the Minister of National Defence for Naval Services follow up the announcement he made to the press on July 26 last, in which he said:

A training base for ships of the Royal Canadian Navy has been established in Bermuda and will be commissioned August 1, as H.M.C.S. *Somers' Isles.*

Will the minister indicate to the house why such training base has been chosen outside Canadian territory, and the approximate investment involved in the undertaking so far as Canada is concerned?

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, the selection of a training base for Canadian ships in Bermuda was made, in the first place, because Bermuda offers better all-year-round facilities than do our Canadian coasts. In the second place it offers better conditions for the training of ships in the hunting of submarines. My hon. friend will understand that there are certain waters in which the training of ships for submarine hunting can be carried on more advantageously than elsewhere. Bermuda offers excellent conditions in that regard.

As to cost, may I point out that this is a base which was formerly used by the Royal Navy. We are merely taking over their base and making some alterations which, we understand, will not cost more than £10,000, and perhaps considerably less than that.

The practice of training ships outside territorial waters is quite common. Many of our ships have trained in British waters, waters along the coast of England and Scotland, in cooperation with British ships and the ships of other navies. So that there is nothing new or unusual about the practice of sending ships outside our own territorial waters for training purposes.

CANADIAN FORCES

REFERENCE TO PUBLIC ADVERTISEMENTS IN CONNECTION WITH CAMPAIGN FOR RECRUITS

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, I notice in this morning's *Globe and Mail* an advertisement in both French and English, the gist of which is this: Have I the guts? This appears in connection with a campaign to secure volunteers for overseas service. Was this advertisement paid for by the government? I should also like to know whether it is directed to the government or to the youth of Canada.

Hon. J. L. RALSTON (Minister of National Defence): Well, Mr. Speaker, I do not think the last part of the question needs any answer whatsoever. The answer to the first part is that it is paid for by the government of Canada, and has formed part of a series of advertisements which were published under the direction of a committee composed of men who have to do with and understand the subject, and have been directing publicity in connection with the recruiting campaign. This was part of that series of advertisements.

Mr. DIEFENBAKER: Is this advertisement being published in both languages, and in the newspapers of both languages throughout the country? In the article referred to there is a statement that that is not so, and if it is not, then it seems quite unjustifiable. The minister should clear the matter up.

Mr. RALSTON: I do not understand my hon. friend's question.

Mr. DIEFENBAKER: Is that advertisement being published in both languages, and in newspapers of both languages?

Mr. RALSTON: I cannot tell my hon. friend. As a matter of fact it is not being published; I understand the publication is discontinued. I think it was the last of a series of advertisements which were published as part of that campaign. I cannot tell whether it was published in two languages or not.

Mr. GRAYDON: In view of what the minister has said, may I just indicate to him the information which appeared in the *Globe and Mail* this morning, to the effect that the language employed in the advertisement so far as the French appeal is concerned is entirely different from and bears no resemblance whatsoever to the statement directed to the English-speaking parts of Canada. I refer to the part where it says, "Have I the guts?" I suggest the minister ought to clarify this matter, because it is considered seriously among English-speaking people, and perhaps requires some explanation from the government.

Mr. RALSTON: I had not heard of that. However, I shall be very glad to look into the matter and ascertain, first, whether it is being published in English and in French, and, secondly, what the connotation of the French version is as compared with the English version.

VETERANS' INSURANCE

PROVISION OF LIFE INSURANCE FOR VETERANS OF THE PRESENT WAR

Hon. J. L. ILSLEY (Minister of Finance) moved the third reading of bill No. 170, to provide for the insurance of veterans by the Dominion of Canada.

Hon. R. B. HANSON (York-Sunbury): Mr. Speaker, I was unavoidably absent from the house when this bill was considered in committee and before it is given its third reading, I should like to have from the minister definite answers to three questions.

First, how many types of insurance were considered by the Department of Finance, which nominally is sponsoring this bill? Second, was a national service insurance scheme considered, similar to the United States measure of 1940? If it was rejected, why? Third, what were all the types of insurance considered?—that is, free insurance, cheap insurance for those serving and returned soldiers, and veterans' insurance, which I believe is the only type being considered. Why was only the last type decided upon?

I consider it important that we have answers to these questions. During the course of discussion on Tuesday last the minister contended that the pension benefits in Canada were greater than those in the United States, and that the capitalization of the Canadian benefits amounted to $5,000 or $6,000 more than the capitalization of United States benefits. I have made some examination of the matter, and I do not think that statement is correct. I understand that Canadian insurance companies worked out the amount definitely for the department, and that they did not state that figure, but a smaller figure. The beneficiaries of the Canadian soldier killed on active service overseas are not in nearly as good a position as are the United States soldiers' beneficiaries under their measures. The dependents of the Canadian soldier killed in action get nothing in the way of insurance, but our men do receive a better pension than is paid to the United States soldiers. It has been figured out for me that the dependents of a United States soldier are $7,000 better off than the Canadian soldier. I am told further that the national service life insurance act of the United States, passed in 1940, has been taken advantage of by 95 per cent of those in the army and 98·6 per cent of those who have proceeded overseas. That was a public statement made by the adjutant general of the United States army in April of this year. The average amount taken out by that 95 per cent was $9,600. The insurance provisions we are making for the veterans of this war and for the veterans of the last war who have enlisted are not anything like what the United States congress have done for their soldiers.

Mr. MACKENZIE (Vancouver Centre): I think I explained the whole situation definitely and explicitly when the measure was before the house. My hon. friend is suffering from the obvious—

Mr. SPEAKER: We are on third reading.

Mr. MACKENZIE (Vancouver Centre): With the consent of the house.

Mr. HANSON (York-Sunbury): I had a right to make the statement I did on the motion for third reading, and I am sure the minister should be allowed to reply.

Mr. SPEAKER: The hon. member was entitled to make his speech, but if the minister wishes to reply to any other statements that are made, he should not speak now.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I just want to add a few words adding to the representations I have made on many occasions during the past four years in regard to the establishment of a system of soldiers' insurance along the line of that in effect in the United States. I think it was three years ago that I brought up the matter, and again last year. The numbers who have taken out insurance under that system runs into several millions. Every man or woman who joins the armed service is permitted within the period named in the statute to make application for an insurance policy up to $10,000. If he or she is killed during service then the amount of the policy is payable to the beneficiaries named, payments being spread over a period of fifteen years in monthly instalments to amortize the total amount of the insurance.

I am giving every support to the present measure, but it does not protect the soldier who has gone overseas to the extent that the United States soldier is protected. Many of these men who are serving have no dependents and when they pass on, their parents, even though they are not dependent upon them during their lifetime, may have been looking forward with anticipation to later years during the soldier's life when they might have been assisted but will receive nothing. As I say, these men are not receiving the consideration they should.

It would not be a costly measure and it would not interfere with civil insurance. It has not in the United States. I brought this up on one occasion when the estimates of the Minister of National Defence for Naval Services were before the house, and at that time he stated that the matter would be brought to the attention of the authorities. Even at this late date I am going to ask reconsideration by the minister of the necessity and the need of bringing in such a system of insurance.

The present measure is a proper step. In effect it is bringing into being and extending the legislation that applied after the last war and which was taken advantage of by many veterans. The measure in effect in the United States applies not only to the veteran but it protects the man who serves in the armed forces when he is serving. Should he make the supreme sacrifice, his loved ones, even though not directly dependent upon him, will receive an allowance over a period of years. If the man returns he will have laid the foundation of an estate and he will have available an insurance policy that has been paid up for a number of years.

It may be that this could not be made retroactive, but our casualties are beginning to mount on a scale never before equalled in this war. Even if a measure were brought in at this late date I believe it would result in improving the morale of our men and make them realize that this parliament is doing everything possible. I know that much has been done on behalf of the men who are serving, and I am not one of those who criticizes what has been done, but more remains to be done, and I believe if the government were to accept this suggestion it would receive the support of hon. members on all sides of the house.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Mr. Speaker, I think the hon. member for York-Sunbury (Mr. Hanson), in discussing the third reading of this bill, has confused two entirely different principles, as has the hon. member for Lake Centre (Mr. Diefenbaker). The principle of this bill is veterans' insurance; it is a post-discharge measure. However equitable the representations of my hon. friends may be, and they are, they do not apply to the third reading of this bill. The principle of in-service insurance is entirely different from that of post-discharge insurance. The hon. member for York-Sunbury asked how many types of insurance were considered. I can assure him that every possible type of insurance was carefully considered, in regard to both in-service insurance and post-discharge insurance for ex-service men.

The hon. member asked if the principle of national service insurance, as described by the hon. member for Lake Centre as being applied to the United States, was considered. It was considered carefully and extensively for several months. The hon. member for York-Sunbury said that he had heard that the capitalized value of the Canadian pension system was about $5,000 to $6,000 ahead of the United States system. That is true. Those figures were given to us by the experts of a Canadian life insurance company in a conference we had with them.

I must say that the leadership of this thing was not mine; it belongs entirely to my good friend who sits in front of me, the Minister of National Defence (Mr. Ralston), who spent a long time and gave anxious thought to this whole problem.

It may be necessary yet to develop some other form of insurance, but a discussion of that matter is not germane to the third reading of the present measure. This is an advanced and broadened and widened improvement of the returned soldiers' insurance bill which we had after the last war. The ceiling

has been raised from $5,000 to $10,000, and there are definitely improved benefits for the widows. Alhough I do appreciate the spirit in which they were advanced, I suggest that the observations of my hon. friends are not relevant to the third reading of this measure.

Motion agreed to and bill read the third time and passed.

FARM PRICES

PROVISION FOR STABILIZATION, PURCHASE OF STAPLE PRODUCTS AT APPROVED PRICES, ETC.

The house resumed from Saturday, July 29, consideration in committee of bill No. 168, for the support of the prices of agricultural products during the transition from war to peace—Mr. Gardiner—Mr. Bradétte in the chair.

On section 9—Powers of the board.

Hon. J. G. GARDINER (Minister of Agriculture): The question was raised on Saturday afternoon by the hon. member for Lake Centre and raised again on Saturday night by the hon. member for Qu'Appelle as to whether paragraph (c) of section 9(1), along with subsection 3 of section 10, permitted provision for participation certificates. The hon. member for Lake Centre raised the question whether it was intended to provide for participation certificates and suggested that if that was intended it was not provided for in the bill. I therefore asked that the section stand so that I could give further consideration to it. Since then I have gone through the bill and discussed it fully with the officials. I find that provision is not made for any agency which may be set up by the government to provide for the payment of participation certificates through the use of funds that are provided for in this bill. Provision is made in paragraph (c) for paying any difference between the floor price set by the government and any price actually paid to the producer by any agency of the government. In other words, provision is made for paying a subsidy to the producer above a lower price which may be received by any agency of the government in order to bring the receipts to him up to the floor price.

Mr. DIEFENBAKER: Under what section is that?

Mr. GARDINER: That is under paragraph (c) of section 9(1). Provision is made there to pay the difference between the actual price paid to a producer of cheese, let us say, and the price at which the cheese is sold to the consumer by the cheese factory; similarly with any other organization of that kind that may be set up. But there is no provision for taking out of the $200,000,000 provided funds with which to make good participation certificates. The reason for that is this. If we appoint an agency, a cooperative agency, let us say, to take delivery of a farm product at a floor price we guarantee that floor price to that agency. The agency in turn may have an undertaking, perhaps under our 1939 cooperative act, whereby they can pay the initial payment which is thereby guaranteed by the government, and then they can go on doing business on that basis and if they themselves make money they pay out the participation. Any dealing which they have with the government would be based on the floor price which we have provided, and they would no doubt provide the same floor price in their dealings with the producers, so that when they make their accounting back to the government, as the agency of the government, there would be no profit involved at all.

There may be a limited number of cases where the government would be taking delivery of the product direct and where there might be the possibility of a small profit, but it is very difficult to conceive of any such cases, because all we do in this bill is to say that if no one else will buy the product at a price higher than the floor price the government will take the product and handle it at that price.

Mr. SENN: Not in all cases.

Mr. GARDINER: That is all we say in this bill, and that is all we can say. We say that if no one else will take the product at a certain price level, whether it be a farmers' cooperative or a private organization, we will arrange for the government by some method to take that product.

Mr. SENN: That is not what paragraph (c) says.

Mr. GARDINER: My hon. friend, if he will read the whole bill, will find that that is exactly what it says. It says that we can take this product over at that floor price. It is not anticipated that there will be any profit in any product which the government handles. We may incidentally make a few thousand dollars out of something we have, and if we do, it would go into the treasury. It is not anticipated, however, that there will be any profit made by the handling of any products by the government.

Mr. WRIGHT: There are participation certificates issued right now in the handling of coarse grains.

Mr. GARDINER: There are right now, but under this legislation what we say in connection with coarse grains is that we are prepared to take the product at such and such a price delivered; let us say it is forty-five cents. If

we said that we would take oats at forty-five cents a bushel there would be no possibility of our making any profit because we would not get the oats if anybody else would pay forty-six or forty-seven or forty-eight cents for them and still go on doing business in oats. But immediately the price dropped down to forty-five cents we would get the oats. As soon as the price went up to forty-six cents we would not get the oats. In other words, we would always be getting oats at the floor price and in all probability we would have to dispose of them at the same price, or lower, so that it is not anticipated that we would make a profit.

Mr. WRIGHT: It is probable that you would make a profit because the oats would be held by you until such time as the price came back. You would not immediately try to dispose of them at the floor price. The wheat board has made a profit on grain which it bought at the floor price and then sold for a higher price later, and it is likely to do it again in the future. I see no reason why in such a case the growers should not reap the benefit of that profit.

Mr. GARDINER: I am afraid that my hon. friend has not been following very closely the discussions that have been taking place recently in Saskatchewan. If he has I am sure he would realize that the government would not be permitted to make very much profit out of a transaction of this kind. Take our seed grain, for instance. We distributed oats at a price which gave no profit, and public pressure itself has made it impossible for a settlement to be made even on that basis. You will find pretty much the same here. If we took a product and carried it over as my hon. friend suggests, we would probably be carrying it because we thought that some day the farmer somewhere in Canada would be short of oats. I am assuming that what the hon. member has in mind is that our market for oats generally speaking is in this country.

Mr. WRIGHT: No.

Mr. GARDINER: Generally speaking it is. We happen at the moment to have a market for a part of our oats in the United States, but usually and even now the greater part of our oats is consumed in Canada.

Mr. WRIGHT: What about barley?

Mr. GARDINER: Pretty much the same, except malting barley. Our feed grains are pretty well consumed here. If we are in a position where there is so much feed grain on the market in the transition period that it cannot be sold profitably by the farmer, then we say under this bill that we will set a floor price and take those oats at that price. I assume that in most cases it would be necessary for us to carry the oats over until there was a shortage. Then when there was that shortage we would have to put them back again on the market to the farmer. I am quite sure we would not be permitted to put them on the market in a manner which would result in a profit; we would be expected to do so in a way which would probably keep down the cost to the farmer who has to buy feed at that time, just as is the position now; and that being so, there would not be much opportunity of profit. Also I am afraid we would have to set up so much machinery to handle participation on all products that we would be in exactly the same position as the wheat board got into in connection with Ontario wheat. I believe the year before last only one farmer delivered wheat to the wheat board, and as a result he would have had to bear out of his one little crop of two or three hundred bushels of wheat the expense of the whole machinery of setting up a system of participation. So that the wheat was simply turned back to him and the provision was not made. I think we should run into the same condition here. We would have to establish so much machinery in order to take care of a prospect of the kind that I do not think it could be contemplated under this bill.

Mr. PERLEY: At a few minutes to eleven on Saturday evening I brought up this matter, and it is reported on pages 5634 and 5635 of *Hansard*. The minister agreed that the question should stand. At that time I tried to point out that there was no provision for participation certificates to producers of any one commodity. The minister has just mentioned oats and coarse grains. As oats are handled at the present time, the price is paid and then an equalization payment is made which is really a participation payment principle. I should like to have embodied in the bill a provision to the effect that if a profit was made on a certain commodity so taken, there would be provision for a participation certificate and a subsequent payment made to the producer. I am not very good at drafting, but I have drawn up an amendment which I am now going to propose:

That section 10, subsection 3, be amended by striking out all the words after "profit" in line 35 and adding thereto the following:

"with respect to the purchasing and marketing of any one commodity the board in that year shall distribute said profit by means of participation certificates,"

Then follows the latter part of the section:

"and provided further that the net operating loss in any fiscal year may be recouped to the said account from moneys appropriated by parliament for the purpose."

Mr. GARDINER: If such an amendment were to be put into the bill, this is not the place to put it. That is, it would come under the powers of the board. If we wish to give the board powers to set up an agency which would be in a position to make participation payments, that would go into section 9. But apart from that, I would call attention to paragraph (g) of subsection 1 of section 9:

to purchase at market or contract prices and export any agricultural product under any contract between His Majesty in right of Canada and any other government or agency thereof and to do all things necessarily incidental thereto.

Our contract on bacon, which was the one mentioned, is one of the contracts which is dealt with under that section. That is, if we were going to go on selling bacon under a contract such as we have to-day, all the provisions which are incidental to that contract are provided for there. The present position in connection with contracts of that kind is that any profits which are made in connection with it in one year are put into the price of the succeeding year, and do go back to the farmer; there never is any accumulation of profits. For example, the bacon board, in handling bacon in the earlier years of the contract, made it possible for a certain fund to be set up to take care of things which might happen, and when those things did not happen, when they set the price for the succeeding year, or just before they set it, for a few weeks the price was advanced beyond what otherwise could be paid. That was done during the season when the greater number of hogs were brought on the market, in the fall, as a part of the provision to prevent hogs going down unnecessarily during the rush period. The methods which do that are pretty well set up under the contracts that are made with the British government, or whatever government it may be made with, so that that is taken care of in so far as that particular kind of transaction is concerned.

Mr. PERLEY: I mentioned bacon as an illustration. I could mention any other commodity—grains, or beef.

Mr. GARDINER: Well, I am mentioning it too just to illustrate the first point. But under the provisions we now have for participation, let us say as regards the wheat board, under the wheat board act we say to the farmers: "If you deliver wheat to the wheat board there is an initial payment"—or there was such a provision—under the present practice farmers are compelled to deliver to the wheat board. "If you deliver to the wheat board there is a certain initial payment, and if that wheat is sold at a profit there will be participation certificates." Now, under this bill all we are saying is that there is a floor payment, and we probably turn the handling of oats and barley or any grain of that kind over to the wheat board and we say: "We authorize you to buy any such grain at a stated price", just as did happen in wheat during free marketing under the wheat board as now constituted; farmers would only sell to the board when they can get as much from it as they can get from anyone else. I would assume that the wheat board under those circumstances would require to have provided to them a special fund in addition to this $200 million we are talking about here. They would have to have an entirely new set-up which would handle oats on much the same basis as wheat is being handled at the present time, and the financing of that would not come out of this money at all, and could not.

As a matter of fact, one of the reasons for some delay in bringing the bill down beyond the delays I have suggested was that we had under consideration the question whether or not we should definitely say now what was going to happen if oats and barley came under the bill, and if we had undertaken to say that, we would have had to make new financial provisions in connection with the handling of that grain. If at any time in the future it is necessary to bring in oats and barley and turn over to the wheat board the handling of those products, we shall have to bring in new financial arrangements which will be altogether outside this $200 million. I am simply pointing out that the $200 million is to take care of the kind of transaction I am speaking of, and that if we are involved in those greater transactions we shall have to provide more money for the purpose of handling it.

Mr. PERLEY: Could not the minister embody here the same principle with respect to bacon, beef and other products as he does now for the handling of coarse grains, where we have the equalization payment? The wheat board takes the oats and barley. It is delivered by the farmer. He receives what is termed an initial payment. There is an equalization payment which is the difference between that payment and what the coarse grains are sold for. Could not the same principle be considered or taken in with a ceiling on the other products?

Mr. GARDINER: The difficulty of doing it is the one I mentioned in connection with wheat. You have to determine in advance of going into the area whether you can do that or not. You have to say to the farmer, "We are prepared to take anything you deliver at a certain price"; and if you pay participation on it you must have a complete record of all deliveries throughout the area you are concerned about. In order to do that you must set up machinery, and that machinery is very costly. If no one delivers, then of course the government, under the principle that has been established in the past, bears the burden of that expense; if anyone delivers at all, then the producer bears the burden of expense, and that expense is taken out of his products. If only a few people deliver, they cannot possibly bear that expense as it will take the whole of their product and more than the whole of it. So that to be informed provided there were deliveries, you must have all the records, and you will run up a high expense on account of every product even if the act is not declared operative on those products.

I brought down the other day an order under the war measures act for the handling of beans in Ontario, under which we propose to pay participation. Beans are grown in a limited area in Ontario and we thought there would be no great difficulty in setting up an organization to take care of them in that very limited area. But we find it is a most difficult thing to do. To try to spread it all over Canada and say we will take any particular product and will be bound to pay participation on it would be to make the bill unworkable.

Mr. PERLEY: But that is what you are doing. You are setting up this board which operates all over Canada, and I cannot see that there would be required any greater number of officials than are engaged now in connection with the commodity marketing board, for example. No more machinery would be required to do what I ask.

Mr. GARDINER: We do not need machinery at all until we act under the terms of this bill, and we need no machinery then if we say to the business agencies that are carrying on business, "Take delivery of any grain that offers at a price." But if we say in advance that we will pay participation provided there is a profit, even if that profit is only $1,000, if we say in advance that there will be participation, then we must set up machinery to have information at the end of the year in order to pay participation, whether anyone delivers or not. For that reason I do not wish to have the amendment incorporated into the bill.

Mr. WRIGHT: On Saturday the minister said that oats and barley were coming under the bill, and now he changes his position. He says it is not intended to do this. If a floor price is set, there will have to be other arrangements than those in the bill. More particularly as regards grains, we are anxious to have participation certificates because it is more likely that there will be exports of a certain amount of coarse grains except in years of short crops. If the board takes over these grains at a floor price certainly they should be in a position, in a great many years, to make a profit on them and to see that the profit goes back to the growers.

Mr. GARDINER: To clear up the point, I am not changing my position at all. What I said at the beginning was that every farm product except wheat may be brought under this bill. There is a possibility of bringing in any farm product under the bill, except wheat, which is already under the wheat board; but there is no farm product under this bill immediately it comes into effect. They are brought in under section 9. The products are brought in under a method set up in the bill. There may be one product in in one year and out in the next, and another product in, or there may be a dozen products in one year, and coarse grains may be among them. So far as I can see, there would be only one practical way of handling coarse grains, and that would be to appoint the wheat board as the agency to handle them, provided that coarse grains are brought in; and if we do appoint the wheat board to handle them they will handle them under the system of financing which they now follow with wheat. But at present they are handling wheat, and if they were required to handle oats and barley as well they would require some additional provisions for financing a product of that kind. It would have to be financed under those circumstances through the wheat board outside this $200 million.

Mr. DIEFENBAKER: Is it not a fact that under this section 10 (3) it would be impossible to have a system of participation certificates set up? Under section 10 (3) provision is made—

Mr. GARDINER: It is intended to be impossible for the board that is created by this bill to set up an organization of its own that can pay participation, but it is not impossible for the board to deal with an agency which does pay participation.

Mr. DIEFENBAKER: Where in this bill does the board get the power to issue participation certificates?

Mr. GARDINER: The board does not get any power to issue participation certificates.

Mr. DIEFENBAKER: Under the wheat board act is there not provision for participation certificates right in the estate?

Mr. GARDINER: Yes.

Mr. CRERAR: That is a wholly different principle.

Mr. DIEFENBAKER: Under this bill as at present constituted, any board, the marketing board or any other, which is empowered to operate the act, will have the power to issue participation certificates. If that is the stand taken by the minister, well and good. When I raised the point the other day it was with a view to assuring the farmer of the largest possible share of the ultimate price. If it is intended, as section 10 (3) provides, for a fund to be set up known as the agricultural prices support account, into which all moneys will go from all commodities as they are disposed of, certainly there could be no power of issuing anything in the nature of participation. Would the minister consider adding the suggestion made by the hon. member for Qu'Appelle? He could add to section 9 a provision empowering the board to make regulations. If that is not done, by the time the board commences to operate, the power will have gone for any such provision to be initiated by way of order in council. If the minister is serious in his view that it might be possible in so far as certain commodities are concerned that participation should or might be provided for, then I suggest to him that he grant that power now to the board to be used in its discretion. I can understand that if it were made generally applicable to all commodities it would not work out.

The minister has referred to the situation in Ontario as to the power of the wheat board to buy wheat in the province. If I understood him aright he said that one farmer alone had delivered to the board. Naturally no one wishes to build up machinery to cover contingencies such as that. Take any other major product where the deliveries necessarily will be large provided this legislation is to operate as we hope it will. I think provision should be made now for the board either to grant to the agency or to retain the power within its discretion to issue participation certificates. I think that is the most important matter and one which cannot be covered subsequently. We may find ourselves in this position. The war is over and these measures set up under the War Measures Act inoperative after six months. We may find that participation certificates cannot be provided for. Therefore I again suggest to the minister the necessity for that power being contained in section 9.

Mr. WRIGHT: I agree with the hon. member for Lake Centre with respect to this matter. The minister stated that it would be possible under this act to appoint the wheat board as the commodity board to handle coarse grains. I would point out that if that were done it would stop immediately the wheat board having the authority to issue participation certificates so far as coarse grains are concerned. They have that authority now, but once you appoint them as the commodity board under this act you would automatically put an end to that authority. I agree with the minister that we do not want participation certificates issued on every product which may come under the act, but I do think that certain products may come under the act on which the government may wish at times to issue participation certificates. Provision should be made somewhere in the act to cover that.

I would agree with the amendment suggested by the hon. member for Qu'Appelle if it contained a provision whereby the authority could be given to any particular commodity board, not necessarily to all, but to any the government wished, to issue participation certificates. We should have authority somewhere in the act for the government to do that. I do not see it in the bill at the present time. In fact it is impossible for them to do it under the present bill. The suggestion of the hon. member for Lake Centre to add another paragraph to section 9 to give the board that authority would meet the desires of hon. members in that regard.

Mr. GARDINER: This bill, of course, is not intended to be a marketing act in the sense that it undertakes to market all farm products at the highest possible price. This is what it says: We undertake to see that the farmer does not require to sell his product at an unduly low price. In order to avoid that, the government is prepared to take the product at a set price. Any of the cooperative organizations set up under the cooperative act of 1939, which handle now practically all the honey of western Canada, and the alfalfa which comes from the north country of Saskatchewan, and which have separate organizations now and make advance payments—any of them could with some justification—if the government sets a floor price under these products—claim that they were taking no risks whatsoever in paying that out as an advance payment and could go ahead and pay on that basis. If they make

profits over and above that, they could pay out their participation just as they are paying now; if they did not believe they were able to make profits on that basis, they would no doubt come to the government for an arrangement under (c) of 10 to obtain the difference between the price they had paid out under our guarantee and the price they actually got for the product on the average over that year. They could do that under paragraph (c). Therefore the activities of organizations that are doing that kind of work to-day are safeguarded by this bill so far as their initial payment is concerned; and that is all they would ask for, because if they make a profit they will pay out participation; if they do not, they will come to the government under that paragraph to make arrangements with the government in advance. That is exactly the idea that has been involved in cheese that has been referred to. The producers of cheese have their cheese factories organized. We say that the producer must get a certain price for his cheese, but somebody else says the consumer cannot afford to pay that much. This bill makes it possible for the producer to obtain his price and then for the cheese factory to come back to the government and get the difference between what they sold the product for and what they paid the producer. Now, that operates all the way along the line.

In connection with coarse grains the only argument is that $200 million would not be enough, if you bring coarse grains under it. Then the question immediately comes up as to how you are going to finance, particularly if it is to be financed for two or three years, or if the grain is to be held for some considerable time. Well, it is obvious the only system under which you could finance it is the system that the wheat board is now using. In answer to the suggestion of the hon. member for Lake Centre that we may not have authority to do that when we bring section 9 into force, may I say that section 9 would have to be brought in during the six months' period after the end of the war at the latest, when we still have all the authority under the War Measures Act; and the only addition to this measure which would be required by regulation—and the government has the authority to pass regulations under section 11—would be a regulation to provide for the financing of any products that are not covered by the financing already set up here. That action can be taken if thought advisable during that period of time.

Mr. WRIGHT: The minister mentioned alfalfa seed. Suppose we have a large crop of alfalfa seed in some years. Naturally at that time the price will go down. There may be a large production in other countries as well. The board decide to set a floor under it, and naturally they will get the most of the alfalfa that year, which they will dispose of in the domestic market. What they cannot dispose of in the domestic and foreign markets they will have to carry over another year. The next year there may be a complete alfalfa crop failure and naturally the price will go up. The government, having on hand this additional supply which they had purchased the year before under the floor price legislation, will dispose of it at a good profit. Under this act that profit will go into the consolidated revenue fund and will not come back to the producers. There should be something in this bill which would allow the issuing of participation certificates in such cases, so that adidtional receipts for the products would come back to the producer.

Mr. CRERAR: May I ask my hon. friend a question? His remarks have been quite interesting. He cited a case where the producers of alfalfa seed may have a large crop this year and the board contemplated under this bill may establish a floor price and take it over. He then said there may be a scarcity of alfalfa seed next year, the price may advance sharply, the board make a profit on the seed it held, and his contention is that this profit should be distributed to the growers. Suppose in the second and third year there were large crops of alfalfa seed, and the board had incurred substantial loss on the amount they had taken over; how would he provide for that loss? Does he argue that the taxpayers—and I am only asking for information; I am not expressing an opinion—should put up the difference and provide for the loss? In other words, if the board's operations result in a profit, the profit must be distributed to the producers; but if they result in a loss, the loss must be borne by the taxpayers; is that it?

Mr. SENN: Is that not what they are doing already?

Mr. CRERAR: No.

Mr. SENN: Oh, yes.

Mr. CRERAR: That is not quite so. The principle of the wheat board act is that the wheat board will fix an initial advance, and it is regarded as an initial advance. That advance is fixed in the light of conditions as

they exist. The initial advance may be $1 in one year and 75 cents in the next, and 50 cents in the next. But under the act it is contemplated that the advance will be fixed on a basis which will enable the wheat board to market the crops without recourse to the treasury.

Mr. SENN: It is not always done.

Mr. CRERAR: That is the principle implicit in the wheat board act; and if my hon. friend will read the speeches made by members of the government of that day, of which he was a supporter—made at the time the measure was passed—I am sure he will find I am correct.

This measure is not based upon that principle. It is based upon another principle, namely that a floor should be established on these agricultural products so that if the price goes down the board will purchase and protect the producers with the floor price; whether a profit or loss results, the government has to carry it.

As my colleague the Minister of Agriculture has said, such powers are broad enough. I am not sure but that recourse could be had to participation payments. And certainly if experience showed that it were desirable and the powers were not there, parliament at a future date could consider it. I think however that my hon. friend should clear up the question I have asked.

Mr. WRIGHT: I will clear it up so far as I am concerned. I think we are establishing a floor on agricultural prices, and that that floor may amount to a loss to the treasury of Canada. I should say that if the government is going to establish floor prices it must accept the principle that the people of Canada as a whole may have to carry a loss in establishing those floor prices.

Mr. CRERAR: This measure accepts that principle.

Mr. WRIGHT: No, it does not accept that principle, according to what the Minister of Mines and Resources has just said. He has just said we must not have a loss under this bill.

Some hon. MEMBERS: No.

Mr. CRERAR: No.

Mr. WRIGHT: The minister has said that the wheat board proposes to level out the price.

Mr. CRERAR: My hon. friend is quite wrong, and he is also evading the question I asked him. This measure establishes a floor price on a commodity, for instance, such as alfalfa seed. Now, if in taking over that product at the floor price the board incurs a loss in the disposition of the product, such loss, under the principle of this bill, is borne by the treasury. Surely there can be no dispute about that? But my hon. friend's contention goes farther than that. He says that if in a subsequent year a profit results, that is if alfalfa seed is held and a profit results from the sale of it, the additional profit should be paid to the producer. And I am asking him how, if that principle is to be adopted, he can justly argue that the taxpayers shall bear the loss.

Mr. WRIGHT: The minister is trying to argue that the floor price they will establish will be a ceiling price also. That is, he is going to establish a floor price low enough to make sure he is not going to take a loss.

Mr. CRERAR: No; may I correct my hon. friend. I would call his attention to section 9(2) which states:

> In prescribing prices under paragraphs (a) and (c) of subsection one of this section, the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

That is the principle of the bill, the principle which guides the conduct of the board in establishing prices.

Mr. WRIGHT: Yes; and when I moved an amendment on Saturday night with respect to this matter, leaving out the word "endeavour" and substituting the word "shall", the government refused to accept it. Therefore I say the government, so far as I can see, under this bill intend to establish floor prices at such a low level that they know they are not going to take any loss.

Mr. GARDINER: I cannot let that pass without saying something. The hon. member for Melfort is in the habit of getting up and making statements he knows are not right.

Some hon. MEMBERS: Oh, oh.

Mr. GARDINER: Yes, and I know I am unparliamentary in that statement, and I know I shall have to withdraw it immediately, but I am going to say it.

Mr. COLDWELL: That is not proper procedure for a member in the house, to say something which he knows he will have to withdraw immediately. Surely that reflects very badly upon the Minister of Agriculture.

Mr. GARDINER: And at the same time I can ask my hon. friend to withdraw the statement he just made. There is no such

intention in the bill. What the bill says, as plainly as it can be said, is that the government is prepared to pay a price that no one else will pay—a price so high that no one else will pay it. That is what the bill says. And that is the only thing it says. It says if no one else will pay a price at a certain level, the government itself will pay it and take the loss. That is what the bill intends to say, and that is all it does say. It stands to reason that the only time the government will get products is when they are going to take a loss. They are not going to get products when a profit can be made. And that is all the more true if the products are of such a class as to require to be marketed within the year they are produced.

Mr. WRIGHT: That is a different thing.

Mr. GARDINER: It is different only with regard to such products as oats and barley; it is not different in regard to anything else.

Mr. WRIGHT: What about alfalfa?

Mr. GARDINER: Any other products we are likely to handle will be products which are perishable within a very short time. I have in mind meat products, dairy products, fruits, vegetables and other products of that kind. There are only two products which have been placed in a position where this does not apply, and those are oats and barley, with the possible exception of a few beans and possibly alfalfa—and they are not produced to such a great extent. But so far as the others are concerned—

An hon. MEMBER: Cheese.

Mr. GARDINER: We will get cheese when no one can make a profit out of it, at the price indicated, whether it be through a co-operative organization or some other. We shall have no profit, because no one else will take it at the price we are paying. So that to say that we are going to set a floor which will lower the ceiling, when no one can get more for the product, is to say what is not so. We are not doing that at all. We are saying to the farmer, "Go ahead and get all you can for your product. You sell it for what you like, and make all the profit you can out of it. But when it gets to the point where you are not being dealt with properly in the light of past and present experiences, the government will take your product at a floor price which has been prescribed." The only sense in which that can be termed a ceiling is that the government has offered a higher price than any other will pay.

Mr. SENN: Would the minister say at what stage in the marketing of any particular product that floor price may be set by the board?

Mr. GARDINER: If the price is being forced down on any farm product to a point below reasonable level—when you compare the post-war conditions with the period through which we are comparing prices—then the government will take action through this board, and we will take that product at a price.

Mr. SENN: That is very important.

Mr. GARDINER: And when we have done that we will take the product as long as no one will pay more. But the minute someone else can pay more, and someone else will buy on the market at a higher price, it will be marketed in the usual way. In other words, it is almost impossible for us to make a profit out of these products. If it did so happen that we had $10, $15, $100 or $1,000 of a profit at the end of our period of transactions under this bill, that would go into the consolidated revenue fund. There is no question about what happens to the losses. We would have already paid them and we would have to collect them from someone, and that would be the people of Canada.

Mr. PERLEY: I think the discussion has shown plainly that as far as grain is concerned we understand the situation and agree that there is no difficulty. As to coarse grains, the minister has stated exactly what he proposes to do. Saturday night I was looking for a section to which I could move an amendment to provide for participation certificates, but I was not sure with just what section I should deal. It would appear that a new paragraph (k) should have been added to subsection 1 of section 9. However, I am going to make a suggestion to the minister. Instead of saying, "with respect to the purchasing and marketing of any one commodity" change "any one commodity" to "any product designated." If those words were changed I think it would cover what I intended to deal with.

Mr. GARDINER: It would not make any difference where the amendment was placed; it would just make the bill unworkable. The amendment suggested is that with respect to the purchasing and marketing of each product in any one year the board shall in that year distribute said profit by means of participation certificates. The amendment would have to be worded much more particularly than that if we were even to contemplate accepting the principle of providing participation

certificates. There are a great many products where you could not possibly provide them, where it would be ridiculous to provide them. In addition, the period may not necessarily be a year; it may be three months or it may be more than a year. We may be dealing in a product for a particular period of time.

Following up what we were discussing Saturday night I have had handed to me a measure which was passed in Great Britain in 1535 and which provided for price fixing. They set forth a period of a few months and you can find that kind of provision all the way through this type of legislation. It may not necessarily cover a year, and there is a possibility that the transactions may cover more than a year before the provisions of this subsection would some into effect. There is a possibility of dealing with organizations that can pay participation certificates and our government then would not become involved.

All section 10 provides is that there will be $200,000,000 there and that certain arrangements can be made to get some money out of that fund. Then when the arrangements are completed as between the board and somebody else, the money resulting has to be put back into the fund. Then it says that after the money is back in the fund, if a profit is shown then that profit goes into consolidated revenue fund. It simply says what is to be done with the money when the thing is wound up. If we gave consideration to this I do not think it would be possible to operate this legislation. We would just have to throw it out.

Mr. PERLEY: Will you consider the change in the wording that I suggested to substitute "any product designated?"

Mr. GARDINER : That would limit it to products where participation certificates could be paid, and I do not want to limit it to that extent. I want this bill to be applicable to any farm product, not just those where we can pay participation certificates.

Mr. WRIGHT: The minister made a statement a little while ago that he could appoint as a board a cooperative association which had as its principle the payment of participation certificates.

Mr. GARDINER: Not as a board—as an agent.

Mr. WRIGHT: As an agent under this bill. Would not that preclude the possibility of their using participation certificates? Unless there is some change made in the bill, I think you might find that the organization could not pay participation certificates.

Mr. GARDINER: We would only be asked to take action by any organization set up under the cooperative act of 1939 in cases where they knew they could not possibly make a profit. They come along to us and say, "If we are going to operate as we have been operating you will have to prescribe a price." We say, "All right; under this bill we will appoint you as agent to take delivery of the product for the government at a price higher than you or any one else knows can be secured on the market." They take delivery and pay the farmer that price. There is no necessity for any participation because there is no possibility of a profit. They pay the farmer that price and then come to us and ask us for the difference which we pay to them.

Mr. WRIGHT: The minister knows that in marketing in western Canada there are tremendous variations during the season. It is possible that in the early part of the season the particular organization could pay a price high enough. However, later on in the season the price might drop to below the floor price. The government would then appoint them as agent and they would carry on under this bill. But there might have been a profit made on what they had handled already, and I would say that under this bill they could not distribute that because they were acting as agent of the government.

Mr. GARDINER: They were not acting as agent in the early part of the season when they did make a profit. When the price of a product drops to too low a level they come to the government and say, "Under the bill you have authority to set a floor price." We set a floor price on that product and from then on they do not make a profit. They simply take delivery of a product and pay out the price. Of course, there would be a cut-off at the time they took that action. When they were required to make their distribution to the membership of their organization, the profits to be distributed would be those earned in the first part of the season. In other words, the participation principle that applied to the organization could be carried on. This bill does not interfere with their right to pay participation under those circumstances.

Amendment (Mr. Perley) negatived.

Section agreed to.

On section 10—Expenses.

Mr. GARDINER: There is still subsection 3 of section 10.

Mr. SENN: In the discussion this morning the minister referred to paragraph (c) of section 9. As I understand it paragraph (c) provides for the payment of the difference between the prescribed price and the average price when that falls below the price set by the board. The minister suggested a little later on that most of the activities of this board would be carried on in another way, that whenever the price of a product fell below the price set by the board, the board would take over that product. Evidently there are two ways in which this bill may operate. Does paragraph (c) mean that in certain instances we are going to pay what are really subsidies to bring the farmers' prices up to the board levels, and if so, on what commodities will it be considered advisable to do that, and on what not?

Mr. GARDINER: The commodity that I used as an illustration was cheese, and my hon. friend knows probably better than any other member just how that operates. Without that clause I do not think you could get the cheese factories in Ontario and Quebec and elsewhere taken care of properly. The same type of organization exists in connection with some other products, and may exist in connection with a great many more. If this is applied to any product at all, this clause may operate in connection with it. If we limited it to cheese, the clause could operate only with respect to cheese, but we have framed the clause in general terms so that it can operate in connection with any products. In other words, any organization that is taking in the products of the farmers at floor prices and has to sell those products below those prices can make an arrangement under this section and come to the government and get the difference in price. That product may come under this bill, and it does not make any difference what the product is.

Mr. SENN: Then as I understand it, arrangements have to be made by the cooperative organization beforehand or the board would not consent?

Mr. GARDINER: Take for example cheese. If the price is twenty cents and the producers of cheese say that they cannot sell cheese at twenty cents, we say: You are our agents, so go ahead and buy the cheese at twenty cents and sell it for whatever you can get for it. Then at the end of the period, whatever period may be fixed, we shall be required to pay the difference. I would not say definitely that their accounts would be the only thing to be taken into consideration, because the clause says that we must take the average selling price for that period. One organization may have been selling the cheese at fifteen cents and another man may have gone out and sold it at ten cents. We do not say that we will pay the difference between ten cents and the twenty cents, but that we will pay the difference between the average selling price and twenty cents, and if the average selling price was fifteen cents we would pay the five cents difference. He will have to sell his product at whatever the market will bring and the difference will be paid under the arrangement set out here.

Mr. SENN: Just to carry that one step further, $200,000,000 is provided as the fund to be used under this bill. If I remember correctly, $140,000,000 was also voted in the war expenditure estimates this year to subsidize different classes of farm products. Is there any danger that this amount will not be sufficient in case of a real depression where, as subsection 2 says, you are setting floor prices to "ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions"? Does the minister think that $200,000,000 will stabilize agricultural income during a depression period? Only last year we had an instance of farm income representing only fifteen per cent of the total national income, even including all the subsidies that were paid on farm products. In a real depression $200,000,000 would be a mere bagatelle in stabilizing farm income to enable the farmer to realize the cost of production, with or without a small profit.

Mr. GARDINER: Of course the $200,000,000 is a revolving fund; money comes back into it as well goes out of it. If we were considering oats and barley along with the other products there would be some justification for doubting whether $200,000,000 would be enough, but as I have stated—it is a matter of record in our discussions, and I want to make it a matter of record on *Hansard*—special provision would have to be made if we were required to deal with products like oats and barley. If we had been going to deal with wheat, for instance, we would have had to take into consideration what has had to be done in connection with wheat in past years. Twice this amount of money has been involved in the operations of the wheat board in a single year in connection with wheat alone. But as to paying subsidies such as have been paid on other products, even under

recent legislation, it would not require anything like this sum. It would probably be something under $100,000,000 that is involved in that kind of thing.

Mr. SENN: That was last year. It will be more this year.

Mr. GARDINER: I am quite sure that anyone associated with government knows that when these difficulties arise, if they do arise, they are generally dealt with, but I doubt if we shall get into these difficulties.

Mr. HANSON (York-Sunbury): What the minister has just intimated is what I have had in the back of my head in studying this matter. If these boards are forced into the whole field of agricultural production in a time of great depression, $200,000,000 would be just a drop in the bucket. This serves to emphasize the immensity of the field into which we are now entering. I wonder if the public realizes just what the possibilities of this whole thing are. Yet I have no doubt that public opinion wants something like this. I personally do, if it is at all possible; yet I have never been able to think the thing through to a successful conclusion. I am afraid of the whole thing, and yet I want to see something done. I am approaching it as objectively as possible. You know, Mr. Chairman, I am appalled at the extent to which this country is committing itself. Last week we committed ourselves to public expenditures in peace-time activities over and above those which are the ordinary inheritance of parliament to the amount of a billion dollars. That was commitments having nothing to do with the war, though some of the expenditures will possibly arise out of post-war problems, such as the export credit system. I wonder if even the government is impressed by the magnitude of the commitments of this country at this time. I just want to sound this note of warning as to where we are going. Where is it all going to end? There cannot be any relief for the taxpayers with programmes of this kind.

Mr. GARDINER: I understand that section 10 has been carried, Mr. Chairman.

Section as amended agreed to.

On section 11—Regulations.

Mr. GARDINER: I stated the other night that we would agree to an amendment to section 11. The section now reads:

> The governor in council may make such regulations as may be necessary for the efficient enforcement and operation of this act and for carrying out the provisions thereof according to their true intent and meaning.

It is proposed to amend that by adding thereto the words:

> provided that no such regulations shall be effective until published in the *Canada Gazette*.

Mr. CRERAR: I move accordingly, Mr. Chairman.

Amendment agreed to.

Mr. KINLEY: Does the minister anticipate any embarrassment under this legislation by what may be termed the dumping of products into Canada? I ask this question not that I have particularly in mind any article, although butter and eggs and corn comes to one's mind. I had in mind rather the bill to establish floor prices for fisheries, which will come up for consideration immediately after this bill. There will be a certain amount of dumping of fish into Canada from countries with a lower standard of living. The Minister of Agriculture has had much experience in this type of, shall I say, managed legislation. Perhaps he would say something that would give us a lead with regard to the dumping of fish products.

Mr. GARDINER: I said on the second reading that that matter had been considered and that there probably would be some objection to the principle of the bill on the ground that it might have some effect upon our negotiations with other countries immediately following the war. But I pointed out that New Zealand, Australia, Great Britain—I am not sure about legislation, but in their practices, the United States also—have been doing that kind of thing, that is, having different price levels for products bought or sold outside the country as compared with those which are produced and sold inside. So that we are not breaking any new ground in that matter. I suggest that the discussions which have taken place this morning would indicate that the effect would be the opposite of that which is now suggested. We are saying to farmers under this bill that if we did not do anything the price would be down at a certain level and that we are prepared to pay a certain higher price level for their product, but we are not prepared to pay that for the products of New Zealand or any other country; we will pay that price for these products in Canada in order that they may be sold at a lower price to consumers in this country. Under those circumstances it would be very difficult for any foreign exporter to dump here. Supposing we say that the producer is going to be paid 20 cents a pound for cheese, and the consumer can afford to pay only 15 cents —somebody else has decided that some place, or that is the condition—that is what they pay

and it is all they can afford to pay. Well then, we say that we pay the difference between 15 cents and 20 cents. That would make it impossible for any other country which produces cheese to put cheese in here at any higher price than 15 cents. I think the same principle would apply in connection with any other product.

Mr. HANSON (York-Sunbury): Does the minister think that that would apply in the case of processed or cured fish? I wondered about that. We are not the only producers, and if a floor is placed under Canadian production, suppose some country contiguous to Canada which is a very large producer of that type of food product were to say, "That price is good for us; we are satisfied with it," a difficult situation would arise. This suggestion is just an indication of a number of difficulties which will arise. Yet, as I have indicated, I do not wish to see the theory frustrated on that account, because I want something done. I am afraid of the post-war period—not necessarily the immediate post-war period but the period of deflation which in my view is bound to come. As I indicated the other day I do not think that any human being can devise a plan or formula which will take care of the position. I am not sure that this is the true way to do it, because in substance, after all, this is a bonus or subsidy.

Mr. SENN: I could give a very good illustration, it seems to me—

The CHAIRMAN: May I be allowed to point out that we are on section 11, and the discussion has to deal with the regulations, so that I think that as regards the last two sections it is out of order.

Mr. KINLEY: I assumed that there would be some regulations, and I thought that I was perfectly in order.

The CHAIRMAN: In these matters I am in the hands of the committee.

Mr. SENN: Take the case of fruit, of early asparagus and other early vegetables coming in from other countries and which, because they arrive at the first of the season, command high prices. By the time our goods are on the market—and this applies especially to berries—we are met with the clean-up of the fields of some other country, which is dumped in here at any price that can be got. How is the minister going to deal with a case of that kind? Is he going to protect our producers under such circumstances?

Mr. GARDINER: We are setting up a board to advise us how to do that. That is what the bill is doing.

Mr. HANSON (York-Sunbury): That, I suppose, is an unfortunate admission. There is only one way to deal with that situation, and it is to prevent the stuff from being dumped on this market. I do not know whether the minister is prepared to go that far. Anti-dumping legislation has a place in the economy of a country, under extreme conditions. You may say what you like, but it is the only method by which you can handle this kind of thing.

Mr. GARDINER: That is what I mean by saying that it is not a question I can deal with. It is not a question that the minister of agriculture, whoever he is, can deal with. It is a question which must be studied by the different departments and a report made as to what it is advisable to do under certain circumstances. The question whether what is spoken of is dumping or is not dumping is one I should not like to enter into this morning.

Mr. HANSON (York-Sunbury): You have to make some decision.

Mr. GARDINER: It is something which we have been discussing for twenty years or longer, and I do not know that we can get anywhere by discussing it under this bill.

Mr. CASTLEDEN: I think the discussion this morning arose chiefly out of the desire of hon. members to see that the producer gets a fair share of the selling price of his products.

Mr. GARDINER: That is the principle of the bill. It is not something which hon. members this morning have brought up.

Mr. CASTLEDEN: I said that the members have been discussing that this morning, and it appears to me that the matter might be settled to the satisfaction of everyone if, in determining floor prices for this measure the board used parity prices; there could then be no objection from producers. I thought that was the purpose of the whole bill. With a parity price I think the difficulty would be overcome, otherwise the floor price might possibly be set low because of prevailing conditions in the country at one particular time and if, while the government had the commodity in their control or in storage, the price did go up and profit accrued, the producer would then feel he had had his proper share of the selling price taken away from him. On the other hand, if the parity price were set as a floor price I do not think anyone would have any cause for complaint.

Mr. GARDINER: What period would you base parity on?

Mr. CASTLEDEN: That would be variable, because it varies each year.

Mr. GARDINER: How would you write it into the bill, then?

Mr. HANSON (York-Sunbury): That is what I should like to know.

Mr. CASTLEDEN: The government has facilities for determining parity prices. The board sets the floor price under this bill.

Mr. GARDINER: You would have to have a basic period on which to establish it. Would you make that period 1909-1914, 1926-29, or what would you like to make it?

Mr. CASTLEDEN: You would have to take into consideration the cost of production, the level of wages, and the price of production in each year.

Mr. GARDINER: And would any of these periods make it high enough for the war period or the post-war period?

Mr. CASTLEDEN: Conditions in the post-war period would have to decide that. But it could be set at least a year ahead. For the year 1945, I think, it would be quite possible to establish a floor level.

Mr. GARDINER: But what parity, as I understand it, really means—I am just asking the question— is taking some particular period of time and saying that the prices at which your farm products sold in some other period should purchase the same amount of farm requirements as they would in the previous period. Is that what the hon. member means by it?

Mr. SENN: That is a trick definition.

Mr. CASTLEDEN: My idea of parity is the proper relationship between the cost of production and the price the farmer gets for his commodity at that time. For the year 1944 it will be related to the cost of production in 1944.

Mr. KNOWLES: As compared with other economic activities.

Mr. GARDINER: Would you be satisfied with that? That is what I am trying to get at.

Mr. CASTLEDEN: If you establish in this bill floor prices as parity prices, that would be satisfactory, I think.

Mr. GARDINER: Would you be satisfied with that suggested period on the basis of 1926-29?

[Mr. Gardiner.]

Mr. CASTLEDEN: I suggested a period on the basis of cost of production in 1944, for 1944 prices.

Mr. GARDINER: I take it that politically you would like me to put 1926-29 in this bill and then say that is all they would get.

Mr. CASTLEDEN: The minister has not followed what I said, or he does not want to.

Mr. HAZEN: When this matter came before the committee on Saturday evening I suggested that the bill be amended by providing that the regulations be published in the *Canada Gazette* and also tabled before parliament, if parliament were sitting, or within fifteen days thereafter. I had referred to bill No. 134, in which part of that provision was contained, namely, the part that the regulations be published in the *Canada Gazette,* and I was about to refer to bill No. 83, to establish a department of veterans affairs, when the Minister of Agriculture said there was no objection to that provision. I thought that the amendment to-day would contain both provisions. The provision in bill 83 reads:

> All regulations made hereunder approved by the governor in council shall be laid before parliament within fifteen days after they are made if parliament is then sitting, and, if not, then within fifteen days after the commencement of the next ensuing session thereof.

Does the minister object to having that provision added to the present amendment?

Mr. GARDINER: I have no objection to adding that, but I would point out that in section 7 it is provided that I must lay before parliament all proceedings that have been taken. However, I would ask my colleague to move an amendment in accordance with the terms suggested.

Mr. MICHAUD: I move that the section be amended by adding thereto the following:

> All regulations made hereunder approved by the governor in council shall be laid before parliament within fifteen days after they are made if parliament is then sitting, and, if not, then within fifteen days after the commencement of the next ensuing session thereof.

Mr. HANSON (York-Sunbury): And published in the *Canada Gazette.*

Mr. GARDINER: That is already provided for in the amendment.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

At one o'clock the house took recess.

The house resumed at three o'clock.

FAMILY ALLOWANCES

PROVISION FOR PAYMENTS IN RESPECT OF CHILDREN UNDER SIXTEEN

The house resumed from Friday, July 28, consideration in committee of bill No. 161, to provide for family allowances—Mr. Mackenzie King—Mr. Bradette in the chair.

On section 1—Short title.

Mr. GRAYDON: Before this section of the bill carries I wish to draw the attention of the Prime Minister, if I may, to a portion of his remarks made during second reading of the bill. When he was speaking at the end of the debate he gave expression to certain remarks which I think ought to be corrected. They were remarks about which I feel rather keenly. This is what the Prime Minister said as reported at the bottom of the first column of page 5657 of *Hansard:*

> I have been amazed—I must say that I speak of these things because I think they ought to be mentioned—at the fact that some men of high position in this country who were brought into the government service to help to carry on the war, knowing what they do about the seriousness of the situation, and how necessary it is that every man of ability who can serve should remain in service to help to win the war, should have left the government service in order, in the crisis of the war, to help organize a political party against the government. That, too, is something that the people of Canada will not forget.

As I see it, that, of course, if I may say so, is a direct reflection upon the patriotism and the motives of the only one to whom it can refer, and that is Mr. Charles P. McTague. Having that in mind I think on reflection that the Prime Minister will want to withdraw any reflection upon the patriotism of Mr. McTague. The reason I raise it is that I think it is a stain and a stigma, particularly coming from the Prime Minister, upon a great Canadian citizen; because I think the Prime Minister would be the first one to agree with me during the last war Mr. McTague served for four years in an active theatre of war, during which time he was gassed and was one of the last to be demobilized after the war was over. He gave three and a half years of his time to government service during this war in connection with wartime activities. Even if Mr. McTague had not done anything in this war he would, I think, have fully discharged any obligations that he had to his country by the splendid service that he gave in the first world struggle. May I go farther than that and say that I do not think it is quite proper for the Prime Minister to reflect—I do not think he surely could have intended it to be a reflection—upon Mr. McTague's patriotism, because at the very moment that the speech was being made, two of Mr. McTague's sons were fighting in the fighting services of Canada. In all fairness to Mr. McTague the Prime Minister should withdraw the statement, because it is definitely a reflection upon a Canadian who has given great army service in one war and whose family is now fighting for Canada again.

Mr. MACKENZIE KING: I have not anything to withdraw from what I have said. I was speaking in general terms. My hon. friend has seen clearly to whom the reference is.

Mr. GRAYDON: So did you.

Mr. MACKENZIE KING: Yes; and may I say that—

Mr. MACKENZIE (Vancouver Centre): Only one of the two.

Mr. CASSELMAN: The other one has three sons in the service.

Mr. MACKENZIE KING: Perhaps I should say to my hon. friend that I was told by Mr. Justice McTague his reason for wishing to resign was that he desired to return to the bench, that his services were required on the bench and that they were short of judges, and that he felt it was his duty to resign for that reason.

Mr. HANSON (York-Sunbury): Have you any reason to doubt that he was sincere at that time?

Mr. MACKENZIE KING: Actions speak louder than words. May I say to my hon. friend that as the Prime Minister of this country I was entitled to be told, if Mr. McTague wanted to leave the service of the government at time of war to take up the duties of organizer of the Conservative party, that that was his reason for resigning.

Mr. GRAYDON: May I say to the Prime Minister that he has not shown the house that Mr. McTague left the government service to go into that job, because he did not go into that job when he left the government service. The Prime Minister knows that full well. In addition to that may I say this. If a man is to be condemned for attempting to build up one of the instruments of the democracy for which this nation is fighting, then I think we are coming to a pretty pass, because we know, and the Prime Minister himself knows, that the man who holds a similar position in his own party is a man who is in the senate of Canada. At the

present time he is devoting, I understand, his entire time to the chairmanship or the presidency of the National Liberal Federation. Let us be fair in this matter. Let us not condemn one because he belongs to one political party and not condemn another.

Mr. STIRLING: I wish to make one more attempt to induce the government to meet the contention that if it be not competent for this parliament to pay old age pensions at the age of seventy it cannot be competent for this parliament to pay allowances at the age of ten. The method by which old age pensions are paid was settled at the time of the passing of the old age pension act. That was preceded by the inquiry of a committee which studied the question, to which was rendered the opinion of the Department of Justice by the mouth of the deputy minister who made it quite clear that in the opinion of the Department of Justice it was not competent for this parliament to enact legislation which would enable old age pensions to be paid by this parliament. The result was that the method adopted in the old age pension act was that the provinces should carry out payment to the pensioners and that this parliament should make a grant toward it. In the earlier part of the debate on second reading the Minister of Justice dealt with this constitutional question. But perhaps unfortunately for me his remarks have by no means convinced me. He dealt with what the courts did with another measure altogether which came before them, and he endeavoured to draw the parallel between those decisions and this question. To my mind the parallel does not exist. In the course of the debate the Prime Minister referred to it on two occasions. The first time he referred to it as a smoke-screen. I do not know whether the Prime Minister or I is the better judge of whether or not it is a smoke-screen. But I would make this remark, that so long as we are living under so complicated a constitution as the British North America Act, the question of constitutionality is going to arise year after year. It appears to me that it comes with ill grace to say that the opposition of to-day is guided by the desire of putting up a smoke-screen when the stock in trade of the Liberal party when they were in opposition was that pretty nearly everything brought up was unconstitutional. But whether others may consider it a smoke-screen or not, whether that may be the motive of others, I can assure this committee that it is in no sense of raising a smoke-screen that I raise this question. I ask the government to meet the contention that if it is not possible for parliament to pay a pension at seventy, it cannot be competent for parliament to pay an allowance at ten.

Another word the Prime Minister introduced in connection with this matter is found at page 5653 of *Hansard* for July 28. He said:

> The action of this parliament with respect to old age pensions only confirms what I have said about the right of this parliament to do what it pleases in the way of making grants.

And he goes on:

> In that case parliament made a grant to the provincial governments.

To me, Mr. Chairman, that remark just does not make sense. The method adopted in respect of old age pensions was that the dominion was ready and willing and anxious to make a grant toward the expenses of old age pensions paid under a scheme of the provinces. That was a view in which my right hon. friend concurred, and I heard him say so several times in this chamber. What he said at one time was quoted by the hon. member for Lake Centre. It was the opinion of the Right Hon. R. B. Bennett, who in a subsequent session asked parliament to increase the grant that should be paid by the dominion to the cost of old age pensions. But the contention to my mind remains, and it is a contention which I ask the government to meet; for if it is not met to my satisfaction I shall have to continue to look upon this as an unworthy and dangerous method of accomplishing that which we all want to accomplish, namely the granting of assistance to underprivileged children, and in a measure which should not be displayed to the people of Canada at the forthcoming election until the question of constitutionality has been settled.

Mr. ST. LAURENT: The hon. member's recollection of what took place in connection with the committee, and the opinion given by the Department of Justice, is hardly in conformity with what I have been able to ascertain. I had a thorough search made and I find that on May 12, 1925, Mr. W. Raymond, as chairman of a committee of this house, wrote the following letter to Stuart Edwards, Esquire, Deputy Minister of Justice, at Ottawa. This is the letter:

Dear Sir:

> Yesterday, in the course of the proceedings of our special committee, which is now inquiring into an old age pension system for Canada, the correspondence between the federal government and the government of British Columbia, which has been referred to the committee by parliament, disclosed what the committee believes to be a rather peculiar position on the part of British Columbia.

It is stated therein that the question of establishing an old age pensions system is one wholly pertaining to the federal government. Owing to such decision on the part of the government of British Columbia, I have been requested by resolution of the committee to submit to the Department of Justice the said correspondence, and ask for your information in the matter.

Mr. NEILL: What year was that?

Mr. HANSON (York-Sunbury): What was the attitude of British Columbia? Read it again.

Mr. ST. LAURENT: If my hon. friend will allow me to finish this, I can then table the correspondence which acompanied it, and give the substance of what would be an answer to the hon. member's question.

Mr. NEILL: What year was it?

Mr. ST. LAURENT: It is dated Ottawa, May 12, 1925. The letter continues:

I am therefore sending to you herewith copy of the said correspondence and copy of the report presented to parliament last year. You will find the report at page 4 of the proceedings, and in its sixth paragraph you will find our recommendation as follows: "That the government communicate with the various provincial governments to ascertain if they are disposed to adopt the above system and enact the necessary legislation."

Please note the letter of February 5, 1925, of the Minister of Labour for British Columbia; also the resolution passed by the legislature on December 18, 1924; also Hon. Mr. Murdoch's reply thereto of February 17, and Mr. Manson's letter of March 5 in reply to Mr. Murdoch's.

Our committee would be interested in knowing if the contention of British Columbia in this matter is correct. Will you therefore kindly favour our committee with an opinion in respect to the following:

1. Having regard to the present provisions made by provincial legislation whereby the provinces aid in the care and maintenance of the aged poor, the insane and the afflicted, in cooperation with the municipalities, can the federal government lawfully enact legislation in the form of an old age pension system to assist the provinces?

Mr. HANSON (York-Sunbury): To assist the provinces.

Mr. ST. LAURENT: Yes. The letter continues:

2. If not, is the question of the care and maintenance of aged indigents by pension or other form of aid wholly within the purview of provincial governments and municipalities and ultra vires of the federal government in view of the recent decisions re the Lemieux Act and the Grain Act?

3. Is the statement made by the government of British Columbia correct, namely, that the matter of old age pensions for indigents is one entirely in the sphere of the federal government?

An early reply to the foregoing would be appreciated by the committee of which I have the honour to be the chairman.

And this is signed by W. Raymond. I wonder if hon. members in the committee would like to hear the enclosures before I read the answer, or if it would be sufficient to table the enclosures, the substance of which is stated in the letter?

Mr. HANSON (York-Sunbury): Read Mr. Edwards' letter.

Mr. ST. LAURENT: Very well. I shall read immediately Mr. Edwards' letter addressed to Mr. Raymond and dated at Ottawa May 23, 1925. It is as follows:

Dear Sir:

Referring to your letter of the 12th instant, asking to be advised with regard to the authority of parliament to legislate on the subject of old age pensions, I may say that this subject does not fall specifically within any of the enumerated subjects given to the dominion under section 91 of the British North America Act, but does in my judgment fall within the subject "property and civil rights in the province" committed to the provinces under section 92. I am of opinion therefore that the subject matter of pensions has been entrusted to the provincial legislatures rather than to parliament. I do not mean to suggest that parliament has not the power to legislate upon the subject so as to assist the provinces or to establish an independent voluntary scheme, provided that in either case the legislation does not trench upon the subject matter of property and civil rights in the provinces, as for example by obligating any province or person to contribute to the scheme.

The enactment of such legislation would, however, involve the assumption by the dominion of obligations involving heavy expenditures with regard to a matter which does not fall specifically within the dominion field of legislation.

This letter is signed by W. Stuart Edwards. That was in May, 1925.

I had the search continued and brought right down to date. I find that in 1930 an opinion was requested by the Hon. Peter Heenan, then minister of labour, in a letter addressed to the Hon. Ernest Lapointe, then minister of justice. This was during the course of investigation by a committee of the house with respect to the proposal of Mr. Letellier to set up family allowances. That gentleman was then the member for the constituency of Compton. The letter is from the Minister of Labour and, under date of Ottawa, January 16, 1930, is as follows:—

Mr. MACKENZIE KING: Mr. Letellier was a supporter of the Liberal administration.

Mr. ST. LAURENT: Yes. The letter states:

My dear Colleague:

You will recall that at the last session of parliament Mr. Letellier (Compton) moved a resolution proposing that the subject of family allowance should be referred to the committee on industrial and international relations for

examination and report. This resolution passed and the report of the committee was adopted on June 6, submitting the evidence of various witnesses on the subject and recommending that:

"(a) As this proposal is new in Canada, and requires more careful consideration, no immediate action shall be taken; and

(b) that before the next session of parliament the question of jurisdiction in matters of this nature as between the dominion and the provinces be considered by the government;

(c) that 500 copies in English and 500 copies in French of this report and evidence be printed in blue book form and that standing order No. 64 be suspended in relation thereto."

In case the matter might otherwise escape your attention, I thought it well to direct your notice to the paragraph marked "b" in these recommendations.

Yours very truly,

Peter Heenan.

Honourable Ernest Lapointe, K.C., M.P.,
Minister of Justice,
Ottawa.

The answer from the deputy minister to Mr. Heenan is dated April 23, 1930, and reads:

Dear Mr. Heenan:

I have the honour to refer to your letter of the 16th January last addressed to the Honourable the Minister of Justice calling attention to the report which was made on the 31st May, 1929, by the select standing committee on industrial and international relations (pursuant to resolution of the House of Commons dated 13th February, 1929) and adopted by the house on the 6th June, 1929, upon the question of granting family allowances. The house having approved of the committee's recommendation set out in paragraph (b) of the report "that before the next session of parliament the question of jurisdiction in matters of this nature as between the dominion and the provinces be considered by the government," I have, accordingly, considered the question and now desire to submit my opinion of it.

2. The order of reference required the committee merely to inquire into and report upon "the question of granting family allowances." It was not, accordingly, called upon to consider, and did not consider, any particular system of family allowances but simply received and reported the evidence upon the general subject of the various witnesses who appeared before it. In the circumstances, it is necessary to consider the question of legislative jurisdiction in relation to this subject, as between the dominion and the provinces, with reference to the various systems of family allowances which have been adopted in other countries.

3. While there is considerable diversity in the organization and extent of family allowance systems in different countries, the family allowance may be described generally as a periodical payment to the worker, over and above his ordinary wages, in respect of his family rather than of the work done. It represents an attempt to apply the social principle of "payment according to need" to a certain extent as a corrective of the tendency of ordinary economic laws to favour the principle of "equal pay for equal work", without regard to the family obligation of married, as distinguished from unmarried, workers.

4. Broadly, the various systems of family allowances fall into three categories, viz., (1) voluntary schemes established in industries either (a) on the initiative of the employers alone or (b) by collective agreements between employers' and workers' organizations; (2) voluntary schemes under which the state pays family allowances and bears the whole cost from its ordinary revenues; and (3) compulsory schemes established by law.

5. In the case of voluntary schemes of the first class mentioned above, a common fund is usually instituted by a group of employers and from it allowances are paid at uniform rates and on uniform conditions to all workers with dependent children employed in any of the undertakings attached to the fund. As the establishment of such schemes does not depend on legislative action, no question of legislative jurisdiction arises in relation to them.

6. In the case of a voluntary system of the second class mentioned above, legislative action is, of course, required, but, again, the scheme being voluntary, no question of legislative jurisdiction, as between the dominion and the provinces, arises, each being fully competent to appropriate from its revenues such moneys as it might deem proper for the purpose of paying such allowances and to determine the conditions on which any moneys so appropriated should be expended.

7. In the case of a compulsory system established by law, the allowances are provided out of contributions exacted from employers under regulations sanctioned by the law-making authority. Such laws may apply to particular industries, or even to parts of an industry, or they may, on the other hand, provide for a general scheme applicable to all industries in the state. The imposition upon the employers concerned of an obligation to make contributions to a common fund out of which family allowances should be paid and the definition of conditions under which the employees concerned would be entitled to receive allowances would be essential features of any compulsory system moulded upon the lines of the compulsory systems which have been established elsewhere. It is, therefore, clear that legislation providing for the establishment of a compulsory system of family allowances would be directly concerned with the civil rights of both the employers and the employees affected by it. Legislative jurisdiction with relation to the subject matter is, consequently, vested primarily in the provincial legislatures under the powers conferred by section 92 of the British North America Act, 1867, in relation to either or both of the enumerated heads "Property and civil rights in the province" (head No. 13), and "Generally all matters of a merely local or private nature in the province" (head No. 16).

I am, accordingly, of the opinion that the provincial legislatures are exclusively competent to set up a compulsory system of granting family allowances, subject to the following qualifications, viz:

(1) With regard to commercial or industrial enterprises or undertakings which are subject to the exclusive legislative jurisdiction of the dominion parliament, it would, no doubt, be within the competence of the dominion parliament to establish a compulsory system of family allowances for the benefit of persons employed in such enterprises or undertakings by way of legislation which might be regarded as truly ancillary or necessarily incidental to the exercise of the dominion's exclusive legislative authority

in relation to them, but until parliament so legislated the primary authority of the provincial legislatures in relation to the subject matter would remain unimpaired and unrestricted.

(2) The parliament of Canada has exclusive legislative jurisdiction to provide for the establishment of any compulsory system of family allowances in favour of the officers, servants or employees of the dominion; and

(3) The parliament of Canada possesses exclusive legislative authority to establish any such system for the benefit of employees employed in those parts of Canada which are not within the boundaries of a province.

Yours faithfully,

W. Stuart Edwards,
Deputy Minister of Justice.

Those are the only opinions on the subject matter that it has been possible to find of record in the department since 1924.

Mr. HANSON (York-Sunbury): And there is no legal decision.

Mr. St. LAURENT: There is no decision of the courts.

Mr. GRAYDON: If that point of law were to be accepted as the minister has suggested to-day, then that still leaves unanswered the question asked by the hon. member for Yale. His point was that if a person happens to be seventy years of age, you cannot do anything for him without doing it through the province, but if some one is ten years of age you can do it without the consent of the province. I think that leaves the whole matter completely in the air. If my hon. friend's contention about the law is correct, then there does not seem to be any reason why the dominion parliament is not perfectly competent to deal with old age pensions without reference to the provinces at all.

Mr. ST. LAURENT: As appears from the first opinion I read, the Department of Justice said in 1925 in unequivocal terms that if it were to be a voluntary system of old age pensions to be provided out of the revenues of the Dominion of Canada, there could be no constitutional objection to its being done.

Mr. HANSON (York-Sunbury): I do not think it says that at all.

Mr. ST. LAURENT: I will read it again:

I do not mean to suggest that parliament has not the power to legislate upon the subject so as to assist the provinces or to establish an independent voluntary scheme, provided that in either case the legislation does not trench upon the subject matter of property and civil rights in the provinces, for example by obligating any province or person to contribute to the scheme.

Mr. HANSON (York-Sunbury): It was on the basis of that opinion that the federal government had to decide not to have a national scheme. There was no doubt about that in my mind. I wonder if the Minister of Justice has considered the judgment in the appeal case of 1937 that was cited here the other day by the hon. member for Lake Centre, in which Lord Atkin indicated very clearly that while there was no question about the federal authority having complete jurisdiction to raise money for any specific purposes by any form of taxation whatever, direct or indirect, it was quite another question whether the federal authority had the right to apply these moneys in a jurisdiction or field of human endeavour which was, by the terms of section 92, exclusively within the jurisdiction of the province. I do submit that there is nothing in Mr. Stuart Edwards' letter to Mr. Raymond in 1925 that indicated affirmatively that he was of the opinion that the federal authority could set up a national system. All he did say was that he did not want any inference to be drawn to that effect in the course of his giving that opinion, and never affirmatively did he say that in his opinion the federal authority had the right not only to tax but also to spend independently of the province. That was clearly indicated by the hon. member for Yale in the comparison he gave with respect to the failure to grant a pension to a man of seventy because of constitutional difficulties. And now we are giving it to a lad of ten without regard to constitutional difficulties at all.

The constitutional position is not clear; there is no doubt about that, and it ought to be made clear. I believe that the government should take steps to ascertain in the proper way just what the constitutional position is—give the whole story to the courts and let them decide so that the public mind will be reassured one way or the other. That, I think, is the proper course to pursue. That is the course that was urged by gentlemen opposite when they sat here with respect to the very democratic measures brought in by the government after 1930. That is the course that I think the people of Canada will expect this government to pursue, inasmuch as there is, at least in the minds of those who have given some study to the matter, the gravest doubt as to the constitutional authority for the government to set up a national scheme, and that doubt is based, I might say, upon the doubt that existed in the minds of my right hon. friend and his legal advisers when they set up an old age pension system as a contributory system and not as a national system.

Mr. ST. LAURENT: I am not sure whether the hon. gentleman was here on Tuesday last when I cited the opinion of Lord Atkin in the case to which the hon. gentleman has referred, and which was also cited by the hon. member

for Lake Centre the following day. If the hon. gentleman will look at page 5350 and following of *Hansard* of Tuesday, July 25, he will find that I discussed the matter there quite fully. The Chief Justice and Mr. Justice Davis of the supreme court had held that the legislation being considered was in pith and substance taxation and outside the federal authority, but the majority in the supreme court held that though it did provide for the imposition of taxation and provide for the disposal of property, nevertheless in pith and substance it was legislation to insert conditions in contracts of employment between employers and employees and that in that aspect it was an invasion of provincial jurisdiction.

I also cited on Tuesday—*Hansard*, page 5351—the language of Mr. Justice Kerwin in which he stated:

> As to the latter point, it is evident that the dominion may grant sums of money to individuals or organizations and that the gift may be accompanied by such restrictions and conditions as parliament may see fit to enact. It would then be open to the proposed recipient to decline the gift or to accept it subject to such conditions.

But the supreme court, Mr. Justice Kerwin and three of his colleagues, found that that was not what the legislation did. The legislation purported to impose obligations as a consequence of a contract of employment and because it purported to do that it was an invasion of provincial jurisdiction. It was in dealing with that judgment and in confirming the judgment of the majority of the supreme court that my lord Atkin said:

> That the dominion may impose taxation for the purpose of creating a fund for special purposes and may apply that fund for making contributions in the public interest to individuals, corporations or public authorities could not as a general proposition be denied.

But because that could not as a general proposition be denied, it could not be used as a cloak to do something which involved an invasion of the field of provincial jurisdiction.

Mr. HANSON (York-Sunbury): It was not a parallel case then.

Mr. ST. LAURENT: It was not a parallel case because there it was found that the legislation invaded provincial jurisdiction inasmuch as it attached obligations to a contract of employment and created rights within the contract of employment, whilst it was fully recognized that if parliament merely created a fund and applied it for making contributions in the public interest to individuals, corporations or public authorities, that as a general proposition was something which was quite within its jurisdiction. His lordship went on to say:

> But assuming that the dominion has collected by means of taxation a fund, it by no means follows that any legislation which disposes of it is necessarily within dominion competence.

Having created this fund and purporting to apply it in a certain way there is a further fact to be ascertained: Are you doing that as a cloak for the invasion of provincial jurisdiction by dealing with property and civil rights within the province? As to that I must say that there has been no case in which it has been challenged or affirmed or disaffirmed or disallowed—

Mr. HANSON (York-Sunbury): Or even raised.

Mr. ST. LAURENT: —or even raised. What was raised was that under the pretence of doing that thing, parliament was endeavouring to legislate in respect of the consequences of a contract of employment.

Mr. HANSON (York-Sunbury): In other words, parliament was attempting to do indirectly what it could not do directly?

Mr. ST. LAURENT: Yes. As to the measures that have been adopted up to this time, and the comparison between them and the measure before the house, I do not propose to express any opinion. Parliament at one time, when the provinces were asserting that it was their responsibility and their obligation to look after the aged, refused to recognize that it was its obligation. The resolution of the British Columbia legislature had been to the effect, that such was its obligation. The resolution was one adopted on December 18, 1924. Because of the importance of the question it might be as well to have this resolution on *Hansard*, as the background of the situation upon which Mr. Edwards was then basing his opinion. It was in the following terms:

> Whereas it is the announced policy of the federal Liberal party in Canada that an "adequate system of insurance against dependence in old age be provided in so far as practical and having regard to Canada's financial position";
>
> And whereas it is accepted as between the dominion and the provincial government that the dominion has jurisdiction in respect of questions having to do with health insurance, unemployment and old age pensions, and the province in respect of such other social legislation as may be in the public interest;
>
> And whereas the government of the province of British Columbia passed the Mothers' Pension Act in the year 1920, and has since been administering it at a cost of approximately five hundred thousand dollars per annum;

And whereas state responsibility in the matter of the proper maintenance of aged citizens has been recognized by Great Britain, Australia, New Zealand, and a number of the nations of the continent of Europe;

Therefore be it resolved that this house puts itself on record as approving the principle of old age pensions and as being favourable to the enactment of legislation by the dominion government bringing the same into effect in Canada at an early date.

And be it further resolved that an humble address be presented to his honour the lieutenant governor praying that he will cause to be conveyed to the Secretary of State for Canada the foregoing preamble and resolutions.

That was forwarded to the Secretary of State for Canada by the minister for labour of British Columbia, Hon. A. M. Manson:

Ministry of Labour,
Victoria,
February 5, 1925.

Honourable James Murdock,
Minister of Labour,
Ottawa.

Re: Old Age Pensions

Dear Sir:

Referring to your letter of the 28th of October last, I beg to say that the report of the special committee of the House of Commons which inquired into this matter has been carefully considered by the government and also by the provincial legislature at its last session, and the consensus of opinion is that the matter of old age pensions is one entirely in the sphere of the federal parliament, and this government does not concur in the suggestion made by the committee that a portion of the cost of such pensions be borne by the provincial crown.

A copy of the resolution unanimously approved by the provincial legislature at its last session in this connection is enclosed herewith for the information of yourself and your colleagues.

To that there was a rather long reply by Hon. James Murdock, the minister of labour, and a further rejoinder by Mr. Manson. I do not know that I should take up the time of the committee to read those further communications. They will be available to any hon. gentleman who may be interested in going further into the matter.

Mr. GRAYDON: They are to be tabled, I suppose?

Mr. ST. LAURENT: I shall be glad to table them if I have leave of the committee to do so. I will table the whole correspondence and the material attached to it.

Mr. HANSON (York-Sunbury): Perhaps I can boil the discussion down, in my own mind at least, to a very narrow compass. In recent years the test of the constitutionality of legislation of either the provinces or the dominion government has been this; what is its pith and substance? That was not always the test which was applied by the privy council. I am reminded of a judgment given by Lord Haldane at one time when, I think, he was Lord Chancellor, in which another test was applied as being fundamental. But in the trend of judicial opinion in recent years, and especially on the so-called "new deal" legislation of 1935, the privy council repudiated the power of parliament to pass certain legislation under the treaty-making provisions of the statute because in substance the legislation was not an exercise of the treaty-making power but was in pith and substance something within the purview of the provincial legislatures, and on that ground they ruled out certain of the legislation. The Minister of Justice argued most manfully against that proposal in 1937—just as manfully as he has argued the same position in this connection on Tuesday last; unsuccessfully in the court and, I should hope, unsuccessfully here. But that is beside the point. The test of this legislation is, not that this legislation is the setting up of a system of taxation to do a certain thing—because this bill is silent as to the system of taxation that is to be set up; the moneys are to be found from the consolidated revenue fund, under other legislation already established—the test is the destination of the fund. The inferences of Lord Atkin's decision are just the reverse of those which the Minister of Justice would have you take, because in the quotation from the judgment which is found on page 5351 of *Hansard* he says:

> But assuming that the dominion has collected by means of taxation a fund, it by no means follows that any legislation which disposes of it is necessarily within dominion competence.

So that we are left exactly where we were when we come to consider what is the pith and substance of this legislation, and my submission is that there is a fair inference—it does not do to be dogmatic on these things—there is a fair ground for saying that this is a matter of property and civil rights and therefore within the jurisdiction of the provinces, and the matter should be referred to the courts for settlement.

Mr. DIEFENBAKER: There are few references which I intend to make in answer to the argument that has just been advanced by the minister. In reading over his opinion given in this chamber on July 25 last, it appears to me that the minister himself is not or was not then as certain as to the constitutionality of this measure as he appears to be to-day. As reported at page 5351 of *Hansard*, he used these words, after referring to the 1937 case between the attorney general of Canada and the provinces:

> If the legislation which disposes of the fund is in reality legislation regulating matters which are within provincial control, then the object

of the legislation is not to raise a fund and dispose of it but to impinge upon the exclusive legislative jurisdiction of the province. That is the last word we have had from the courts as to the proper construction of this distribution of powers as between the federal parliament and the provincial legislatures.

Then he adds these significant words:

I am not for the moment discussing all the details of this bill, but in principle it is a bill to allocate to every child maintained by a parent, up to the age of sixteen years, a certain monthly benefit, the only condition attached being that the person to whom the money is paid shall apply it for the maintenance and better upbringing of that child.

I should like to ask the minister in that connection whether he is prepared to state that in his opinion two particular sections which I shall refer to him first are within the legislative competence of parliament.

The first is section 5, which reads as follows:

5. The allowance shall be applied by the person receiving the same exclusively towards the maintenance, care, training, education and advancement of the child, and, if the minister or such officer as is authorized by regulations in that behalf is satisfied that the allowance is not being so applied, payment thereof shall be discontinued or made to some other person or agency.

I ask him whether or not this section does not come into conflict with the powers of parliament as determined in the decision on the reference in 1938 to the supreme court with respect to the authority to perform functions vested by the Adoption Act, the Children's Protection Act, the Children of Unmarried Persons Act, and so on.

So far as the next section is concerned, the setting up of a tribunal to adjudicate on this matter, does the minister suggest that this parliament has the power to constitute a tribunal, when the power to do so comes under the provincial powers as set out in section 92? It is of interest that, in spite of the fact that the Prime Minister in 1931 stated in this house that an amendment to the British North America Act would be necessary if there was to be brought into effect a national system of old age pensions whereby the dominion would pay one hundred per cent of the pensions—and in spite of the statements made by the parliamentary assistant to the Prime Minister in the brief in connection with the Sirois Commission to which I referred the other day, the government declares that this act is constitutional. Mr. Chairman, where is there any difference between paying individuals under five years of age, between the ages of five and eight, and between eight and eleven, and between eleven and sixteen a certain amount per month and paying an amount to persons of seventy years of age? It is only a matter of age; there is no difference so far as principle is concerned.

I remember hearing the Prime Minister, speaking in Prince Albert in the election of 1930 in regard to this question, point out how impossible it was for the government of Canada to take over the entire old age pension administration and pay one hundred per cent, because, in order to do that, there would have to be an amendment to the British North America Act. Was what the Prime Minister said in 1930, and again in 1935, in this house stated with a full knowledge of all the circumstances, with a full knowledge of the opinion that has now been produced, and which was given by the deputy minister in 1930? In order that there may be no doubt as to what the Prime Minister said, I will refer to *Hansard* of February 12, 1935, wherein the Prime Minister is reported on this question which was then before the house. He was dealing with some of the Bennett reform legislation, and at page 750 he said:

I pointed out the desirability of a national scheme in dealing with old age pensions as a part of a social insurance scheme . . . we believe old age pensions should be a part of the social insurance scheme of this country, but we think it should be a national scheme; it should be administered nationally, 100 per cent of the money raised, and the entire scheme administered by the federal government.

We as Liberals were not seeking to be rid of an obligation in connection with a national insurance scheme; we were claiming that as with the case of old age pensions this parliament should be placed in a position to take it over.

We say that the present government ought immediately to take steps to have the British North America Act amended so as to make possible federal administration, so that when the time comes to pay the old age pensions 100 per cent, we shall not be met with any constitutional obstacle to the administration of the scheme in its entirety by the federal government.

I pause to say this. The only reason given why it was necessary that the federal government pay only a portion and not the entire pension was the fact that the British North America Act would not permit this parliament to administer a one hundred per cent federal old age pension scheme. In *Hansard* of June 2, 1931, at page 2266, the Prime Minister is reported as follows:

. . . I say the British North America Act should be amended so as to make it possible for the federal government to undertake the administration of that scheme.

That was the old age pensions scheme. If the act had been amended in that regard an amendment could have been secured easily with regard to unemployment insurance as well.

. . . the time has come when the federal parliament should seek to have the British North

America Act amended so as to make it quite clear that it will be within the jurisdiction of this parliament to administer an old age pension act. . . .

That, Mr. Chairman, was in 1931. The Prime Minister had before him at that time, when he made this statement, or his law officers had at any rate, the opinion that was to-day produced by the Minister of Justice, and the very fact that he made the statements he did in 1935 indicates that the interpretation he then gave to the opinion that had been given in 1930 was different from the interpretation that he puts thereon now. I was quite surprised that the Prime Minister should talk about smoke-screens, and that this constitutional issue was raised as a smoke-screen. Let me tell you, Mr. Chairman, that unless the government submits this matter to the courts so that there can be a full determination of the question of legislative competence long before July 1, 1945, we on this side of the house need have no fear in asserting that this legislation is a smoke-screen designed to secure support while at the same time realizing that it is not within the constitutional powers of this parliament. If it is constitutional, why not submit it to the supreme court and have its judgment thereon? The act does not have to be delayed in operation and the carrying into effect of this legislation need not be retarded. Let me quote again what the Prime Minister said a little later on. After asking the then Prime Minister, Mr. Bennett, to submit certain social legislation to the courts, he said on February 12, 1935, as reported at page 754:

May I say to the Prime Minister that he knows better than anyone else that the final authority that settles these questions of jurisdiction is the courts, and that he cannot by assertion or by assumption give to this parliament any power to deal with these matters which it does not now possess. That is the reason, and the sole reason, why hon. members on this side bring to the attention of the government, as is their duty—

I point out these words, Mr. Chairman. The Prime Minister indicated the other day when we raised the constitutional issue at this time that it was for the purpose of a smoke-screen. In 1935 he said it was the duty of the opposition to do so.

—and why as leader of the opposition as is my duty I stress the point, that we believe, proceeding as he is, he has adopted a course which will not commend itself to the courts when this legislation comes eventually before them for final decision.

I can do no better than to quote the concluding remarks of the Prime Minister, when after asking the government of the day to submit the legislation to the courts he used words that are as applicable to-day as they were then. In 1935 the then minister of justice, Mr. Guthrie, an outstanding lawyer, was as outspoken in his support of the constitutionality of the measures then before parliament as is the Minister of Justice to-day. The minister of justice of that time advanced as many arguments in support of the constitutionality of the measures that were then before parliament as have been advanced by the present Minister of Justice. Regardless of the opinion of the Minister of Justice or any other hon. member, the Prime Minister averred that those opinions are meaningless, as the final determination must be the courts. Then he used these words—and how applicable they are to-day in view of the fact that we intend to have a general election between now and the time this legislation is to be brought into effect. These are the words as used by the Prime Minister at page 754 of *Hansard* of February 12, 1935:

In the circumstances, I say to the Prime Minister that in these days of stress and anxiety and suffering for the mass of the people, they are crying for bread and he is giving them a stone.

We do not want, Mr. Chairman, to have the people believe that social legislation within the powers of parliament is to be brought in, only to find out after the election is over that it is beyond the powers of parliament. Why not submit the legislation now? It will not take long. Somebody spoke about two years. Our courts are not overworked. The supreme court can be convened at almost any time, certainly long before July 1, 1945, and can render a decision before that time.

The Prime Minister, the then leader of the opposition, went on to use these words:

They—

That is, the people.

—are crying for fish and he is giving them a serpent; because in addition to their distress and their suffering, when this legislation is found to be ultra vires there will be the sting of bitter disappointment.

These words, sir, are as applicable to-day as they were then—indeed more applicable, for that scheme meant the distribution of a very small amount of money. This scheme means the distribution of $250,000,000, more than fifty per cent of the total amount of all the civilian expenditures of this nation prior to the outbreak of the war.

Is it the proper course to submit this matter to the courts? The supreme court act provides for that. I am not going to quote the section 55, but in 1935 the Prime Minister, who was then leader of the opposition, quoted the section and pointed out that it was meant to

cover circumstances such as the present. And what is more, the former distinguished minister of justice, the late Mr. Lapointe, speaking in the house on the 5th of April, 1937, used these words, as they appear at page 2597 of *Hansard*:

The government of my hon. friend did not wait for parties to institute action. They took the proper steps to refer those two acts to the Supreme Court of Canada.

He was referring to the aeronautics act and the radio act.

The suggestion that we raised a smoke-screen should arouse in us the same feeling of antagonism as that shown by the Prime Minister on the suggestion that this measure was attempted bribery. The suggestion that it was a smoke-screen means that we were endeavouring to do something indirectly that we did not wish to do directly. A similar argument was raised in 1935, and I intend to place on *Hansard* the statements made with regard thereto by the Prime Minister. At pages 32 and 33 of *Hansard* of January 21, 1935, the right hon. gentleman used these words:

On occasions in the past the Prime Minister has criticized me and hon. gentlemen on this side for having taken up a considerable amount of the time of the house in discussing constitutional questions. May I say that we have done so because we have looked upon the constitution of our country as the safeguard of its liberties and as the home of its freedom.

Then a little later on he said:

When I have seen steps taken which I have believed were gradually dismantling the constitution, gradually destroying the home of the freedom and liberties of the people, I have opposed them just as strongly as I possibly could, and I shall continue to do so no matter by what name measures of the kind may be designated. I shall continue to look with a great deal of care, not upon the alleged but upon the real purpose lying back of each and every measure as disclosed by some of its provisions.

I suggest to the Prime Minister that if he thought in 1935 and in 1931 that a hundred per cent system of federal old age pensions, could not be brought into effect without an amendment to the British North America Act, and if as he suggested to the government of Mr. Bennett that an amendment to the British North America Act should be secured at one and the same time to cover both unemployment insurance and old age pensions, why in 1940, when he secured the passage in this house of an amendment to the British North America Act to enable the bringing into effect of unemployment insurance, did he not carry out the admonition that he gave to the Bennett government in 1935?

[Mr. Diefenbaker.]

Then he goes on to say, as appears at pages 55 and 56 of *Hansard* of January 21, 1935:

As a means of expediting and hastening the consideration of these matters, I would ask the Prime Minister when he gets up to speak this evening, as I hope he will, to tell this house whether as leader of the government, knowing that a question will come up immediately as to the jurisdiction of this parliament and of the provincial legislatures in matters of social legislation, he has secured an opinion from the law officers of the crown or from the Supreme Court of Canada which will be a sufficient guarantee to this house to proceed with these measures as being without question within its jurisdiction.

I want to make it perfectly clear that I do not feel that a matter of jurisdiction should be allowed in the last analysis to stand in the way of anything in the nature of a national reform that may be generally recognized as necessary and urgent. If it be found that jurisdiction does interfere, that it is an obstacle, then I think the proper step should be taken to see that the British North America Act is so amended as to make possible the enactment of such legislation. In taking any step of this kind I think we should remember that perhaps the most serious subject with which parliament at any time can be called upon to deal is one which raises a question of the relationship between this dominion and the provinces, and in all such matters we must consider very carefully the views the provinces may hold in regard to what are their rights and the views which this dominion may hold in regard to what are its rights. For my part I believe that through conference and good will it will be possible to obtain by reason and consent—though not by coercion—whatever is needed by way of amendment to the British North America Act.

For weeks we have been expecting the convening of a dominion-provincial conference but for some reason it has been postponed, postponed, postponed. Only in the last few days we find that the hope many people had that Canada was to have a national health scheme is gone with the wind until after the conference. A house committee has been sitting for a period of almost two years on the matter; yet it is necessary that the question of the competence of parliament to institute health insurance is to be submitted to such a conference. Why not this legislation? Why were not the provinces consulted? Why rush this measure, in the dying days of the session?

Some outside the house may criticize the length of discussions which take place in this chamber, particularly in view of the fact that we have been sitting here for a matter of six or seven months. I have no apologies to offer to those who take that stand. In the last days of a session we are being asked to make provision for the expenditure of hundreds of millions of dollars, arising from new legislation which, because many hon. members wish to go home—fatigued, after a very long session—

cannot begin to receive the consideration it should receive. Much legislation is brought in as skeleton legislation, and none of us feels he ought to discuss it at too great length because many people consider that the house has been sitting long enough. But as members of parliament we have a responsibility to the people, that of assuring them that this proposed legislation must receive as careful examination as the exigencies of the moment will permit.

Mr. MARTIN: Why did you vote for it?

Mr. DIEFENBAKER: And one thing more: in 1935 the Prime Minister moved an amendment indicating how he felt on this subject of social legislation of the type then introduced. This was the amendment:

> That this act shall come into force on a day to be fixed by proclamation of the governor in council, after the question of its validity has been submitted to the Supreme Court of Canada on reference by the government, and the act has been declared to be intra vires of the parliament of Canada.

No such amendment is needed in this case. The date the act is to come into effect is so far removed that the government can ascertain long before July 1 of next year the competence of this parliament to enact the legislation.

Why, then, is the government so anxious not to face up to this issue? Is it because there is any doubt? Is it because of the fear that if this bill is submitted to the courts it will be declared beyond the powers of parliament, and it will be declared that it infringes upon "property and civil rights" with regard to child welfare or child control, both matters of provincial jurisdiction?

Just in that connection let me mention that the Sirois commission, referring to the general question of social legislation, and particularly to widows' pensions, mothers' allowances and child welfare in general, used these words:

> These services are, we think, of peculiar interest to the province, since they involve questions of social policy with respect to the preservation of the family unit, and the care and upbringing of children.

That is what this legislation is for, in part—the preservation of the family unit in Canada, and to assure the proper care and upbringing of children. That is indicated in section 5 of the bill where provision is made that unless the money is properly used it shall be turned over to a guardian, who shall have the disposition thereof. To appoint a guardian to collect payments for the children would, I submit, be an interference with the matter of child welfare and the right of guardianship, which is strictly within the power of the provinces.

Then, to continue the quotation from the Sirois report:

> Moreover their administration involves detailed supervision which in many cases must be highly personal and discretionary in character. On both grounds therefore we think that they are primarily provincial services.

The first ground is that they have to do with the preservation of the family unit, and the second ground is that they involve detailed powers of supervision. And on both those grounds the Sirois commission decided that these were matters of purely provincial services.

Mr. MACKENZIE KING: No, no; I think my hon. friend is wrong there. What he read was to the effect that they were matters of special interest to the province. I contend they are matters of special interest to the municipalities and special interest to the home. But there is nothing in the Sirois report which says they are matters coming exclusively within provincial jurisdiction.

Mr. HANSON (York-Sunbury): That is the inference.

Mr. DIEFENBAKER: They are primarily provincial services.

Mr. CLAXTON: That was not the opinion, if I may correct my hon. friend.

Mr. HANSON (York-Sunbury): One can blow hot and cold on these things, I know.

Mr. DIEFENBAKER: I am trying to follow my argument through. And may I say this for the Prime Minister, that when one reads an extract he never misses even a word. The Prime Minister follows the argument closely, and I appreciate that. These are the words I read: "We think that they are primarily provincial services."

Since the days of Elizabeth, down to the present time, under the old poor laws, and on through the reform laws of the 1830's down to the present time, matters dealing with the poor and the afflicted and with children were left either with the municipality, as the Prime Minister has said, or in Canada in the provincial arena, because these matters were primarily concerned with local issues and local supervision.

Now as to legal opinions one can get various opinions in respect of all legislation. One lawyer disagrees with another; someone has said we would not have courts if that were not so. But this bill involves the greatest single expenditure ever made in any part of

the empire in connection with one phase of social welfare. I think it was the parliamentary secretary to the Prime Minister who said the other day that there were systems of family allowances in thirty-five countries. There are in effect family allowances in about thirty-two countries—allowances that are purely local in effect, employer-employee schemes, and the like. But the only ones that I have been able to find that bear any similarity to this are those in effect in Australia and New Zealand, and in neither case does the legislation go as far as this. If this legislation is to be effective, it must be within the jurisdiction of parliament; if it is not within the jurisdiction of parliament and is to be made effective, it will have to be as a result of collaboration with the provinces or amendment to the British North America Act.

The dominion-provincial conference in 1940 fell through; that conference out of which so much good was hoped for ended in disorder. Allow me to say that the man who endeavoured to uphold the Prime Minister in connection with the reallocation of the powers as between the dominion and the provinces, the man who endeavoured to make our constitution work having regard to changing conditions since 1867, was the Hon. John Bracken, now the leader of this party. The ones who destroyed the possibility of the success of that conference, which would have meant so much to Canada, were not of the opposition; they were the poltical friends of the Prime Minister.

Mr. BLACKMORE: Do not forget Mr. Aberhart; all honour to him.

The CHAIRMAN: I believe some of this discussion is a little out of order at the moment.

Mr. DIEFENBAKER: We believe in the necessity of social legislation being brought in in keeping with changing conditions and the changing world, but legislation without power is meaningless and will be destructive of the morale of this country.

Mr. MITCHELL: Why did you vote for it?

Mr. GRAYDON: How would it get to the courts if we did not?

Mr. DIEFENBAKER: I would like to say to the Minister of Labour that in 1935, if I remember correctly, he along with all those who sat with him voted for legislation which was unconstitutional.

Mr. MITCHELL: I voted for it because I believed in it.

[Mr. Diefenbaker.]

Mr. DIEFENBAKER: You voted for it believing it was constitutional. You followed the leadership of the Prime Minister in doing so because you did not want to be placed in the position of opposing social legislation by raising the constitutional issue. The hon. member asks why we voted for it. Let me say to him that—

Mr. MITCHELL: Why did you vote for it after your leader said it was bribery?

Mr. DIEFENBAKER: Let me say this to the Minister of Labour: I watched him the other day when we took our stand on this matter and it looked to me as though he was rather disappointed. He thought that advancing the argument of unconstitutionality as we had, we would vote against the measure. Then when the election came along we would be placed in the position all over this country having opposed social change. The government will fight the next election on the basis of its record; it will not fight it on the basis of this party being opposed to social legislation. If in 1815 Napoleon had been able to designate his own battlefield, things might have been different, but Wellington picked the field. We do not intend to have the Prime Minister fix the situs of the battlefield in the next election. The record of the government and nothing else will be the battlefield.

Mr. HOMUTH: And little Napoleon will get his Waterloo.

The CHAIRMAN: I ask that the discussion be kept within the confines of the matter before the committee. We are in committee on this particular bill.

Mr. DIEFENBAKER: I am following the line taken by the Prime Minister in 1935. We believe in social legislation. We believe in ensuring relief for all individuals as against poverty, invalidism and security. We believe in freedom from fear and freedom from want. No political party has a monopoly in that direction. But we do say that as we make advances, let us advance with legislation that is constitutional. There can be no excuse for the government's failing to do what the Prime Minister pressed upon the government of Mr. Bennett to do in 1935, that is, determine whether this legislation is within the law. We have supported the legislation as he did in 1935.

I have not heard any answer yet from the Minister of Justice as to why this should not be done. Some one suggested that it would take two years. Oh, no. The whole matter can be determined by a simple sub-

mission to the supreme court, and it could be heard in the October or November sittings.

Mr. MACKENZIE KING: My hon. friend has just said that I was good enough to follow him very closely when he was speaking and observe the points he brought to the fore. I did notice that he read from a question which I asked the prime minister of the day, Mr. Bennett, as to whether he had had an opinion from the Department of Justice which would bear out the constitutionality of the legislation he was introducing. My hon. friend did not tell us that Mr. Bennett had received any such opinion from the Department of Justice. Has he the opinion that the Department of Justice gave? If he has, I should be very glad to know what it is.

Mr. DIEFENBAKER: Does the Prime Minister say that he never had an opinion?

Mr. MACKENZIE KING: I asked that question and I did not get an answer from Mr. Bennett, and I do not think my hon. friend has an answer or he would have given it to the committee before this. My hon. friend has referred to requests that have been made that legislation should or should not be referred to the supreme court. As I said the other day, in the case of the legislation that Mr. Bennett introduced, it was obviously ultra vires for reasons that have been repeated over and over again this afternoon. Believing that it was obviously ultra vires I used the metaphor that the people were looking for bread and might receive a stone if that question were not settled in advance. I was proved to be right; the supreme court declared the legislation to be ultra vires.

Mr. DIEFENBAKER: Not with four of the bills.

Mr. MACKENZIE KING: I am speaking the truth. The legislation that was of concern was declared to be ultra vires and I spared the country the disappointment of expecting to get something in the nature of bread and receiving only disappointment in return. The situation is quite different in the present case. There is no doubt in the world about the constitutionality of this legislation. Moreover, the present government, before introducing the legislation was careful to have an opinion from the law officers of the crown to the effect that it was intra vires of this parliament. That opinion was read this afternoon by the Minister of Justice. It shows conclusively that it is unnecessary to refer the legislation to the supreme court to determine the jurisdiction of this parliament.

Mr. ST. LAURENT: I apologize for rising again to take part in this debate, but I assure you that I am not going to make my contribution—anything of the dimensions of a "Gone with the Wind" to which the hon. member for Lake Centre referred. In his remarks he put some specific questions to me which I think I should not allow to go unanswered. His first question was whether I would venture an opinion on the validity of clause 5 of the bill; whether or not that would constitute an invasion of provincial rights in providing for the setting up of some guardian for an infant. That is not my opinion. In my view this is merely attaching conditions to the giving of a grant, just as conditions are attached to the payment of dependents' allowances to the wives and children of the gallant men who are serving the country in the armed forces. It will not involve in practice any more difficulties than have been involved in the precautions that have been taken to see that the allowances provided by a grateful country for the maintenance of the wives and other dependents of the gallant men who are fighting its battles are properly applied.

Mr. DIEFENBAKER: Is not that under the War Measures Act?

Mr. ST. LAURENT: That is under the regulations made for the purpose of providing properly for these dependents. It is possible that it could be argued that even if such provisions were otherwise unconstitutional in normal times they would be justified by a state of war. I would not disagree with my hon. friend there. But they are within the principle that if you do not impose obligations you can at least attach conditions, and if the conditions are not complied with, your grant is not paid.

The next question was whether or not I would venture to say that parliament could provide for the establishment of a tribunal to determine such disputes as might arise in carrying out the act. I am sure that the hon. member for Lake Centre momentarily overlooked section 101 of the British North America Act, which provides:

> The parliament of Canada may, notwithstanding anything in this act, from time to time, provide for the constitution, maintenance and organization of a general court of appeal for Canada, and for the establishment of any additional courts for the better administration of the laws of Canada.

Mr. DIEFENBAKER: I had not overlooked that. It has nothing to do with this.

Mr. ST. LAURENT: If he had not overlooked it I must confess that I do not see the

force of his argument. This is a general provision which authorizes the parliament of Canada to establish from time to time, and at any time, other courts for the better administration of the laws of Canada. The measure before us is designed to be a law of Canada, and the tribunal it provides for is a tribunal established by the parliament of Canada for the better administration of that law.

The third point that the hon. member suggested was that what I had argued here on Tuesday last was exactly what I had unsuccessfully argued in 1937 before the privy council. If my learned friend will refer to the report he will see that what I argued in 1937 was summed up in the reply which appears at page 362 of the official report and at page 312 of Plaxton's volume "Canadian Constitutional Decisions of Judicial Committee 1930-1939":

St. Laurent K.C. replied. Is this legislation in relation to property and civil rights in the province within the meaning of those words in head 13 of s. 92, or is it in pith and substance legislation in relation to a problem which did not exist when the British North America Act was framed, and which was not specially provided for in any of the enumerated heads of ss. 91 and 92? It is submitted that it is the latter, and therefore a matter with respect to which legislative jurisdiction must be found in one or other of the residuary classes of ss. 91 and 92.

What I argued was that of course it interfered with property and civil rights because it attached obligations and consequences to a contract of employment, but that in its principal aspect it was not legislation dealing with property and civil rights in their ordinary meaning but legislation dealing with a problem which had arisen since confederation; and the reason that argument was being submitted was that in two previous cases their lordships had been impressed with the fact that because you could show them a machine that did not exist in 1867, that was something new. In radio and aeronautics we had some machines that were the instruments of the services, and they had to recognize that those machines and the use that was made of them was something with which the British North America Act in 1867 did not deal and had not placed within any of the heads of section 92; and if that was the case, in view of the fact that all the residuary power was in the dominion, then the matter had to be one of federal jurisdiction. But when we come to deal with an unemployment situation resulting from the setting up and then the breaking down of an economic system extending across Canada from one ocean to another, that was not something new that you could put before their physical eyes, and I was trying to convince their lordships that though that was not a new physical thing, the situation was no less a new one; that the social system which had come into being since 1867 and which had broken down in 1929 was something that had nothing like it in existence when the British North America Act was enacted, and that the responsibility for dealing with it rested upon those who had the controls by means of which that social system had been erected and under which it operated. But I could not make them agree to that. There were no physical machines that you could put before their eyes. It was just a concept of the mind, but it was as one that was recognized by those in our country who knew the conditions which had arisen and developed and who saw what the situation was, and which only they could properly see. But though their lordships held that the legislation was invalid, they so held because we had to concede that it was an invasion of property and civil rights in some of its aspects. But where is the hon. member of this house who will rise in his place and say that there is anything in this legislation which invades any jurisdiction given to the provinces?

There is just one more point, and that is as to the time required for a reference. The social legislation cases were dealt with with as great dispatch as it was possible to use, but it was not until the spring of 1937 that it was possible to get a decision. The hon. member suggests that this measure be referred to the supreme court, to be dealt with in October. The finality of such a decision still depends on what parliament may do and may have the right to do in the future. But at the present time there is the right of appeal in these cases to His Majesty's privy council, and no judgment of the supreme court would settle anything. If we once asserted to the Canadian people that there was doubt enough about the validity of this legislation to require the intervention of the courts, no one would be satisfied with anything less than a judgment of the court of last resort. If the supreme court held that the legislation was valid, that would not prevent anyone from subsequently challenging its validity and going over from the supreme court to the privy council, and the fact that the supreme court had held that it was valid would be no obstacle to the privy council deciding otherwise if it felt that there were reasons for so doing. So that the only way in which a judicial decision worth anything at all could be obtained would be to get a decision from a court that does not reverse itself, and one that constitutes a decision that no other court could reverse; the only way in which you can do that is to get a decision from the court of last resort. Without that kind of judicial reference, a deci-

sion would be absolutely worthless. To get that kind of judicial reference would require, if not two years, nigh on to two years.

I do not think there is anything I need add.

Mr. HOMUTH: It is significant that hon. members who belong to the legal profession differ on the question of the constitutionality of this measure. I believe these differences are honest differences. Those on this side of the house who argue that it may be unconstitutional do so with the honest thought that the people of this country should not be led to suppose that by passing this bill we are going to give them something, if it should be found later that we have not the power to do so.

I want to deal for a few moments with another consideration, the fact that this bill has come in so late in the session that it does not contain many of the provisions which bills of this kind ordinarily should have. I have seen a great many measures dealing with social legislation brought into provincial and federal parliaments, and it has been my observation that these bills usually deal in great detail with the regulations under the particular act. Here we have a bill which simply sets forth that we are going to pay allowances for children up to sixteen years of age, and the regulations are to be left entirely to a board. Parliament will have nothing to do with them; they will not be brought before the house so that hon. members can deal with them. I believe this to be a very grave mistake, because conditions in different parts of this country are such as require differing provisions to be made in the various sections. It is true that a board is to be set up and that it is to draw up the regulations. We find, for instance, that they are to pay allowances in respect of children up to the age of sixteen. In many parts of this country a child can leave school at the age of fourteen. I take it that when a child reaches fourteen years of age and starts to work, automatically the allowance will stop.

Mr. MITCHELL: It is sixteen in Ontario.

Mr. HOMUTH: It is sixteen in Ontario, but in some provinces it is only fourteen. I do not know whether all provinces have a compulsory school age.

The other day one hon. member opposite said that we have always viewed social legislation from pretty much the point of view of the industrial centres, and that it had been drawn up chiefly for the benefit of the industrial workers, but that now we are going to give something to the farmer; at least, the farmer is to get something in the nature of social insurance. I take it that under the bill, when an application is made for money under this family allowance scheme it will have to be accompanied with an income tax return, because certainly no one can receive the allowance and also have a reduction in income tax for children. It is a good way of getting the farmers of this country to make income tax returns.

Mr. MACKENZIE KING: May I interrupt my hon. friend? There is nothing in this bill which will make the filing of an income tax return obligatory. Allowances are paid to everyone entitled under the provisions irrespective of whether he makes a return or not.

Mr. HOMUTH: I quite understand that, but it does refer to the fact that regulations can be and undoubtedly will be set up that, where a man is getting a reduction in income tax because he has some children, naturally he is going to lose one end or the other; he cannot have his cake and eat it. That means that under these regulations he will have to file an income tax return in order to get this allowance, and all these farmers whom hon. members were appealing for will have this terrible sheet of paper to fill in before they can get this allowance. Then they may find out that they cannot get it, and that this thing which is said to be done for them is not done for them at all, but that they are subject to income tax, although many of them consider that they are not.

I have a case in mind. The man is general superintendent of a farm. He gets $100 a month; he has two children, and because he gets only $1,200 a year he says, "I am not subject to income tax; I will not make out an income tax return." The fact of the matter is that the man also gets a free house, free fuel, free milk, free butter, a hog every year, and various other things which go along with this kind of employment; and if these are figured in as the income tax act provides that they must be, that man is subject to income tax. If he makes application under this bill for money for his two children he has to fill in an income tax return. He will find out that he owes income tax; that he should have been paying it, and probably the income tax division will say, "Here, what have you been doing the last eight or ten years, that you have not been paying income tax?"

I think the regrettable part of this legislation is that no definite regulations are set out and that the drafting of them is left to a board; that parliament has nothing to say about them and that they will not be subject to the approval of parliament until they have been enacted.

We should be careful not to mislead the people of this country into the notion that they are getting something for nothing. I am sceptical of governments which seem to hand out all the good gifts like a Santa Claus just prior to an election, and I believe the people of Canada should watch legislation such as this very carefully before they get the idea that they are going to receive something for which they will not have to pay.

Mr. KNOWLES: We have listened over a period of several days and for a good many hours to a debate on the constitutional question with respect to this measure. We in this group for the most part have sat silent during this phase of the argument. I suppose that one very good reason for our silence is that none of us is a lawyer. But the very fact that I am not a lawyer is the reason why I rise to say a few words on the constitutional question; in the hope of interjecting a humanitarian viewpoint along with the legal viewpoints which have already been advanced on both sides.

I have always understood that there was in English law and similarly in Canadian law an element of growth. I have always understood that although the high court of parliament and the courts of our land might lag a little behind public opinion, there is a tendency on the part of parliament and of the courts in due course to catch up with public opinion. I have always understood that decisions rendered by the courts on any constitutional question in one era might be quite different from those given at a later period. It has been argued to-day that twenty years ago there were questions as to the constitutionality of old age pensions legislation had it been established on the basis of direct contributions from the federal treasury to individuals. That may have been the case. The courts, if they had been called upon to render a decision in that matter at that time, might have ruled against the power of the federal parliament to enact that kind of legislation. But although I am not speaking as a lawyer but as an ordinary human being—

Mr. MacNICOL: You do not mean that lawyers are not human beings?

Mr. KNOWLES: Take it for what it is worth.

Mr. MARTIN: It is not worth very much.

Mr. KNOWLES: —I am quite satisfied that if the courts were called upon to make a decision on that matter to-day they would sustain the right of the federal parliament to enact old age pensions legislation in which the federal government would pay the entire cost. There may have been in some provinces questions about it twenty years ago but there are no questions to-day. All the provinces are asking the federal government to pay a larger share of old age pensions; in fact, they are asking the federal government to pay the whole cost and they are asking at the same time that the amount be increased. And so it is with the family allowance proposal. We heard some opposition to the measure in this house the first day the bill was called, although when the vote was taken for the second reading and that stage of the proceedings was finally disposed of, the support for it was unanimous, and we are still hearing argument about its constitutionality. But I have not heard of any provincial premier or the leader of any opposition group in any of the provinces expressing opposition to this measure. There are questions such as we have raised, such as with respect to some details of the bill, and also making sure that wage standards are not depressed, and so on, but after you have taken care of such matters, I am quite satisfied that the general opinion throughout the country is in favour of the measure.

What I am saying may not be a legalistic opinion, but I imagine it is pretty close to the facts, namely the developmental kind of law that we have in this country, when I state that if this measure were submitted to the courts I am satisfied that the power of the federal parliament to enact it would be endorsed. I have listened very attentively and with great interest to the arguments that have been advanced from both sides of the house on the constitutional question. I have noted that at one moment the Liberals seem to score a point and a moment later the Progressive Conservatives score. They have a great deal of pleasure in quoting each other's arguments as advanced in years gone by. As a matter of fact, that can be done almost on any subject.

I was interested in a study I made a short time ago with regard to the compulsory retirement of judges to find that in 1927 the Liberals, who were then in power, proposed the compulsory retirement of certain judges and advanced certain arguments. The Conservatitves —I believe they were called Liberal Conservatives at that time—on the opposition side, opposed the measure and advanced their arguments. In 1932 the tables were turned. The Conservatives, whatever their full name was at that time, were on the government side, and they introduced a measure for the compulsory retirement of certain other classes of judges. What arguments did they use? The very

arguments the Liberals had used in 1927. The Liberals, on the other hand, opposed the measure, advancing the arguments that the Conservatives had used five years before. In fact they quoted each other from *Hansard,* and even enjoyed the reverse use they were making of their own arguments. What does it prove? Take your guess. As far as I am concerned, it proves that there is not much difference between them. It is simply a matter of which party is in and which is out.

After you have boiled it all down, I suggest in ordinary language that there is something in what I have tried to say, namely, that our law grows and develops, and that the courts, although they may tend to lag behind public opinion, also tend to catch up with it. I feel that the people of Canada are so thoroughly in favour of taking every possible step in the direction of complete social security and are so fully in support of this measure that there is no question that parliament would be vindicated by the courts and its right to enact this bill established. I suggest that we should not waste undue time in discussing constitutional questions. Rather, the humanitarian point of view should prevail.

Mr. CLAXTON: I want to say a word, since the hon. member for Lake Centre referred to an opinion I gave to the Rowell-Sirois commission. It was a study made for the commission together with the then Mr. L. M. Gouin, now a member of the other house. The parts quoted by my hon. friend from this study are quite accurately quoted. But if hon. members will refer to those parts as quoted by him in his speech the other day they will find that they do not bear out the impression he now wishes to convey by them. After referring to the opinion of Lord Atkin, at page 366 of the report in the employment and insurance reference case, 1937, I say this:

If this is a correct statement of the law, the dominion old age pensions act will be invalid if that act is in itself legislation "affecting the classes of subjects enumerated in section 92", or if the act "is so framed as to invade civil rights within the province or encroach upon the classes of subjects which are reserved to provincial competence."

So that I begin by stating, "If this is a correct statement of the law". I express no opinion myself as to whether it is a correct statement of the law or not. It was my opinion that then, with respect, it was an incorrect statement of the law. I still think so.

But in any event the case to which my hon. friend refers, and which has been so adequately dealt with by the Minister of Justice, the employment and social insurance reference case, is quite distinguishable for the reasons stated by the Minister of Justice. To refer again to this study, the point in issue before the house to-day, raised by members of the Conservative opposition, is dealt with at page 18 of my own study, in which I say:

Since there can be little doubt but that the dominion under its general power to deal with the public debt and property, conferred by section 91 (1), can expend its own money how it wills, even upon provincial objects, it is submitted that all such grants made without special statutory authority are intra vires of the dominion.

And in a footnote I quote Mr. Bennett in support of that assertion, when he said in 1936:

It does not require the parliament of Westminister to pass a statute to confer upon this parliament the jurisdiction to deal with its own revenue.

There you have the whole point in issue between the hon. member for Lake Centre and the Minister of Justice. The point has been admirably stated by the Minister of Justice, and I can only say this: From such reading as I have been able to give the constitutional cases my own view is as stated in this study back in 1938 and it remains the same, namely, that the bill is perfectly constitutional.

Just one word with regard to the question of haste which was also raised by the hon. member. The question of undue haste is always raised by people who really wish to oppose legislation. We always hear, "Why the undue haste?" when any social legislation is put forward. This question was put forward by the Conservative opposition when the unemployment insurance bill was under consideration in 1940. In fact at that time they were on both sides of the question. Speaking on July 16, 1940, as appears at page 1662 of *Hansard,* the hon. member for Peel said:

While, I confess, I have not had a long experience in public life, one thing which has impressed itself upon me in connection with this particular legislation is the length of time which democracy takes to get needed reforms completed and concluded.

To-day the government is trying to get this badly needed reform concluded and we are asked: Why this haste? That same question was asked by the hon. member for York-Sunbury back in 1941 on July 26, as reported at page 1978 of *Hansard*:

Mr. Chairman, there seems to be the most indecent haste in getting this measure through parliament.

On the same day at page 1993 of *Hansard* we had the hon. member for Peel, now the leader of the opposition, saying this:

In my opinion security for our workers, limited though it may be, must not be postponed any longer. On another occasion in the house I have discussed the length of time

democracies seem to take to bring about much needed reforms, and to bring necessary legislation into operation. I regret that we in Canada have spent so much time talking about unemployment insurance, and that it has taken so long to implement the principle by legislation.

Mr. GRAYDON: Do you disagree with what I said?

Mr. CLAXTON: There we have two leading members of the Conservative opposition on the same day taking sides that are opposed to each other.

Then on July 27, 1944, at page 5472 of *Hansard*, the hon. member for Vancouver South said:

> The first step taken by this government was to scuttle the Bennett reform measures; and it was done most effectively. Then, after much prodding, coaxing and pleading, one step was taken toward social security, and that was the passing in 1940 of the Unemployment Insurance Act.

There we have three hon. members at different stages taking views directly in conflict with each other. They differed from each other as to when the Unemployment Insurance Act should be brought in; but to-day they not only differ from each other but they differ from themselves as an entire party. Just last week we had a vote of the whole party present in the house unanimously supporting this legislation, and now they say we should not proceed with it because it is unconstitutional.

Mr. MARTIN: And they differed from their leader, John Bracken.

Mr. CLAXTON: With regard to this question of time, surely hon. members must appreciate that if the Minister of Justice says that a submission to the courts would take two years, that is not the end of the delay required to bring into effect legislation of this kind. After the case was decided the legislation would still have to be brought into effect and the administrative machinery and the machinery for cooperation with the provinces would still have to be set up. It is not only two years' delay that the hon. members of the opposition are pleading for to-day; it would mean three or more years' delay. I submit that the people of Canada do not want to see that kind of delay in this legislation.

Mr. GRAYDON: May I just make one suggestion. The hon. member speaks of delay. I think I made clear in my speech on second reading of this bill that what this party was anxious for was that social reform with respect to the children of Canada should have a very minimum of delay, because of the experience which my right hon. friend across the way had with respect to unemployment insurance where, as he pointed out, it was found to be unconstitutional by the courts and it took not two years as the hon. member for St. Lawrence-St. George now says would be the delay, but from 1935, to July, 1941, before that legislation operated to help the working people of Canada. It was because of that tremendous delay, owing to the experience of the past, that I felt we would make much more time and that we would get relief to the children of Canada much more quickly if we enacted a workable, constitutional measure rather than one that was afterwards found not workable by the courts. I made it very clear, I think, that an act that will not stand up before the courts of Canada is worse than no act at all, and I wish to leave that impression on my hon. friends.

The hon. member for Essex East made some facetious reference, perhaps, with respect to—

Mr. MARTIN: No, very serious.

Mr. GRAYDON: If it was that, it is all the worse for my hon. friend. In any event he made some statement about some division between the national leader of our party and the party in the house. May I say this. I think I made it very clear at the time of the vote that there was no division between the national leader of this party and the group in the house, because actually it was a decision made jointly and a decision to which this party and Mr. Bracken subscribe.

Mr. BLACKMORE: The hon. member for Lake Centre seems to take a certain amount of credit to Mr. Bracken, the leader of the Progressive Conservative party, by reason of the fact that he alone was a great advocate of the implementing of the recommendation of the Sirois report. May I say that when history is written this will stand against Mr. Bracken as the greatest single score upon which he will be condemned.

Of course, all these discussions regarding the constitutionality or the unconstitutionality of almost any measure which may be proposed by any government in Canada for the amelioration of conditions among the people causes a great deal of frustration if not almost dismay and despair among the Canadian people. They begin to wonder what can possibly be the matter with a constitution such as the British North America Act which apparently embodied the principles which seemed sound to the best minds of 1867 and which is being used in a country of almost unbounded resources that it should be so often viewed as an impediment to the progress of the country and an excuse for not doing

things. That really is creating a dangerous attitude in the minds of a great many Canadian people.

I do not propose to go into the matter at length at this time; I merely wish to point a way out. All this talk about the constitutionality or the unconstitutionality with respect to measures for the financial betterment of the people of Canada has come about because governments in power stubbornly refuse to recognize the power that lies in the hands of the federal government by reason of the fact that the British North America Act gave that government control over banking and currency. Just as soon as the government in power begins to use with intelligence and discernment the tremendous power which was given to it through having control over currency and banking, there will be no further anxiety about the constitutionality. In that portion of the British North America Act the federal government was given power to monetize the productive capacity of the Dominion of Canada. I think one may safely challenge any man to show wherein the British North America Act did not give the Dominion of Canada power to monetize the goods produced anywhere, from the extreme northwest of British Columbia to the extreme southeast of Prince Edward Island, or from the extreme south to the extreme north.

As I have said before, this power is entirely overlooked, and is being disregarded by members on both sides of the house. Even men like the hon. member for Davenport will rise in their places and, at least by implication, propose and advocate that powers be taken away from the provinces and placed in the hands of the federal government, that the object of the fathers of confederation shall be frustrated, and that this country shall lose its freedom. They will advocate even such extreme measures as that, rather than develop a little open-mindedness with respect to the power in the hands of the federal government in connection with currency and banking.

All of this is exceedingly dangerous. When the Sirois commission made its recommendations it recommended the establishment of fascism, if not totalitarianism, in Canada. All measures which tend to centralize power in Ottawa are fascistic, and are the exact opposite of those of a democracy. It is a well known and unchallengeable principle underlying democracy that the further the government is taken away from the people who are being governed, the less real democracy is possible. The result is that if we want to establish democracy in Canada, the power must be placed in the provincial governments, and then again in the county or municipal governments.

Even this measure, to which I have not objected thus far, centralizes a great deal of power in Ottawa. I should have much more readily favoured granting the money to the provinces, as direct grants, to which they would be given a constitutional guarantee, as of right, with the suggestion that the money should be used by the provinces for the payment of family allowances. As I said the other day, when replying to the hon. member for Davenport—and not because I find any fault with that good man, one whom I admire greatly—the people in the provinces know how to govern those provinces. There are no men in the Dominion of Canada who know more about governing Prince Edward Island than do the people in Prince Edward Island.

Mr. MacNICOL: I agree.

Mr. BLACKMORE: They know their local conditions; they know their needs, because they have lived in that province. They live in the province; they have built the province, and their children are going to live in it. Why should the power at Ottawa undertake to tell the people of Prince Edward Island how to manage the affairs of that province? The same applies to every province. Because of the enormous distances involved in the dominion, and the wide variety of geography and climatic conditions, it is all the more important that we guarantee to the local governments in the country a greater and greater measure of unchallengeable autonomy. Many people fail to see how that can be done, and still have efficient government guaranteed in the dominion. The reason why they fail to see it is that they do not see the significance of the power of the federal government over currency and banking.

I believe that is all I wish to say at the present time. I register my protest, which shall be applied on every occasion against any tendency to centralize power. That tendency does not stop with Canada. To-day everywhere we hear the urge for a world government which will take away from Canada as a whole the power to govern her affairs. It will take away from the United States her powers to govern her affairs. We are to have an international monetary stabilization bank—

The ACTING CHAIRMAN (Mr. Golding): I wonder if the hon. member would direct his attention to the bill itself?

Mr. BLACKMORE: I am dealing entirely with the constitutional aspect. However, Mr. Chairman, if you rule that I am out of order I shall discontinue. But I believe that this is

a matter which should be emphasized, and I shall not take very long to complete what I had intended to say.

I was just proceeding to say that there is an urge on the part of a large body of people who, I believe, know not what they do, that the power to control these great nations shall be taken from their own governments and placed in the hands of a board of men over whom each individual nation will have next to no control. There is to be set up an international police force to enforce the mandates of that central junta, wherever and of whomsoever it may be constructed.

All this is exactly the abnegation of democracy . It is an extension of the urge in Canada to take power away from the provinces, and place it in Ottawa. I say that this urge can be overcome entirely by the monetary measures I have suggested. I would agree with those who have said that they are not much concerned about the constitutionality of this bill. In my view a provision for family allowances must be established. Of course, if there must be an argument as to constitutionality, then let that argument be carried on after the establishment of the bill.

I support the bill, just as I did the other night when I voted for it. But I would say with regard to it, as I said the other day in connection with the establishment of floor prices, that I do not agree with the financial technique which it is proposed shall be employed in connection with the bill: I do not believe the money should be taxed from the people to pay family allowances.

I venture to tell the Prime Minister, and to tell anyone and everyone in Canada who has anything to do with the administration of the bill that if we go forward with these social measures on the basis that all the money we are to use to pay for social services must be taxed from the people, then we face only frustation and, ultimately, perhaps even despair. However, I support the principle of family allowances, and I shall support the bill.

Mr. BRUCE: Mr. Chairman, I take this opportunity of putting on record something I was prevented from recording when I spoke on a question of privilege. To begin with, I would refer to a statement made by the hon. member for Vancouver Centre, as reported at page 5477 of *Hansard,* in which he said he protested because, as he said, I was endeavouring to create the impression that the quotations by the hon. member for St. Lawrence-St. George and by the hon. member for Edmonton East were inaccurate. I was really doing nothing of the sort. I was attempting to read into the record the whole story with respect to this matter as it was brought out in the British House of Commons and only partly by the hon. member for St. Lawrence-St. George. For that purpose I wish to quote a passage immediately preceding the one quoted by the hon. member for St. Lawrence-St. George when he referred to the speech of Sir John Anderson. This will be found at the beginning of page 1665 of the British *Hansard,* and it reads:

I come to the question of children's allowances. Apart from the Beveridge report, the government have had under consideration for some considerable time this important and somewhat difficult problem. Before the publication of the report, they had come to one clear and definite conclusion: that whatever might be decided about cash allowances, by far the best and the most effective measure, within the limits of its possibilities, is the fullest development of the various child welfare services which bring the benefits directly to the children. It has been, and it will be in future, the aim of the government to develop these services to the fullest possible extent. I may give some figures. Two years ago about 350,000 children were being provided with dinner at school, in England, Scotland, and Wales. Last October the number had increased to 1,000,000, and now it considerably exceeds that figure. Important proposals are being carried out now, which will provide canteens for another 500,000 children, and it is likely that during 1943 a further provision for between 500,000 and 750,000 children will have been approved. On the present showing, therefore, as a matter of current policy, not of future policy, some 2,000,000 out of 5,500,000 children in grant-aided schools will be provided with dinner before very long. It will inevitably be a considerable time before this provision of benefit in kind will reach its maximum. I am afraid it is true that there will always be some measure of inequality, and that there will always be the problem of school holidays. Therefore, the possibilities of the welfare services, which, of course, cover many things besides meals at schools, do not of themselves dispose of the arguments for cash allowances to parents, but it is, in the view of the government, important that such allowances, if granted, should not be at a rate which would in practice prove an obstacle to the fullest development of the welfare services.

Mr. MACKENZIE (Vancouver Centre): What about the next page, 1667?

Mr. BRUCE: I will read that if you wish.

Mr. MACKENZIE (Vancouver Centre): At the foot of the page. That gives the real policy of the government.

Mr. BRUCE: I am not disputing the quotation made by the hon. member for St. Lawrence-St. George.

Mr. MACKENZIE (Vancouver Centre): Does the hon. member realize that immediately after the quotation he just gave, a question was asked of Sir John Anderson if one-half of those one million lunches were

not paid for by the recipients? Then on page 1667 is the final declaration of policy by Sir John Anderson.

Mr. GRAYDON: There is an hon. member making a speech, and unless the Minister of Pensions and National Health is rising to a point of order I think he ought to keep quiet. This is a habit which he is getting into and it is likely to spoil the whole position of this house.

Mr. MACKENZIE (Vancouver Centre): The leader of the opposition has no right and he will not be tolerated in telling me to keep quiet.

Mr. GRAYDON: I will tell you to keep quiet as often as I like, provided I am within the rules of the house, and I am telling you now.

The ACTING CHAIRMAN (Mr. Golding): The hon. member for Parkdale has the floor.

Mr. BRUCE: The hon. member for Vancouver Centre was one of those who persistently interrupted me the other day and would not allow me to read the passage I have just quoted. Now he wants me to go on and read the whole speech. If he wishes to read the speech I am quite willing to have him do so.

Mr. GRAYDON: It might keep him quiet.

Mr. BRUCE: I should like to refer to a few words of the excellent speech of the hon. member for Edmonton East delivered over a national network on Wednesday, July 19, at 8.30 p.m., and released on Thursday, July 20, by the national Liberal federation. She said:

Great Britain has supported children's cash allowances but has not made up its mind about them yet.

I presume that can be taken as an accurate statement of the government's position in the matter. I should like to refer for a moment to a few of the remarks made by the hon. member for Bellechasse, as reported on page 5479 of *Hansard*. He made reference to my grey hair. My grey hair did not prevent me from serving three years in the last war as a surgeon overseas. It did not prevent me from operating in casualty clearing stations within a few miles of the front line for periods of eight and ten hours at a time. It did not prevent me from offering my services as consulting surgeon within three days of the declaration of this war to the then Minister of National Defence, now the Minister of Pensions and National Health. My offer was declined and filed. I again offered my services in this war as a consulting surgeon to his successor, the late Hon. Mr. Rogers, thinking that the experience I had had in the last war might be of some help to our soldiers in some field of activity. Again my offer was declined; I had a very courteous letter saying it would be filed. I have not heard from either of those offers since, and I may say my presence in this house is owing to the fact that I hoped to contribute some war service by coming here when I was refused service overseas. I know the hon. member for Bellechasse has a head of hair which is still black, but I venture to say that he cannot show any better record in this or the last war than the one to which I have just referred.

I should like to say a word in regard to the statement made by the Prime Minister. I cannot find the page of *Hansard* at the moment, but I remember quite well what he said. He referred to me as belonging to another era.

Mr. MACKENZIE KING: It is at page 5527, "champion of the point of view of a past age".

Mr. BRUCE: In view of what he said I challenge the Prime Minister to show that at any time in my life I have spoken for those who believe in a stratified society with the lower classes kept in their places. I have given many years of my life to the service of poor people in this country, more years, I think, than has the Prime Minister. Some years ago, in 1934, I spent a considerable period in studying slum conditions in the city of Toronto. With the assistance of an able committee we wrote a report. That report was published and was brought to the attention of this government in 1936. But in spite of that, this government has made no move to relieve the slum conditions throughout the country or to give better housing accommodation to those very poor who are unable to pay an economic rent.

Mr. Arthur Purvis was head of a commission to write a report on unemployment. While the government brought in legislation dealing with certain features of his recommendations with regard to the provision of housing, they neglected entirely to implement that part of his report which recommended the provision of housing for those in the lowest income group, the poorest people in our community. The government in its legislation provided for people who could afford to pay a certain sum of money down and borrow the rest from some lending company, part of which the government guaranteed, and then the borrowers repaid that money amortized over a period of twenty years. The Prime Minister was not then so solicitous for the humble poor as he seems

to be to-day. He has had many years to think about them, and now, just at the end of a session and before an election, he suddenly becomes very solicitous about these poor people. I should like to remind him of the fact that in 1929 when he was Prime Minister, and in 1930 we had the greatest depression that this country has ever seen, when one million men in this country were unemployed and when a great army of young men were riding the rods, sleeping in hovels and in police stations and had very little to eat.

Mr. MACKENZIE KING: What government was in office then?

Mr. BRUCE: You were in office at that time.

Mr. MACKENZIE KING: No, we were not.

Mr. BRUCE: The present Prime Minister was in office at that time, and when the plight of the unemployed was brought to his attention he replied as follows, and as recorded at page 38 of *Hansard* of 1930, volume 1. When it was suggested that some assistance be given to these unemployed, this was his answer:

My hon. friend said that the present administration had done nothing to relieve unemployment, and he stated that I had said that when the provinces were too poor, then it would be time enough for the dominion to come in and assist. I do not recollect making any statement in those words. What I did say was this, that unemployment was first of all a municipal problem. I might go a step further back and say that it is first of all an individual problem, a problem for the individual and the family, a problem for the community and for societies and groups of societies within the community. Then it certainly becomes a municipal problem. If the municipalities find that they are incapable of dealing with the question of unemployment, it becomes a provincial problem. If the provinces find that they are unable to cope with the problem of unemployment, then I think it very properly becomes a federal problem, but until that stage is reached I think that we may well apply in the matter of unemployment as in all else the old maxim that it is a good thing for everyone to mind his own business. It is a good thing for the municipalities to look after their own business; it is a good thing for the provinces to look after their own business; and it is a good thing for the dominion to look after its own business.

Mr. GRANT: What is wrong with that?

Mr. GRAYDON: That is good advice to you.

Mr. BRUCE: That was on February 24, 1930, when the present Prime Minister was Prime Minister of this country.

Mr. GRANT: I was asking what was wrong with it.

[Mr. Bruce.]

Mr. BRUCE: When these men cried out for help, it was none of the Prime Minister's business; but now, when we are on the eve of an election, he suddenly takes an interest in the poor people of the country, and may I suggest that it may possibly be owing to the fact that these poor people have votes.

Mr. MACKENZIE KING: May I remind the hon. member that since these statements that he has just quoted were made we have had two general elections in which all this kind of talk has been gone over time and again before the public, and they have returned this administration with myself at its head with the largest majorities that have ever been given to the leader of a government in Canada.

Mr. BRUCE: That only shows how you can fool the people. Barnum said that you can fool all of the people some of the time, and some of the people all of the time, but that you cannot fool all of the people all of the time, and the Prime Minister will find, the next time he appeals to the people, that he will not be able to fool them again.

In 1939, after war had been declared, the Prime Minister said at page 24 of *Hansard* of September 8:

I need not tell hon. members that the sense of impending calamity was not something which was realized all of a sudden. Three years ago the government indicated its belief in the necessity for preparedness by asking parliament substantially to increase the amounts required for the defence services of our country. I frankly confess that from that day to this the possibility of a war in which Germany or other nations would be engaged, and which might spread to all parts of the world, has absorbed more of my time and thought than all else combined.

Following that statement, when the Prime Minister was speaking in this house on Tuesday last he gave us certain statistics in regard to the situation that existed among the men who offered themselves as recruits in this war. He spoke as recorded on page 5332 of *Hansard* about the marks of malnutrition and the importance of a revitalized citizenry. He was speaking on this family allowance bill. He stated:

In the six months from April to September, 1942, in all the military districts in Canada, 31·8 per cent were rejected of those who had enlisted for general service.

And later on he said:

The combined rejections amounted to 52·4 per cent.

I should like to ask, since the Prime Minister knew in 1939—and had known for three years before that, which would put it back to 1936—that we were going to have a war, what did he do to improve the nutrition of these

poor people? What did he do to improve the health of the young men of this country, so that when they came up to enlist for service a larger percentage of them would be admitted into category A? I do not think he did very much; nor has he done very much since, because here we are in 1944, and now he tells the people of this country that we must rush in quickly and pass a bill on family allowances so that the nutrition of the poor people will be improved. Yet we know that during these last three or four years these very families have never had as much money before as they now have with which to feed their children. It does not strike me as being particularly logical, nor do I think his position in that respect is sound.

In regard to the subsidizing of large families in Quebec, it is really a matter of subsidizing families where the prevailing rate of pay is lower than prevailing rates in other provinces. I refer particularly to Ontario. In this way it brings about unfair competition between Quebec and Ontario. I remember reading a few years ago in 1941 that a member of the provincial house, Mr. Glass, stated that an industry called the needle trade industry, situated in Toronto, I think in the riding of the hon. member for Spadina—and I believe he can confirm this—was moved to Montreal because of the lower wages which prevailed there. We are asked now to give this subsidy in order to raise these wages to a standard which will enable the families of that province to maintain their children.

I think I said about all I wished to say on July 25, Mr. Chairman, and I shall refer only to one other matter in conclusion. The other day the Prime Minister told us that if John Bracken was in this house he would not dare to make the statement he had made outside this house, when he called this measure a political bribe; otherwise the right hon. gentleman would call the attention of Mr. Speaker to what Mr. Bracken had said and Mr. Speaker would rule him out of order. I am not intimidated by the threat the Prime Minister has made, and I now declare that this measure is a bribe of the most brazen character, made chiefly to one province and paid for by the taxes of the rest.

Mr. MACKENZIE KING: Mr. Chairman, I ask that the statement of the hon. member be withdrawn, as contrary to the rules of this house.

The ACTING CHAIRMAN (Mr. Golding): I think that statement is out of order, and I hope the hon. member will withdraw it.

Mr. MACKENZIE (Vancouver Centre): Is that why his party voted for it?

The ACTING CHAIRMAN (Mr. Golding): It is not in order to make a statement like that. I hope the hon. member will withdraw it.

Mr. GRAYDON: Before the question of the point of order comes up, I was not quite sure just what the hon. gentleman said, in the exact words, and I wonder if he would mind repeating it, because it did not seem to me to be the kind of statement which is covered by the rules and which has to be withdrawn.

Mr. BRUCE: I said that this measure was a bribe of the most brazen character.

The ACTING CHAIRMAN: That will have to be withdrawn.

Mr. GRAYDON: Before a decision on the point of order is made, surely some other hon. members have the right to say something. In looking through the rules I have never been able to find any rule under which a member of the house can be forced to withdraw a statement made with respect to a measure. The hon. member did not make any statement with respect to any member of this house.

Mr. MARTIN: He certainly did.

Mr. GRAYDON: I am going to ask, Mr. Chairman that from now on these ceaseless interruptions be stopped. After all, it is not quite fair to the committee to have these interruptions.

Mr. CLAXTON: Who does the interrupting?

Mr. GRAYDON: Time after time when one rises in his place in this house there is simply a barrage from the government benches directed against hon. members on this side. Because we have only thirty-seven or thirty-eight members—

An hon. MEMBER: You do much more interrupting than we on this side.

Mr. GRAYDON: —is no reason why 175 members of this house should attempt to bludgeon, browbeat and bully members of the opposition. We have our rights in this house. We are sent here by the electors, just as are hon. members across the floor, and we are going to insist on our rights. Because this is a free parliament we want these rights to be respected.

The ACTING CHAIRMAN (Mr. Golding): The hon. member is out of order too.

Mr. GRAYDON: I say, in connection with the point of order which has been raised, that the hon. member for Parkdale has not

at any time attributed to a single hon. member of this house anything which is unparliamentary in its character or in its import. It is all very well for the Prime Minister to make a great pose in this house as to what he would do with John Bracken if he were here; because the right hon. gentleman has 175 followers, what would happen to the national leader of our party. But let me say this to the Prime Minister and to you, Mr. Chairman, that if the rules are followed in this instance my hon. friend will not have to withdraw the statement as I understood the statement was made.

Mr. MACKENZIE (Vancouver Centre): On a point of order, I desire to call the attention of the committee to what occurred in this house the other day. This measure was submitted to the judgment of this house, and unanimously the house voted in favour of it. Now we have the hon. member for Parkdale, who was conveniently absent on that occasion, accusing this measure of being nothing but bribery.

Mr. HOMUTH: Wait a minute. Mr. Chairman, I rise to a point of order.

Mr. GRAYDON: On a point of order, Mr. Chairman—

Mr. MACKENZIE (Vancouver Centre): Mr. Chairman, I am on my feet. I have the floor.

Mr. HOMUTH: I am on a point of order. I have the floor.

Mr. GRAYDON: I have a point of order too.

Mr. MACKENZIE (Vancouver Centre): I am speaking on a point of order, and I do not yield.

Mr. GRAYDON: Let the hon. member sit down until I have stated the point of order. Mr. Chairman, are we all to sit down?

The ACTING CHAIRMAN (Mr. Golding): Yes.

Mr. GRAYDON: All right.

The ACTING CHAIRMAN (Mr. Golding): The leader of the opposition will have an opportunity to speak to his point of order.

Mr. MACKENZIE (Vancouver Centre): I am speaking to a point of order, and I say that anybody who terms this measure—

Mr. HOMUTH: I rise to a point of order with reference to what the hon. member himself has stated in speaking to a point of order. The hon. member referred to the hon. member for Parkdale (Mr. Bruce) being conveniently absent, and he must withdraw that statement.

Mr. MACKENZIE (Vancouver Centre): I say that when the hon. member for Parkdale calls this measure bribery he is reflecting on every single member who voted for it in this house. It is not a matter of referring to the measure. It is an absolute insult to every member of every party in this house including the leader of the opposition, and the statement should be withdrawn.

Mr. HOMUTH: I rise to a point of order. The hon. member made the statement that the hon. member for Parkdale was conveniently absent the other day. He has to withdraw that statement because it is contrary to the rules of the house.

Mr. GRAYDON: That is exactly the point. I am speaking to the point of order. After all, the Minister of Pensions and National Health ought to be the last man to attribute motives to another member of this house, and that is exactly what he did with reference to the hon. member for Parkdale. When any member says that another member was conveniently absent there is only one interpretation that can be put on such a statement, and that is that he was absent from some motive which is unworthy. I ask the hon. member to withdraw that statement.

The ACTING CHAIRMAN (Mr. Golding): I think the hon. member for Vancouver Centre will withdraw that statement.

Mr. MACKENZIE (Vancouver Centre): Certainly sir. I withdraw it—either conveniently or inconveniently absent.

Mr. MACKENZIE KING: The hon. member for Parkdale has referred to this measure as bribery of the most brazen character. He has done so notwithstanding that some days ago I notified hon. members that any statement of this kind was not parliamentary and would have to be withdrawn, since it would reflect upon every member of the house if it were made. What I wish to call attention to is the fact that all hon. members in this house except the hon. member who has risen at this moment, have supported this measure. They have supported what, according to my hon. friend's statement, is a measure which is bribery of the most brazen character. That is a reflection upon any hon. member who has supported the measure and voted on the second reading. May, at page 27, as cited in Beauchesne, sets forth that reflections upon members have been resented as indignities to the house itself. I say that

what the hon. member has stated this afternoon is an indignity which reflects upon the house itself, and I say further that no hon. member in this parliament at any time would have made such a statement except the hon. member for Parkdale.

Mr. BRUCE: When the hon. member for Vancouver Centre said that I was conveniently absent—

The ACTING CHAIRMAN (Mr. Golding): That has been withdrawn.

Mr. BRUCE: Well, I wish to refer to it for a moment—

Some hon. MEMBERS: No.

Mr. BRUCE: I wish to inform the committee that I had to return to my farm because of the muddled man-power policy of this government. I am not able to get enough help to take off the crop and that was the reason why I had to return home.

Mr. GRAYDON: There were a lot of Liberals away doing their chores too.

Mr. BRUCE: I noticed a good many Liberals were home for the same reason. If I had been here I would have voted against the measure, since you, Mr. Chairman, know that my whip arranged with you to pair with me.

Mr. MARTIN: The only Conservative who stuck with John Bracken.

Mr. BRUCE: I think it is going a long way to stretch the rules of the house. I have always been willing to abide by the rules of the house. I made no reflection on any member of the house. They are entitled to vote as their conscience dictates. I regarded this measure at the beginning as a bribe and I still regard it as a bribe. I have said so and I will not retract that statement, Mr Chairman.

Mr. MACKENZIE KING: I submit that after the members of this House of Commons have voted on a measure, and have not only given it their unanimous support but given the strongest of reasons why it should be supported, it is intolerable to have an hon. member say he still regards the measure as a bribe. Such a statement is a reflection on every hon. member of this house. I beg you, Mr. Chairman, to see that the hon. member withdraws immediately, or have the matter reported at once to His Honour the Speaker.

Mr. HOMUTH: Speaking to a point of order, may I say that the hon. member did not refer to any member of this house.

Mr. MACKENZIE (Vancouver Centre): He referred to everyone of them.

Mr. HOMUTH: He referred to a bill; he gave his opinion of a certain bill. He made no reference whatever to the members of the government or anyone else who had voted for the bill, as everyone had done.

Mr. GRANT: You ran away too.

Mr. HOMUTH: Listen. One of these days you are going to talk too loud. I did not run away. I never ran away from you or any other Grit in the country and I will never run away from you. After the next election you will be following—

Mr. GRANT: You won't be in the cabinet.

The ACTING CHAIRMAN (Mr. Golding): Order. I must ask the hon. gentleman to keep quiet. The hon. member for Waterloo South (Mr. Homuth) has the floor and must not be interrupted.

Mr. HOMUTH: I understand he will not do badly under the bill anyway. I maintain again, Mr. Chairman, and I think I am right in my contention, that the rule read by the Prime Minister and by the Minister of Pensions and National Health refers to a reflection on members of this house. It does not refer to any measure itself. If that were the case, then you would have had the right to say to the Prime Minister that he had to withdraw, and that others had to withdraw, the statement that this was a smoke-screen. The one is as bad as the other. If one is out of order, so is the other. I contend that the hon. member is not out of order.

The ACTING CHAIRMAN (Mr. Golding): There are rules, both written and unwritten, governing the House of Commons. When the hon. member makes the statement that this measure is a bribe it does in my opinion reflect on all hon. members who have supported the motion. I do not think the hon. member wants to cast a reflection and I do hope that he will withdraw that insinuation.

Mr. HOMUTH: No reflection on members at all.

Mr. BRUCE: I have already said that I made no reflection and intend to make no reflection on any hon. member. I can quite understand the sensitivity of the Prime Minister. Perhaps he is thinking back to the Beauharnois scandal.

Some hon. MEMBERS: Withdraw.

The ACTING CHAIRMAN (Mr. Golding): I think the hon. member has intimated that he does not wish to cast a reflection.

Mr. MACKENZIE KING: No.

Mr. MACKENZIE (Vancouver Centre): It is six o'clock.

Mr. GRAYDON: He is completely within the rules.

Mr. MACKENZIE (Vancouver Centre): No. It is a reflection on every hon. member of the house, definitely.

Mr. GRAYDON: You are not Speaker. You would like to be, but you are not.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: When the committee rose at six o'clock there was a point of order raised on the statement made by the hon. member for Parkdale. The statement is as follows:

I am not intimidated by the threat the Prime Minister has made, and I now declare that this measure is a bribe of the most brazen character, made chiefly to one province and paid for by the taxes of the rest.

Mr. Mackenzie King: Mr. Chairman, I ask that the statement of the hon. member be withdrawn, as contrary to the rules of this house.

Then there was a discussion on the point of order raised, and a ruling made by the acting chairman at the time asking for a withdrawal. I now want to read to the committee citation 234 of Beauchesne's Parliamentary Rules and Forms, Third Edition. It is relevant to the point of order that I have to decide, and will give me the necessary directions:

It is impossible to lay down any specific rules, in regard to injurious reflections uttered in debate against particular members, or to declare beforehand, what expressions are or are not contrary to order; much depends upon the tone and manner, and intention, of the person speaking; sometimes upon the person to whom the words are addressed, as, whether he is a public officer, or a private member not in office, or whether the words are meant to be applied to his public conduct, or to his private character; and sometimes upon the degree of provocation, which the member speaking had received from the person he alludes to; and all these considerations must be attended to at the moment, as they are infinitely various and cannot possibly be foreseen in such a manner, that precise rules can be adopted with respect to them.

When the Speaker observes upon any expression as personal and disorderly, and tending to introduce heat and confusion, and this appears to be the general sense of the house, the member offending ought immediately to make an apology, and to ask pardon of the house of this breach of their order, in as large and liberal expressions as possible, so as in such apology, to comprehend the person of whom the words were used. This is often very difficult to be obtained, especially when the offending person thinks he had sufficient provocation for using the expressions objected to. This consideration ought to be a warning to the house, and particularly to the Chair, to interfere at first; and not to permit any expressions to pass from a member unnoticed, which being applied by any other member as personally offensive to himself, may draw forth further words of heat and contumely, till at last confusion arises—different members take a warm and eager part in the dispute—and, besides the time that is lost in composing these differences, the House of Commons exhibits a scene of indecency and disorder, not very becoming their character as gentlemen, much less as one of the component parts of the great council of the nation assembled in parliament.

[The Acting Chairman.]

Citation 256 reads as follows:

The imputation of bad motives, or motives different from those acknowledged, misrepresenting the language of another, or accusing him, in his turn, of misrepresentation, charging him with falsehood or deceit; or contemptuous or insulting language of any kind; all these are unparliamentary and call for prompt interference.

Then the following words appear in citation 258:

The words "purchased by legislation" applied to a member of the house are unparliamentary.

The import of those citations will, to a large extent, guide me in my ruling. The word "bribe" has been used. This is the definition that the dictionary gives to it:

Money etc. offered to procure (often illegal and dishonest) action in favour of the giver.

Pervert by gifts or other inducements the action or judgment of.

Any gift or emolument use corruptly to influence public or official action.

Anything that seduces or allures.

There is no doubt of the strength of that word and its full meaning. I believe it was the hon. member for Waterloo South who, in making a comparison, said that the words "smoke-screen" had been used and that those words were just as objectionable as the word "bribe". There could be no comparison as to the right with regard to the use of these two words.

It will be noticed that in all the citations I have given it is always the singular that is used, and not the plural. In this case we are dealing with a definite situation. We are now in committee of the whole discussing an item after second reading has been given to the bill. Prior to the bill being given second reading there was a wide discussion, and finally a vote was taken. All hon. members present at that time voted unanimously and collectively for the bill. In this case we have to make a distinction between generali-

ties and particularities, from the general to the particular, and I feel, and I so base my ruling, that in view of what happened before second reading, a unanimous vote on this particular bill, not a single hon. member, either individually or collectively, thought it was a question of bribery or corruption or anything of that kind. For the reasons I have given and the citations I have quoted I am going to ask that the hon. member make a withdrawal of the words he used, realizing that they were unparliamentary.

Mr. HOMUTH: Mr. Chairman, following that order—

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. BRUCE: Mr. Chairman, I must appeal from your ruling. I regret to say that I will not withdraw the statement I made. I made that statement as against this measure and I maintain that I had a perfect right to make it and I stand by it.

Mr. GRAYDON: On a question of privilege—

Mr. MACKENZIE (Vancouver Centre): No.

Mr. CASSELMAN: You are only the minister of pensions.

Mr. GRAYDON: I wonder who is in charge of this house.

Mr. MACKENZIE (Vancouver Centre): You certainly are not.

The CHAIRMAN: Order.

Mr. GRAYDON: I want to ask the Chairman if I have the right to rise on a question of privilege. I am not anxious to have the advice or the opinion of those across the way until I want them. Do I have the right, Mr. Chairman, to rise on a question of privilege?

The CHAIRMAN: Yes.

Mr. MACKENZIE (Vancouver Centre): On a point of order, Mr. Chairman, I think the rules of the house specifically lay down the procedure. Your ruling has been appealed from by the hon. member for Parkdale. I think the procedure is specifically laid down as to what you should do, Mr. Chairman, you should report the matter to the Speaker of the house.

Mr. GRAYDON: The Chairman has already granted me the right to rise on a question of privilege. My hon. friend ought to know the rules. He ought to know that a point of order does not take precedence over a a question of privilege.

Mr. MACKENZIE (Vancouver Centre): It certainly does.

Mr. GRAYDON: The reason why I rose was this. The Chairman had neglected and omitted to mention that at the close of the proceedings at six o'clock the acting chairman who was then in the Chair gave what I thought was a ruling at that time.

Mr. MACKENZIE (Vancouver Centre): No, he did not.

Mr. GRAYDON: I think we ought at least to have the record of *Hansard* before us to see what the acting chairman actually said at that time before the Chairman attempts to make his ruling at this time.

The CHAIRMAN: I believe the leader of the opposition has the right to call for the record to see what was said by the acting chairman at six o'clock. This is what the record states:

> Mr. Bruce: I have already said that I made no reflection and intend to make no reflection on any hon. member. I can quite understand the sensitivity of the Prime Minister. Perhaps he is thinking back to the Beauharnois scandal.
>
> Some hon. Members: Withdraw.
>
> The Acting Chairman (Mr. Golding): I think the hon. member has intimated that he does not wish to cast a reflection.

That is the last statement that was then given.

Mr. GOLDING: Mr. Chairman—

The CHAIRMAN: I must say that we cannot have a discussion now. The hon. member for Parkdale has appealed from my ruling. I cannot do anything but report to the Speaker.

Mr. HOMUTH: Mr. Chairman, wait a minute. On a point of order—we are still discussing the point of order.

Mr. MACKENZIE (Vancouver Centre): There is no point of order.

Mr. HOMUTH: The point of order was raised.

Mr. MACKENZIE (Vancouver Centre): Order. The Speaker is standing.

Mr. HOMUTH: We are still in committee. We have not gone back to the house.

Mr. MACKENZIE (Vancouver Centre): Order, sit down.

Mr. HOMUTH: We are still in committee of the whole.

The SPEAKER took the Chair and submitted the question to the house in the following terms:

I understand that the hon. member for Parkdale (Mr. Bruce) has refused to accept the ruling of the chairman of the committee and has appealed from it; therefore it is the duty of the Chairman of the committee to report to the house through the Speaker.

Mr. HANSON (York-Sunbury): On a point of order, Mr. Speaker, there have been two rulings from the Chairmen. The acting chairman just before six o'clock ruled that the hon. member for Parkdale had said that he had not intended to reflect on the integrity of any hon. member of this house. That, I took, was a ruling. That ruling I believe has been ignored by the present Chairman, and therefore I think the situation is not as reported to you, sir, the Speaker of the house.

Mr. MACKENZIE KING: Just following what my hon. friend has said, he has made a point and has been careful to say that the reflection was not on any hon. member of the house.

Mr. ROWE: And neither was it.

Mr. MACKENZIE KING: Just a minute. The point I raised was that it was a reflection on every hon. member of the house who was present on the division on the second reading, and was a reflection arising out of a vote that had been taken in the house.

Mr. CASSELMAN: That was your impression.

Mr. MACKENZIE KING: I wish to draw Mr. Speaker's attention to standing order 41, which reads as follows:

> No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

When the hon. member says that this measure is a bribe of the most brazen character, he is referring to a measure which has been brought down by the government, and is reflecting upon the government, upon hon. members who voted its second reading which carried unanimously; and he certainly is reflecting upon the vote of the house.

May I add this, by way of emphasis: What has been said by the hon. member, comes from one who has held the high position of lieutenant-governor in the province of Ontario, one who has been a representative of the crown. The standing order I have been reading to the house begins as follows:

> No member shall speak disrespectfully of His Majesty, nor of any of the Royal family; nor of the governor or person administering the government of Canada; nor use offensive words against either house, or against any member thereof. No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

[Mr. Speaker.]

The hon. member has, notwithstanding the position he once held as the representative of the crown in one of the provinces of Canada used offensive remarks in this house, and against the members thereof, and has reflected upon members of the house, and so far as the house itself is concerned has committed an indignity.

Mr. HOMUTH: Mr. Speaker, speaking to a point of order—

Mr. SPEAKER: Order.

Mr. GOLDING: On a point of order—

Mr. SPEAKER: I am in this position: I have to receive the report from the chairman of committees with regard to what occurred in the committee. When it is submitted to me, I shall read it to the house, and the house will decide what must follow after. No argument and no debate will take place.

Mr. ROWE: Why has the Prime Minister (Mr. Mackenzie King) an opportunity, and nobody else?

Mr. MACKENZIE KING: I answered the hon. member.

Mr. ROWE: You have no more special rights in this house than anybody else.

Mr. MACKENZIE KING: I was not taking special rights.

Mr. SPEAKER: Mr. Bradette, chairman of the committee of the whole, reports that in committee of the whole Mr. Bruce, hon. member for Parkdale, during an address directed to the Prime Minister and the committee, stated that Bill No. 161, an act to provide for family allowances, introduced by the government, was a bribe to the people of Canada. Mr. Bruce was asked by the chairman to withdraw the word "bribe" which he had used. Mr. Bruce refused to withdraw that expression and appealed to the house from the chairman's ruling.

Mr. CASSELMAN: On a question of privilege, may I ask how the chairman made this report, when he was not in the chair at six o'clock? He was not even in the house.

Mr. BRADETTE: I was in the house.

Mr. ROWE: No; you just heard about it during the dinner recess.

Mr. BRADETTE: On a question of privilege, I was in the house when the discussion took place and, more than that, I have read the report of *Hansard*.

Mr. GOLDING: I should have an opportunity to speak.

Mr. SPEAKER: Order.

Mr. ROWE: You have been ignored all through.

Mr. SPEAKER: With regard to the question as to the Chairman of committees making a report when he was not in the Chair, it is the duty of the Clerk to take a note of proceedings in committee, and I now have these notes.

Mr. HOMUTH: I rise to a question of privilege. I say that in the confusion just before six o'clock *Hansard* did not get everything the Chairman had said, because he did accept the hon. member's word.

Mr. MACKENZIE (Vancouver Centre): He did not.

Mr. SPEAKER: The only matter before the Chair is the report from the Chairman of the committee. It is my duty to remind the house that the question is: Shall the ruling of the Chairman be confirmed?

The house divided on the question: "Shall the ruling of the Chairman be confirmed?" And the ruling was confirmed on the following division:

YEAS

Messrs:

Abbott
Bertrand (Laurier)
Bertrand (Prescott)
Blackmore
Blair
Bonnier
Bryce
Burton
Casselman, Mrs. (Edmonton East)
Chevrier
Claxton
Cleaver
Coldwell
Corman
Crerar
Dechene
Dorion
Douglas
Fauteux
Fournier (Hull)
Fulford
Gardiner
Gibson
Gillis
Gladstone
Golding
Graham
Gray
Hanson (Skeena)
Henderson
Hill
Howden
Hurtubise
Ilsley
Jean
King, Mackenzie
Kinley
Kirk
Knowles
LaFlèche
Little
McCann
McCuaig
McCubbin
Macdonald (Halifax)
Macdonald (Kingston City)
McGeer
McIlraith
MacKenzie (Neepawa)
Mackenzie (Vancouver Centre)
MacKinnon (Edmonton West)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
McNiven (Regina City)
Marier
Marshall
Martin
Michaud
Mitchell
Mutch
Nicholson
Nixon
O'Neill
Pinard
Pottier
Purdy
Ralston
Rennie
Roebuck
Rose
Ross (Calgary East)
Ross (Middlesex East)
St. Laurent
Sanderson
Sissons
Soper
Taylor
Thauvette
Tucker
Wright—81.

NAYS

Messrs:

Anderson
Bence
Black (Cumberland)
Black (Yukon)
Boucher
Bruce
Casselman (Grenville-Dundas)
Diefenbaker
Esling
Graydon
Green
Hanson (York-Sunbury)
Hazen
Homuth
MacKinnon (Kootenay East)
Neill
Ross (St. Paul's)
Ross (Souris)
Rowe
Stokes
Tustin
White—22.

Mr. SENN: I was paired with the hon. member for Hamilton East (Mr. Ross). Had I voted, I would have voted against the ruling of the chairman being confirmed.

Mr. SPEAKER: The decision of the house having been given, I wish to direct a remark to the hon. member for Parkdale (Mr. Bruce). He is an old member of the house, accustomed to the dignity and decorum of assemblies. Under circumstances which are very painful to the house and to myself I would ask the hon. gentleman if he would withdraw his remark.

Mr. BRUCE: Mr. Speaker, I regret to say that I cannot and will not withdraw my remark.

Mr. SPEAKER: I must therefore ask the hon. member if he will withdraw from the chamber until the house decides what it will do.

And Mr. Bruce having withdrawn.

Mr. MACKENZIE KING: Mr. Speaker, I would draw the attention of Your Honour and hon. members of the house to citation 280 of standing order 40 in Beauchesne's Parliamentary Rules and Forms, 1927, which reads:

> In case a member persists in using unparliamentary language, the Speaker will be compelled to name him, which is equivalent to submitting his conduct to the judgment of the house. The member should then explain and withdraw and it will be for the house to consider what course to follow in reference to him. If the explanation is deemed sufficient, some member will move that it be accepted. In case the offending member does not explain and persist in remaining in the house, a motion shall forthwith be made, preferably by the leader of the house, "that Mr. . . . member for . . . be suspended from the service of the house."

The hon. member has stated to Your Honour that he will not withdraw the statement which he has made, and I would therefore move:

> That Mr. Bruce, member for Parkdale, be suspended from the service of this house for the remainder of to-day's sitting.

Mr. GRAYDON: May I say to the Prime Minister that this pretty well indicates the degree of seriousness of the offence and, I

think, shows the ridiculousness of the position which the Prime Minister and the government have taken in connection with it.

Mr. SPEAKER: Those in favour of the motion will please say "yea."

Some hon. MEMBERS: Yea.

Mr. SPEAKER: Those against the motion will please say "nay."

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the yeas have it.

And five members having risen.

Mr. SPEAKER: Call in the members.

Mr. MACKENZIE (Vancouver Centre): The Tories against family allowances.

Mr. CASSELMAN: Would you not like to get that on the record?

The house divided on the motion (Mr. Mackenzie King) which was agreed to on the following division:

YEAS

Messrs:

Abbott	McCuaig
Bertrand (Laurier)	McCubbin
Bertrand (Prescott)	Macdonald (Halifax)
Blackmore	Macdonald (Kingston City)
Blair	McIlraith
Bonnier	MacKenzie (Neepawa)
Bradette	Mackenzie (Vancouver Centre)
Bryce	MacKinnon (Edmonton West)
Burton	McLarty
Casselman, Mrs. (Edmonton East)	MacLean (Cape Breton North-Victoria)
Chevrier	McLean (Simcoe East)
Claxton	McNiven (Regina City)
Cleaver	Marier
Coldwell	Marshall
Corman	Martin
Crerar	Michaud
Dechene	Mitchell
Dorion	Mutch
Douglas	Neill
Fauteux	Nicholson
Fournier (Hull)	Nixon
Fulford	O'Neill
Gardiner	Pinard
Gibson	Pottier
Gillis	Purdy
Gladstone	Ralston
Golding	Rennie
Graham	Roebuck
Gray	Rose
Gregory	Ross (Calgary East)
Hanson (Skeena)	Ross (Middlesex East)
Henderson	St. Laurent
Hill	Sanderson
Howden	Sissons
Hurtubise	Soper
Ilsley	Taylor
Jean	Thauvette
King, Mackenzie	Tripp
Kinley	Tucker
Kirk	Wright—84.
Knowles	
LaFlèche	
Little	
McCann	

[Mr. Graydon.]

NAYS

Messrs:

Anderson	Hanson (York-Sunbury)
Bence	Hazen
Black (Cumberland)	Homuth
Black (Yukon)	MacKinnon (Kootenay East)
Boucher	Ross (St. Paul's)
Casselman (Grenville-Dundas)	Ross (Souris)
Diefenbaker	Rowe
Esling	Stokes
Graydon	Tustin
Green	White—20.

Mr. SENN: I was paired with the hon. member for Hamilton East (Mr. Ross). Had I voted, I would have voted against the motion.

And the house having resumed in committee on the bill.

On section 1—Short title.

Mr. BLACK (Cumberland): Mr. Chairman, I desire to place before the committee my position with respect to this bill. The scene that we have witnessed this evening indicates that the purpose of this bill is for its political effect rather than to assist the homes and families of this country.

Mr. MACKENZIE KING: Did my hon. friend say that this bill was intended for political effect and not to assist the homes and families of this country?

Mr. BLACK (Cumberland): That is my interpretation of it, Mr. Chairman.

Mr. MACKENZIE KING: Then I would say, Mr. Chairman, that that is out of order and that the hon. member must withdraw the statement. He is not permitted to make any such reflection.

Mr. HOMUTH: Speaking to the point of order, Mr. Chairman, I think we are getting a little touchy in this house. I think of some of the days when the present Prime Minister sat in opposition with his chief adviser on the procedure of the house, the hon. member for Vancouver Centre, who sits back of him now with the loud voice, which will not be heard when the next election is over—

Mr. MACKENZIE (Vancouver Centre): I have never changed my party, but the hon. member has belonged to every party in Canada. I have never been defeated in an election like my hon. friend.

Mr. HOMUTH: You will get it; the fall will be great, and it will be a good thing for the country.

Mr. MACKENZIE (Vancouver Centre): I have seen letters to the effect that the hon. gentleman was supporting the Liberal party.

Mr. HOMUTH: There he is again. To him—that is his opinion—it seems to be rather more from the point of view of political effect. Surely we are getting very tender-skinned and touchy about things when an hon. member cannot rise in his place and say that. Again I refer to what was said by the Prime Minister the other night, when we were told that our attitude on the constitutionality of this bill was simply a smoke screen.

Mr. MARTIN: It was too.

Mr. HOMUTH: There he goes again. There is another voice which won't be heard after the next election.

Mr. ROWE: There is another screen that smokes.

Mr. GRAYDON: The "little smoke" from Windsor.

Mr. HOMUTH: I protest against the Prime Minister being so touchy on this matter, because an hon. member has said that to his mind there is more of a political effect to this than otherwise. Surely neither you, sir, nor anyone else sitting in that Chair could rule that that was out of order.

Mr. COLDWELL: May I say just a word on the point of order? We have just voted to sustain your ruling, Mr. Chairman, when it was charged that a vote of the house was a matter of bribery rather than the public interest, but I believe that the Prime Minister is on very shifty ground in this respect, when he raises—

Mr. HOMUTH: He will tell you that "shifty" is out of order, in a minute.

Mr. COLDWELL: I will say, "shifting" ground, when he argues that to say something has a political effect is out of order. I think it is rather "slim" ground which the Prime Minister is taking.

Mr. MACKENZIE KING: Let us understand what the hon. member said. It was not a question of political effect; it was the intention—the bill was intended for political advantage and not to help the homes of the children of the country.

Mr. HOMUTH: He did not say "political advantage"; he said "political effect". Read *Hansard*.

Mr. MACKENZIE KING: I did not so understand him, and I did not so state the case. I said I understood the hon. member to say that the measure was intended for political purposes and not to help the families of the people of this country.

Mr. HANSON (York-Sunbury): He did not put it in quite that way. He said it had more of political effect than to help the people—

Mr. MACKENZIE KING: May I say this to hon. members of the house? I have no desire in the world to do in this matter other than protect the privileges of every single hon. member in this house. It is part of my duty as the leader of the house in so far as possible not to allow to pass anything which is contrary to the rules of the house or to the decorum of the house. I have been silent in many cases where perhaps I should have spoken; but after one hon. member has been suspended for reflecting upon a vote of the house, and so reflecting upon the government and hon. members, for another hon. member to endeavour to repeat the same offence is something which cannot be allowed to pass without attention being drawn to it. I have no desire, if there is any doubt as to what the hon. member meant, to press this matter further, but if the hon. gentleman's remark was that this measure was intended for political purposes and not to help the homes and families of Canada, then I say the hon. member should be asked to withdraw the statement.

Mr. HANSON (York-Sunbury): Mr. Chairman—

Mr. COLDWELL: I allowed the Prime Minister to interrupt me, but I had the floor. What I suggest is, let us get on with the business, rather than argue—

Mr. MACKENZIE (Vancouver Centre): The Tories have changed their minds; that is all.

Mr. HANSON (York-Sunbury): Will you just keep quiet?

Mr. HOMUTH: My hon. friend has not a mind to change.

Mr. COLDWELL: As I heard the remark I thought the hon. member for Cumberland was within the rules of parliament, while I did not think the other remark was within the rules of parliament. I think we should now go on with our job here.

Mr. HANSON (York-Sunbury): On the point of order, may I suggest to you, Mr. Chairman, that the Prime Minister took from the remarks of the hon. member for Cumberland something which I believe, knowing him as I do, was farthest from his thoughts.

Mr. TUCKER: Speak for yourself.

Mr. HANSON (York-Sunbury): Will you be good enough to keep quiet? I am trying to inject a little placidity into these proceedings if I can, and I think it is required, because I never saw such a burlesque in the House of Commons in my life as we witnessed here this afternoon. The dignity of this house is at a pretty low ebb. I suggest that the hon. member for Cumberland had nothing further from his mind than to throw a reflection on the membership of this house. What he was saying was that in this interpretation it had more of political effect than it had for the national good. I think we ought to forget about this incident—

Mr. GARDINER: Let him withdraw, and we will forget it.

Mr. HANSON (York-Sunbury):—and this House of Commons ought to recover its dignity, something which has been lost this afternoon, and may bring this parliament into public disrepute. I suggest that all of us should be impressed with this idea, and instead of lowering the prestige of the house by promoting the weakest kind of charge against the hon. member for Cumberland, we ought to try to raise its dignity so that it will be strengthened in the estimation of the people. That is a consideration which, I believe, we have lost sight of to-day. This house has developed into a burlesque.

Mr. MACKENZIE (Vancouver Centre): Who started it?

Mr. HANSON (York-Sunbury): I did not.

Mr. MACKENZIE (Vancouver Centre): Your party did.

Mr. HANSON (York-Sunbury): Why should you interject anything? You cannot keep your mouth shut.

Mr. MACKENZIE (Vancouver Centre): I am a member.

The CHAIRMAN: If I understood the Prime Minister rightly, I believe he has withdrawn his point of order. I appreciate what has been said, and I hope that the committee will abide by the rules and as we proceed, will keep within the ambit of the item then before the committee. I believe that we should follow the rules more closely. If everybody would cooperate with the Chair we would have better order and more relevant discussions.

Mr. BLACK (Cumberland): Mr. Chairman—

Mr. ROWE: Try not to say much against the government, and you will "get by".

[Mr. Tucker.]

Mr. BLACK (Cumberland): I want to place my position before the committee with respect to this bill. As I understand it, the discussion is under two main heads, the principle of the bill—

Mr. MACKENZIE KING: That has been settled.

Mr. BLACK (Cumberland): —and the constitutionality of the bill.

Mr. MACKENZIE KING: That has been settled too.

Mr. BLACK (Cumberland): My position is fairly clear with respect to these matters. I voted for the second reading of the bill; therefore I went on record as being in favour of the principle of the bill. I have favoured such legislation all my life. I had to make a decision some years ago in the provincial legislature, when the revenue of Nova Scotia was only $7,226,000 or thereabouts, while to-day it is about 240 per cent above that, more than $17 million. We had certain social legislation before us for consideration and for enactment, if possible. We had to choose whether we would make a grant for mothers' allowances for the benefit of children, or whether we should adopt old age pensions. The financial position of the taxpayers of Nova Scotia at that time was such that we were not able to adopt both, although we were in principle heartily in favour of doing so. We gave our preference to mothers' allowances, although it did not bring us the political kudos which we would have received if we had enacted old age pensions. It involved an expenditure of about $360,000 a year, which was a very large sum in those days, when our revenues were small and we were operating under a deficit. We passed a mothers' allowances act because it had as its basis the assistance of families, particularly the assistance of children. My record from that day to this has been sympathetic to any measures which have as their purpose the benefit of the children and the family, and that is why on principle I support this measure, although there are many features of it which I do not like.

There is also before the committee the question of the constitutionality of the bill. I have a record with respect to that as well. I am in agreement with the view expressed this afternoon by the hon. member for Yale and several other laymen, also the legal opinions expressed by some members of this house. There is certainly a doubt as to the constitutionality of this bill. I do not see why there should be; I do not see why we should have to give any attention to a discussion as to whether this measure is consti-

tutional or not. I myself have grave doubts how, as the hon. member for Yale expressed it this afternoon, this parliament can vote and administer money for the benefit of children in the home, when we have been told for the last fifteen years that it was unconstitutional to do so for the benefit of the old people in the same home. I am at a loss with respect to that.

Matters of social legislation and unemployment insurance were before our legislature during the time I had a seat in that chamber. I went on record at that time with reference to these questions. The late Hon. Gordon S. Harrington was leader of the party of which I was a member in the house. He proposed an amendment to the speech from the throne, in 1936, placing himself and myself on record. I had the privilege of seconding that resolution. I am going to put it on *Hansard* to-night. It was opposed by the premier of the province of that day, now the Minister of National Defence for Naval Services and hon. member for Kingston City (Mr. Macdonald), the hon. member for Inverness-Richmond (Mr. McGarry), now in this house, and the members of their party. If that motion had been adopted and made effective at that time there would have been no need for this discussion now with regard to the constitutionality.

I wish to read the amendment that was proposed at that time. While it does not refer in precise words to the measure that is now before the house it does so in effect. On March 12, 1936, the Hon. Mr. Harrington moved and I seconded the following motion:

> This house regrets that the speech from the throne fails to indicate that the government of Nova Scotia has proposed or consented to a precise and specific amendment to be made by the parliament of Great Britain to the British North America Act, to empower the parliament of Canada to proceed at once with a centralized dominion-wide much needed social programme of maternity benefits, unemployment insurance, health insurance, accident insurance, widows' pensions, old age and invalidity pensions.
>
> Which amendment being seconded by Mr. Black, and a debate arising thereon, after some time spent in such debate, and the amendment being put from the chair, there appeared for the amendment 6 and against the amendment 18.

No action was taken at that time, and in the following year the proposal was made again by the Hon. Mr. Harrington, supported by myself in the provincial legislature. We went farther. We felt that it was most important in the interests of the people of the province that there should be a clear understanding of what our responsibility was. It was clearly recognized that it was not financially possible for Nova Scotia as a province, to undertake these measures which were so urgent and pressing, that we made a proposal to the government of the day that they support such a resolution, make it unanimous, and submit it to the federal government. They refused to do so and there have been years of delay and uncertainty. I will read the resolution which was proposed at that time on March 17, 1937. It was moved by Mr. Harrington as follows:

> Resolved, that the British North America Act should be amended to empower the parliament of Canada to create and administer a social security plan consisting of accident insurance, health insurance, unemployment insurance, widows' and orphans' pensions, old age and invalidity pensions and incidental and allied matters.

Which would include the matter of family allowances now before the house. An amendment was proposed by the attorney general, the Hon. Mr. McQuarrie, a follows:

> Whereas paragraph 12 of the speech with which this session of the general assembly of Nova Scotia was opened reads as follows:
>
> "My government feels that the recent decisions of the privy council respecting the validity of certain legislation enacted by the federal government in 1935 will necessitate a review of those sections of the British North America Act assigning jurisdiction to the dominion and provinces respectively. In any conference for this purpose my government will ever seek to secure the advancement and promote the welfare of the people who are its immediate care."
>
> And whereas, while these decisions have declared that the jurisdiction to enact certain types of social legislation resides in the provinces, it is desirable that measures of this nature should be dominion-wide in their application.
>
> And whereas this house approves of the announcement of the Prime Minister of Canada in the House of Commons on February 16 that the government of Canada proposed to appoint a royal commission of inquiry to investigate the whole system of taxation in the dominion; to study the division of financial powers and financial responsibilities between the dominion and the provinces; and to make recommendations as to what should be done to secure a more equitable and practical division of the burden so as to enable all governments to function more effectively and more independently within the spheres of their respective jurisdictions;
>
> And whereas this house believes that the scope of social legislation should be extended;
>
> Be it therefore resolved that this house express its view that the investigation to be undertaken by the said royal commission of inquiry should include the reallocation of the cost of social services, unless in advance of the sittings of the commission an agreement as to these matters shall have been reached between the dominion and the provinces ensuring that measures of social security affecting Canada as a whole shall be adopted at the earliest possible date.

Eight years have now passed, and the members of this house as well as the people of the country do not up to this day know

just where we stand. The proposal made at that time was not submitted in any political sense but on its merits, and that proposal was that there should be specific amendments to the British North America Act, which in my opinion every province would have approved, and that those amendments should be enacted in order that the federal government would have the necessary undisputed authority to bring in legislation of this kind, to bring in unemployment insurance and other social measures which it was not within the competence of the provinces to enact and administer or which they were not financially capable of undertaking. If that had been done the people of the country would not have been deceived and much needed social legislation would not have been delayed for years. They have certainly been deceived for years on this question of constitutionality. The question has been thrown back from the federal government to the provinces and from the provinces to the federal government, so that we have not known where we stood.

The hon. member for Lake Centre the other day, in a most admirable speech, one of the ablest speeches I have heard in this house, placed the situation clearly before the house when he asked that, in view of the uncertainty that surrounds the subject, a special case be submitted to the Supreme Court of Canada. It is only fair to the members of this house, especially the laymen, and to the Canadian people, that this be done. If that is refused, then I suggest that we go back to our proposal in Nova Scotia of 1936 and 1937 and accept the motion made at that time by the late Mr. Harrington and his associates and have that proposal enacted so that we may have a specific amendment to the British North America Act. If that were done, there would be no doubt in the years that lie ahead as to what our authority is, and we would be able to pass legislation that would be effective and concerning which there would be no shadow of doubt. That is the position I have taken over the years and that is the position I take to-night.

Mr. ROSS (Souris): I wish to clear up one question that arose in connection with the second reading of the bill on July 27. The Prime Minister interrupted me and the hon. member for Vancouver Centre said that it was propaganda that I was advocating at that time. It is seldom that I have spoken in this house without having my facts before me and when the Prime Minister interrupted me I said that the facts could be found in a book that could be procured from the parliamentary library. I have checked the facts, and I find that in "Who's Who" for 1943 the statement is made that the right hon. Prime Minister was engaged upon the investigation of industrial relations under the auspices of the Rockefeller foundation from 1914 to 1917 and wrote "Industry and Humanity" in 1918. That was all I said. I did not say that he had given up his residence in this country, because I knew then, as I know now, that many men have been overseas for the last four or five years without having given up their residence in Ottawa or elsewhere in Canada, and the elections act provides that they may vote in their own constituencies. The Prime Minister has told us many times of the confidence that the people of Canada have reposed in him, but I would point out that at times this has been by means of an antiquated electoral system. The Prime Minister like many other hon. members was not elected by the majority of the ballots in his own constituency of Prince Albert. He was short some 1,460 votes.

The CHAIRMAN: Surely the present discussion is not germane to section 1 of this bill. I think hon. members should keep to the bill that is now before the committee.

Mr. ROSS (Souris): I was only correcting the impression that took place on second reading of this bill. I have pretty well covered the matter now. I just wish to say that there are some seventy-four members in this house who have been elected to the present house without a majority of votes cast, although in 1919 the Prime Minister's chart, or whatever you wish to call it, did suggest some alterations in our electoral system.

When I spoke on second reading of this bill I said that I did not think it was constitutional. I repeat what I said a year ago, in 1943, in speaking on social security, and as has been well pointed out to-day, it is passing strange to me, if the federal government could not pay old age pensions direct but had to pay them through the provincial governments, how in the world they can profess to pay this grant, family assistance for young children, direct. I do not know. I fail to see where one can differentiate or draw the line between old people and babies in this legislation. As the hon. member for Lake Centre so well argued this afternoon, I think this matter should be referred to the supreme court and there should be a decision, because certainly if it is found to be unconstitutional at a later date, after we have started to put it in operation, it will

be very much worse than having the matter cleared up at the beginning. I wish to make that point very clear.

Mr. MACKENZIE KING: The hon. member has tried again this evening to leave the same impression he sought to leave the other evening, which was to the effect that I was in another country during the years between 1914 and 1918. He has read from the introduction to the book which I had written entitled "Industry and Humanity", that the work of research was carried out at the instance of the Rockefeller foundation. The hon. member perhaps has not known that the Rockefeller foundation has men carrying on investigations in all parts of the world, and that in many instances there is no obligation on the part of the investigators of the foundation to reside in any one place rather than another. It is true I was retained by the Rockefeller foundation to make certain researches. But the writing of the book which my hon. friend has referred to and the researches I made in connection therewith were for the most part carried on in this very city. I have allowed to pass in previous years this story that I was out of Canada during the last war. It has been repeated—

Mr. CASSELMAN: It was not denied until at the time of the last election.

Mr. MACKENZIE KING: No. It was denied when I became leader of my party and has been denied many times since; but I have made it a general rule on matters of this kind to allow people to say what they please and not to pay any attention to them. But this thing has gone a little bit too far. It has gone to the extent where people of this country have come to have an entirely erroneous impression. I told the hon. member the other night that I had written every line of that book in this city and I wish to repeat that to-night. I want to tell him, if he needs to be told, that if he will go to the city hall here he will find that I have paid my taxes every month in this city from the year 1900 to date. If he will go to the Imperial Realty company he will find that I was living at the Roxborough every month of the years to which he has referred to-night. It is true that my duties took me occasionally to the United States to visit large industries in my endeavours to help in avoiding industrial complications—disputes in war industries and in helping to further a maximum production of munitions of war.

Mr. ROWE: On a point of order—

Mr. MACKENZIE KING: I am going to answer the hon. gentleman; I have a right to answer him.

Mr. ROWE: On a point of order, I have the same rights in this house as the hon. Prime Minister. May I say to you, Mr. Chairman, that you were pretty rigid in your ruling as to our sticking to the issue. What has this to do with the bill we are discussing, whether the right hon. the Prime Minister was living in this country or in the United States during the last war? What has that to do with this particular issue?

Mr. MACKENZIE (Vancouver Centre): Tory propaganda, that is all.

Mr. TAYLOR: There is no point of order.

Mr. MACKENZIE KING: I was replying to my hon. friend and I intend to continue to reply to him. I say to my hon. friend who has just taken his seat I hope that he and a few others will some day discover that there is such a thing as chivalry and decency in public life.

Mr. CASSELMAN: You would never know it from what you said to-night.

Mr. MACKENZIE KING: May I say further to my hon. friend that during the greater part of the last war I was a member of the executive of the Canadian patriotic fund, and if he or any other hon. members will take the care to look at the record of the patriotic fund they will find I was present at more meetings than any other single member. During that time I was assisting in every possible way I could, having regard to circumstances which I could not avoid.

Just one further word with reference to what the hon. member for Souris said the other evening. He said that I had placed party before country. At that time he was referring to the words with which I concluded the debate an evening or two before, namely, that I hoped to be able to leave to this country, to my party and to my country an honourable name. Because I said party first, then country, he found it necessary to go out of his way to refer to me as "A man who puts party before country." Perhaps my hon. friend might be interested in knowing that where there are two words and one wishes to emphasize one word more than the other, one usually leaves the word to be emphasized to the last, and where there are two words, one of which refers to something which is greater than the other, one usually, if one is complying with the elementary rules of composition, allows the word expressive of the greater entity to follow the lesser. It may be helpful to the hon. member to keep that in mind from now on. That is the reason why I placed the

word "country" at the end and the word "party" before it. I regard my country as more important than anything else.

Section agreed to.

On section 2—Definitions.

Mr. MACKENZIE KING: I would suggest to the Chairman that these paragraphs of section 2 be taken up one by one.

On section 2 (a)—paragraph agreed to.

On paragraph (b) —" child."

Mr. MACKENZIE KING: I desire to make an amendment to this paragraph which, I think, will meet what my hon. friends have in mind. I have tried to take note of the points which have been raised earlier in the debate. I shall ask one of my colleagues to move an amendment to paragraph (b) of section 2.

Mr. ST. LAURENT: I move that paragraph (b) of section 2 be replaced by:

(b) "child" means any person under the age of sixteen years who is a resident of Canada at the date of registration and—

(i) who was born in Canada and has been a resident of Canada since birth; or

(ii) who has been a resident of Canada for three consecutive years immediately prior to the date of registration; or

(iii) whose father's or mother's domicile at the time of such person's birth and for three years prior thereto was in Canada and has continued to be in Canada up to the date of registration; or

(iv) who was born while his father or mother was a member of the naval, military or air forces of Canada or within twelve months after his father or mother had ceased to be a member of such forces;

but shall not mean any person who is in Canada contrary to the provisions of the Immigration Act.

Mr. GREEN: I take it that the intention of the amendment is to cover the cases of children born overseas whose fathers are in the Canadian forces. Is it the intention that the amendment shall cover the case of a child born to a Canadian soldier who may be in an army of occupation on the continent after the war?

Mr. MACKENZIE KING: It covers the cases of children born overseas, but while they are resident in Canada, not for the period of time that they are overseas.

Mr. GREEN: Will it not cover the case of a child in Great Britain? I believe there are many thousands of children of Canadian soldiers who have been born in Great Britain. The suggestion made by several other hon. members early in the debate was that the parents of those children should be covered. Canadian troops may be in Great Britain and on the continent for some years to come, and I suggest that the family allowance should be payable in respect of the children of those men.

Mr. MACKENZIE KING: My hon. friend is aware that, under the dependents' allowance board, at the present time provision is made for children such as those to which he has made reference. In the opinion of the government, if more is needed for their protection the best method in which to provide that protection would be under the act which already exists for that purpose. My hon. friend will see that payments under this measure will be made throughout Canada. It is hoped it will not be necessary to make payments under this measure outside Canada. However, payments under the dependents' allowance measure, already are made outside Canada; and if further payments are needed, in the opinion of the government it would be better if the necessary provision were made under dependents' allowance than to try to make any further amendment to this measure.

Mr. GREEN: In respect of the child of a soldier living in Canada, dependents' allowance is now paid. The same is true of a child in Great Britain. Under this measure a child living in Canada will receive family allowance. The family allowance will not be paid, however, in respect of the child living in Great Britain. As I understand the Prime Minister's present suggestion, it is that the dependents' allowance would be increased in respect of a child living in Great Britain. I should like to know why children are not treated the same in both cases. Why cannot that be done?

Mr. MACKENZIE KING: This bill does not come into effect until after July of next year. In the interval conditions may arise which, at the moment, cannot be anticipated. But if there is any injustice in any way with respect to any Canadian child born overseas it can readily be met, as I have said, under the dependents' allowance measure, when the time comes; or, if it were preferable, it could be met under some regulations under the present measure.

Mr. COLDWELL: I take it that it is the object of this bill to encourage the rearing of healthy young Canadians. If that is so, then it seems to me that these sections—and I have been able to give them only a cursory reading —are restrictive, and that we are by these sections limiting the children to whom this shall be paid. We are limiting it, because of the changes in residence, in respect of the parents.

Let us take a case in point. This child is born in Canada and has been resident in

Canada since birth. Then the parents moved, we will say to the United States, perhaps in search of work. They return a year later and take up their residence in Canada again. Under these regulations would that child not be debarred until it had been here for three consecutive years?

Mr. MACKENZIE KING: No. There is another section—perhaps my hon. friend has not seen it—which states:

. . . whose father's or mother's domicile at the time of such person's birth and for three years prior thereto was in Canada, and has continued to be in Canada up to the date of registration.

Mr. COLDWELL: That does not cover it. I draw attention to the words "has continued to be in Canada up to the date of registration." That is the point I am getting at. It seems to me to deprive the child of the benefits, under those circumstances. It is the child I am thinking about, not the family.

Mr. ST. LAURENT: Here there are four classes, under which it has been felt that we would include all the children who were residing in Canada, except those who were born outside Canada, and who would not be included until they had been in Canada for three years. First of all, if they were born in Canada, and have remained here, they are covered. If they are born of persons who were not in Canada, but whose domicile or home is in Canada—but born away from Canada—they can be registered as soon as they get back here. And that, incidentally, would take care of merchant seamen.

It might well happen there would be men in the forces who are not domiciled in Canada. But they are in Canada's fighting forces, and they should have the same privilege as if their domicile were here.

Then there is the class who were not born in Canada, but who have been admitted to Canada, and have been here three years. It was felt, with respect to outsiders, that they should not merely by getting in become entitled to family allowances. A certain period should elapse, which would show that they intend to remain here.

I do not think it would be possible under that provision to exclude any who should be included unless, in the view taken by the hon. member for Vancouver South, it should also be paid outside Canada to children born of members of the forces. But, with respect to that, if anything unfair results from paying the allowances to children of members of the forces in Canada, it can be dealt with more conveniently by increasing the dependents' allowance; because there are boards there to determine overseas who are the persons who can receive dependents' allowances, while if it were left generally payable to any child who could claim that one of his parents was or had been a member of the forces, it would be very difficult to arrive at proper decisions.

There would have to be some controlling agency to determine who are to receive the benefits. That controlling agency exists already in the form of the boards administering dependents' allowances. It would be much simpler for the time the children will remain overseas to arrange for an increase in dependents' allowance than it would be to have another separate agency to distribute the allowance.

Mr. GREEN: Why could not the dependents' allowance committee in Great Britain deal with family allowances as well? I presume they will have to do much the same thing in Canada.

Mr. ST. LAURENT: Because this paragraph, as it is, is so broad that it would give rise to claims which the boards administering dependents' allowance would not recognize. They recognize claims for persons who have been living together as man and wife for a period determined by the regulations, but do not recognize other possible situations; whilst this is intended to apply to all children in Canada.

Mr. GREEN: I realize that there might be some administrative difficulties, and there would certainly be some cases in which it would be improper to pay allowances. But I suggest it is unfair to the great majority of men in the forces who are overseas and who have children there. A man who was married in Great Britain and perhaps at the present time has two children—and I believe some of them have two or three—is, in my opinion, entitled to the family allowance. I do not see that there is any reason why there should not be a family allowance paid in respect of his children. They are Canadian children, just as are children here in Canada. I do not think administrative difficulties should deprive that man of the allowance.

Mr. ST. LAURENT: It would be unfair only if the amount were not paid. There will not be any unfairness in paying an equivalent amount as an addition under dependents' allowances, if in dollars and cents it is the equivalent. There would not be any unfairness in not calling it by two names.

Mr. GREEN: The dependents' allowance is paid only by order in council.

Mr. ST. LAURENT: Yes.

Mr. GREEN: Which was passed under the War Measures Act.

Mr. ST. LAURENT: Yes.

Mr. GREEN: But this family allowances measure is primarily a peace-time measure. The man overseas should have the same rights as people in Canada.

Mr. ST. LAURENT: So far it is not intended to provide for children who are going to live abroad. It would be quite proper to provide for them by an increase in dependents' allowances while they are there because of their fathers' connection with the armed forces of Canada. If, after the war is over, they decide to remain abroad it would not be the purpose of this law to provide them with allowances while living abroad.

Mr. GREEN: I agree with that, but there will probably be a Canadian army in Europe after the war. We shall probably have troops in the army of occupation and there will be many Canadian troops remaining in England after the war on military duty. It will take a long time to get even the present families back to Canada and I suggest that allowances should be payable in respect of children of those men.

Mr. ST. LAURENT: Dependents' allowances will be paid and will have to be paid so long as the men remain in active service overseas. It will be quite a simple matter to equalize the benefits for them so that they will not be inferior to the state they would be in were they in Canada and receiving money from two different sources.

Mr. GREEN: Then it is plain they are to get a second dependents' allowance, something of that type?

Mr. ST. LAURENT: If there are children of Canadians who are still in the forces when this becomes operative they should not be discriminated against; they should get as much money as they would if they were in Canada.

Mr. GREEN: Can the Prime Minister give us an assurance that the children of the men in the armed forces will be paid the same amount of money as the children in Canada?

Mr. MACKENZIE KING: I cannot say whether I will be in the next parliament or not, and I am therefore not in a position to give any undertaking as to how this measure will be carried out. If I am here to assist in carrying out its provisions, I shall certainly see first and foremost that justice is done to the men of the armed forces.

Mrs. CASSELMAN: Supposing a Canadian woman, for instance, a Canadian nurse marries a man who is not a Canadian. I know of girls who went to South Africa who have married South African men. If they come back to Canada would they have to put in three years residence?

Mr. CLAXTON: No; it is the father or mother.

Mr. GREEN: They would have to wait three years. Paragraph (iv) reads:

> Who was born while his father or mother was a member of the naval, military or air forces of Canada or within twelve months after his father or mother had ceased to be a member of such forces.

In the case of the nurse, she would have to leave the service to be married, and if she did not return within a year then they would have to wait three years.

Mr. ST. LAURENT: If the child were born more than a year after she had left the army and she then came back to Canada, that child would have to wait three years because she would then come in as an immigrant under the Immigration Act. If the child were born within a year from the time she left the army, that child would come under paragraph (iv) of this section.

Mr. MacNICOL: I have a case upon which I should like a little clarification as to the status of the children of the union. A man and woman were married before war broke out. He enlisted in the first brigade that went overseas and his wife followed him overseas. They have had two children since they arrived there. What would be the status of those children of that soldier?

Mr. ST. LAURENT: Just as soon as he got back—

Mr. MacNICOL: When they get back home would their ages start from the registration in Canada or the registration in the old country?

Mr. ST. LAURENT: At the time of the registration in Canada.

Mr. MacNICOL: This man is a soldier and he cannot come back, but his wife decides to return to Canada. He is still a Canadian and his children are Canadian, even though born in England. If the children of a soldier, who cannot come back to Canada, who are born in Great Britain, decide to come to Canada, would their ages start from the registration in England?

Mr. ST. LAURENT: The ages would start from the time of the registration in England, but the payments would start from the date of the registration in Canada. Until the children get back to Canada their cases should be taken care of under the dependents' allowances, but as soon as they get back they would not have to wait three years before becoming entitled to family allowances.

Mr. MacNICOL: Supposing a child was born in 1941 in England and does not return to Canada with his parents until 1945. Would the age as far as Canada is concerned start from the date of registration in England, where the child must be registered, or from the date of its return to Canada?

Mr. ST. LAURENT: There are two registrations, one for the purpose of determining the age, and the other, a special registration, to determine whether one is entitled to come under the family allowances measure. When that child would get here he would be four years old and he would receive $5 a month until he had completed his sixth year; that would be for two years after he got back, and then he would draw $6 a month.

Mr. COLDWELL: I am still not clear about one point. Sometimes we have cases under the old age pensions regulations where an old age pensioner goes away, perhaps to Great Britain, thinking he may be able to live there with some relations. He comes back again after breaking his residence for a year and finds that he is no longer eligible for old age pension. I am thinking of a case of this kind. A family may register their children on July 1, 1945, and then, later, because of family necessity or the need of work or something of that sort, they move across the border. They remain there for fifteen or sixteen months and then come back. Would not those children under these four clauses be denied family allowances?

Mr. ST. LAURENT: They would if domicile had been abandoned, but if they had merely gone abroad with the intention of returning that would not change their domicile. Had we used "residence" only, the result that the hon. member fears would have happened, and that is why we used both residence and domicile. If one goes away with the intention of coming back, his absence would have no such effect.

Mr. COLDWELL: But they do not always know what they are going to do, whether they will change their residence or domicile. Whenever they come back it may be held that since they had left the country to get work, we will say, they had actually abandoned their domicile. I am asking this question because there will be the odd case and it is the odd cases that cause trouble in the public mind. Somebody says, "I have been a Canadian for three, four or five generations, and just because I happened to be away for a year or so I am denied benefit under this bill." We have had such cases with old age pensioners.

Mr. SLAGHT: Domicile is a question of intention and it can easily be inquired into. If such a one went away with the intention of abandoning his Canadian domicile for good, he would forfeit his right.

Mr. KNOWLES: I should like to quote an example along that line in connection with old age pensions. I am thinking of a person who came from England and has lived in Canada for a total of forty years. At the age of fifty-five he returned to England for a visit, intending to return to Canada shortly. While in England he became ill and had to remain there for four or five years. Although his intention had not been to stay in England, when he came home it was stated that for the purposes of old age pension his 20-year period between the ages of fifty and seventy years had been broken and that he could not qualify for an old age pension, until some years after the age of seventy. A person in that situation feels it very keenly. He says: "Here I am a British subject and a Canadian citizen and because of this technicality I fail to qualify." If this clause in this bill stands the way it is, it will be only a matter of a few years before we shall have similar cases brought to our attention as members of parliament. Canadians of several generations will come to us and say: "I went away, not intending to stay, but something happened and I had to stay, and now I bring my children back, and although they qualified before I went away I find that now I have to wait three years before they can qualify again." It seems to me that in view of cases such as we have indicated the Prime Minister might reconsider the wording of subparagraph (i) so that it would read "who was born in Canada and is resident in Canada at the time of registration."

Mr. MACKENZIE KING: The clauses have all been very carefully considered, but there will be cases arise and one cannot see at the moment how they may be interpreted. It depends undoubtedly on what the whole motive of the bill may be and in the carrying of it out in accordance with what would be equitable treatment. I cannot imagine that this measure would be administered in a way that would prejudice any child who has a real ground for receiving benefits under its provisions. But may I direct the attention of hon. members to this point. You can sometimes say too much in acts of parliament and by so doing convey an impression that is far from the one that is intended. My hon. friend the leader of the party has spoken of families that might go to the United States for a short time and then come

back. I can conceive of cases where families might leave Canada, for example, if there was a gold strike in California or something of the kind, and the father might wish to go there and take the chances, and might stay there for a couple of years and then come back. If the attempt is made to cover every class of case that may arise, the measure might soon be rendered unworkable. To deal as my hon. friend suggests with cases of the kind might encourage people to leave Canada instead of causing them to remain here, and one of the purposes of this measure is to encourage families to stay in Canada and help build up the country. There is power to make regulations under the bill. The regulations will be submitted to this house and to parliament. The government will have to report on all the regulations that are made. If there are injustices they will be remedied at the right time, but to attempt to anticipate every circumstance would make the legislation unworkable.

Mr. COLDWELL: I realize that there is a great deal in what the Prime Minister says, but the difficulty is that the letter of the law is often adhered to rigidly, and it is because of some of our experiences with old age pension cases that we are anxious about this. I know it was not the intention of parliament to say to an aged person who comes from Alberta to Ontario with a view to being with the only relatives she has—I am dealing with a particular case now—"You cannot get the old age pension unless you go back to Edmonton and apply for it there." I have a case that I have been dealing with for six or seven months, and this old lady telephoned me recently and said, "I suppose I will have to spend part of my last one hundred dollars to go back to Edmonton." That is the kind of case I have in mind where the letter of the law is applied rigidly and leads to difficulties that were never intended. I think the letter of the law in this case is pretty rigid, but I must confess that to widen it to the extent my colleague the hon. member for Winnipeg North Centre suggests would be, as the Prime Minister indicates, opening the door very wide indeed. But I should like to see some further consideration given to the phraseology of this clause. I am not suggesting any wording at the moment.

Mr. ST. LAURENT: The case suggested by the hon. member for Winnipeg North Centre would qualify a child who was born in Canada while his mother was on a visit to Canada. If she returned to her home in, let us say, the United States and then came back, her child could be registered immediately, whilst if the child had been born at his home and then came to Canada he would have to wait three years. I think that is a distinction which should be made. He should not get any special benefit because of the fact that while his mother was touring Canada he was born. I think it will be found that all the cases that could be covered have been covered. Hon. members will notice that this language is much broader than that used in the Old Age Pensions Act. Some of the difficulties which arose under the old age pensions legislation arose because a portion of the pension is payable by the provinces and each province wants to take care only of its own. Provisions are being made this year to clear up that situation and to remedy many of the difficulties which have arisen in the administration of the Old Age Pensions Act.

Mr. COLDWELL: I hope that that will be done soon because of some cases that I know.

Paragraph (b) agreed to.

On section 2, paragraph (c)—Institution.

Mr. DIEFENBAKER: With reference to paragraph (c), is it intended that orphanages, homes for children and the like are to be entitled to this payment? I notice that in section 4 (1) it is provided—I omit the portions that are inapplicable:

> The allowance shall be payable . . . to a parent . . . or to such other person as is authorized by or pursuant to the regulations to receive the same.

Mr. ST. LAURENT: It is not intended that allowances shall be payable to institutions. It is intended that payments shall be made to a parent. If the hon. member will look at paragraph (f) he will see what parent means:

> "parent" means a father, stepfather, adoptive father, foster father, mother, stepmother, adoptive mother, foster mother or any other person who maintains or has the custody of a child, but does not include an institution.

The intention of the bill as drafted is not to substitute the allowance payable under this bill for the provision that is now being made by the provinces for the care of children in institutions.

Mr. GREEN: Section 5 refers to an agency. It says:

> The allowance shall be applied by the person receiving the same exclusively towards the maintenance, care, training, education and advancement of the child, and, if the minister or such officer as is authorized by regulations in that behalf is satisfied that the allowance is not being so applied, payment thereof shall be discontinued or made to some other person or agency.

What does that mean?

Mr. ST. LAURENT: That was intended to cover such welfare organizations as have been rendering so valuable and patriotic a service in the administration of the dependents' allowance. Hon. members know there are some cases where the dependents' allowance, instead of being turned over directly to the person who would normally receive it, is paid to a welfare agency which disburses it and sees that it is used in the manner that was intended.

Mr. GREEN: Then this is not intended to cover an institution?

Mr. ST. LAURENT: It is not intended to cover an institution. I suppose there might be a case where a parent would be receiving an allowance and would be using an institution as a boarding house where the child was actually living. He would have to show that he was maintaining the child in order to get the allowance. But it is not intended to pay the allowance for the purpose of relieving the provinces of what they are now doing in the institutions for those who are not cared for by their parents.

Mr. GREEN: There really is no definition of "institution" in the bill. It reads:

(c) "institution" shall have such meaning as may be prescribed in the regulations.

I think that is very poor draftsmanship, and I should like to know why "institution" is not defined in the bill.

Mr. ST. LAURENT: It was left in this form because it was felt that it would be difficult to make a description which would fit the cases of all the nine provinces. Administrative machinery will have to be set up, and the intention is not to substitute this for the disbursements which are being made by the provinces now, under subsection 7 of section 92, of the British North America Act, for eleemosynary institutions which are within their exclusive jurisdiction; and it was felt that in setting up the machinery it would be possible to ascertain what would be the proper description to fit the various kinds of institutions doing that work in the various provinces. In my province there are institutions of a certain character in some places; there are others of another character, sometimes in the same place. Up to a few months ago my own home was alongside a Protestant orphans' home, which was an organization under the direction of the Church of England. There are institutions in the city of Quebec under the direction of the Roman Catholic church, some under the direction of the Salvation Army, some under the direction of the Independent Order, Daughters of the Empire, and one under the direction of the Ligue des Jeunes Filles—all getting subsidies from the province to assist them in the work they are carrying on; and it was felt that it would be dangerous to attempt by statute, without an investigation over the country at large, to make a definition which would fit them all.

Mr. GREEN: Is it the intention that any of these institutions will get the allowance?

Mr. ST. LAURENT: No; it is the intention that institutions which are financed by provincial authority will not get the allowance. These institutions, by subsection 7 of section 92 of the British North America Act, are under the exclusive jurisdiction of the provinces. It is intended here that the allowance shall go to the children who are maintained by individuals, those individuals being of a class described in section 2, paragraph (f), as "parents".

Mr. DIEFENBAKER: I am still in doubt as to just what the minister means. I can understand very well that an institution financed by a province shall not be entitled to any allowance for the maintenance of a child. Do I understand that any organization, orphanage, home for children, and the like, which is maintained by a church organization, is to be entitled to an allowance, when the parent pays any amount to that institution for the maintenance of his children?

Mr. ST. LAURENT: The allowance will be paid to the parent and he will make his arrangements with the institution.

Mr. MacNICOL: In case a child is found on the street, it is taken, of course, to whatever institution the police have for taking children to and then is handed into the possession of some organization, the Children's Aid Society, or some such body. I am not very familiar with that part of it, although there is some activity of this kind in Toronto. Then that society hands such children over to people who will adopt them; whoever adopts them gets the money?

Mr. ST. LAURENT: Yes.

Mr. MacNICOL: There are other cases—I know of a number—where homes are operated by good, ordinary, humane people, usually motherly women, and they look after, perhaps, three or four of these children and raise them. Would they be entitled to receive the allowance?

Mr. ST. LAURENT: If they do so, not as an institution which would come within subsection 7 of section 92 of the British North America Act, but as adoptive parents, they

would get it. It is not the intention to insist upon legal adoption. Hon. members will see that the definition is quite wide. It includes adoptive mother, foster mother or any other person who maintains or has custody of a child. It is the fact which is intended to be looked to rather than the legality of the proceedings under which the child has been taken into a private family.

Mr. ADAMSON: What about a child of unknown parentage in an orphanage?

Mr. ST. LAURENT: An orphanage will not receive the allowance, but if a child of unknown parents is adopted by an individual, the individual adopting the child will receive the allowance.

Mr. HOMUTH: In view of the fact that orphanages so often are in charge of provinces, would the provinces benefit to any extent?

Mr. ST. LAURENT: No.

Mr. HOMUTH: They would not get anything?

Mr. ST. LAURENT: No.

Mr. KNOWLES: I have already had some representations on this very point from the constituency I represent. A number of people whom I know are concerned about the assistance which some of these orphanages and homes may or may not receive. In part their concern will be covered by the minister's statement that where parents or others are paying for the keep of children in homes, they will—

Mr. ST. LAURENT: The parents will receive the allowance.

Mr. KNOWLES: Fine. There is another angle to it which, it seems to be, might be investigated further. The aim of this whole measure is to improve the conditions surrounding the children of Canada.

Mr. MITCHELL: To put the children back in the home. That is what I would think it was for—rather than in institutions.

Mr. KNOWLES: That is the proper course to pursue where the parents are living—

Mr. MITCHELL: And where they are not living.

Mr. KNOWLES: —and wherever it is possible for this to be done. The hope of all of us in supporting this measure is that the conditions surrounding all the children of Canada, the houses they live in, the clothing they wear, the food they eat, will be improved. Why should not children in orphanages have the same opportunity of some slight improvement as a result of the money which we are voting under this measure? That is our primary concern, not so much assisting the family budget, although that is the way you achieve the purpose in view. Our primary concern is to improve the conditions of the children. I have already been asked, for example, whether certain orphanages and homes in Winnipeg will receive this benefit so that the children in these homes may have better conditions.

Mr. ST. LAURENT: It was felt that these orphanages and like institutions were expressly declared by subsection 7 of section 92 of the British North America Act to be a provincial responsibility, and it is a responsibility which is being discharged by the provinces. I know that in my province these institutions now receive sixty cents per day per infant. I think that amount is paid up to a certain age; I did not inquire as to what the allowance was when children get beyond four or five years old. It used to be forty cents; it was increased to sixty cents because it was found that forty cents a day was not sufficient to provide for them adequately. But the provision which is made is fixed at what is necessary for their upkeep, and we would have no way of saying that the provinces would have to continue to make the same provision as heretofore, or to make such additional provision as the increase in the cost of living might require, and it would be merely taking for the federal exchequer a burden which is already being carried by the public through the provincial exchequers. It was felt that if this were done there would be a much better chance of getting children back into individual homes where the surroundings are perhaps more congenial than they are in the institutions.

Mr. HATFIELD: What about an orphanage in a province that receives no support from the province?

Mr. ST. LAURENT: If it receives no support from the province, the province is not discharging the responsibility which the British North America Act has put upon it.

Mr. MacNICOL: What about children whose parents send them to an institution for one reason or another? Would the parents be allowed to turn the money over to the institution?

Mr. ST. LAURENT: Certainly. Not only will they be allowed to do so, but the institutions will insist upon their doing so. Institutions, I know, do now accept children of parents who are not providing for them and who are supposed not to be in a position to provide for them. If it is the opinion of

the institution that in respect of a child the parent is receiving from the government a certain sum of money, the institution will insist on getting it or will not keep the child. But the money will go from the federal treasury to the parent, who will have to apply it for the children. Under the other provisions the hon. member will see that if the children are in an institution and the parent is receiving money and does not apply it to the maintenance of the children, they will be cut off.

Mr. MacNICOL: If the money is given to the institution by the parent, how does the government know that the money given for a particular child, or for two or three or four children, went to the children's upkeep? How will the inspector know that the money is spent on them?

Mr. ST. LAURENT: The government will not know that, but it will know that that money is being used for the benefit of the child. Whether that is the money which is used to buy the milk or the porridge that the child does consume, or whether it is not, the government will know that it is used in the institution for the maintenance of the child. But it will not attempt to identify the commodities bought individually with that money.

Mr. ROWE: Will they be sure of that all the way through?

Mr. DIEFENBAKER: Does that mean that as far as children's aid societies, maintained under provincial laws are concerned, they would not be entitled to any part of this?

Mr. ST. LAURENT: Not as against the crown.

Mr. DIEFENBAKER: Or in any way?

Mr. ST. LAURENT: They would be entitled as against the parents whose children are being aided. It would be stipulated that they should receive it, but they will not be entitled as against the crown to receive it direct.

Mr. HOMUTH: But suppose the parents are dead or cannot be found and the institution itself has the responsibility for these children? They would get no assistance under this?

Mr. ST. LAURENT: No, because they are performing a work specified in subsection 7 of section 92, and it is a provincial responsibility to maintain those institutions. Up to the present they have been maintained. This is a measure for the assistance of children living in individual homes.

Mr. DIEFENBAKER: Having regard to the explanation given by the minister of the reason designated that these institutions shall not receive any payment, which is to prevent any question of constitutionality being raised in this regard—

Mr. ST. LAURENT: It is not to prevent any question of constitutionality being raised but to prevent any suggestion that the federal government is trying to control the conduct of those directing these institutions. They are not under federal authority but under provincial authority. It is intended under this legislation to see to it that the money which is voted is expended for the purpose for which it was voted, and it was not felt desirable to attempt to exercise any control over the institutions which are expressly put by the constitution under the jurisdiction of the provinces.

Mr. CLAXTON: In further answer to the hon. member for Lake Centre, I may say that both in Ireland and in New Zealand, where no constitutional question could arise, the institutions maintained by the state are not recipients of family allowances.

Mr. GREEN: What administrative organization is planned for checking these cases? There will have to be many investigations and continual checking. What organizations are to be set up to do that work?

Mr. ST. LAURENT: What is planned is to have first of all a registry and the registration will constitute the title until something else is shown. It will operate, I hope, as satisfactorily as the administration of dependents' allowances. There have been enlisted now almost a million persons and a large proportion of them are married. There are a great many family allowances being paid under the name of dependents' allowances, and that has been going on since 1939. It has not required any elaborate machinery. It has operated in a manner that has caused little or no complaint; and it is hoped that there will be, if perhaps not to the same degree, at least to a satisfactory degree, the same willingness on the part of the Canadian public to be of service during peace as there has been manifested during war. There is not a city in Canada where public-spirited citizens have not spent a lot of time to assist in the proper administration of dependents' allowances, and it is hoped that the same public-spiritedness will continue to exist. No doubt there will have to be some machinery, just as has been provided to administer dependents' allowances, but it is not anticipated that there will be anything of a different

nature, and this will be spread over the whole country. I cannot say just what organizations will be used, but it is not the intention to set up an entirely new organization which will be giving full time in every little village to the administration of family allowances.

Mr. GREEN: Can the minister give an example of the organizations that would be used?

Mr. ST. LAURENT: These matters have not been determined. They have been discussed and are being discussed, and it is because it is felt that it will require a great deal of investigation and consideration that power is being asked to provide all these through regulations. But what I have in mind for the village in which I was born, for example, and where I still have a brother and sister residing, is that the postmaster or the secretary treasurer of the municipality would probably be the local officer attending to it, and it would add very little to the other work which that kind of official is performing. That is the way in which these things are done under the dependents' allowance scheme. The officials available where the work has to be done are those who are looked to to do it.

Mr. GREEN: About what number of people would be required to administer these allowances?

Mr. ST. LAURENT: I could not even make an estimate.

Mr. GREEN: The government must have some idea of how many new civil servants will be required.

Mr. ST. LAURENT: From statistics that were given here the other day, at the present time over 600,000 cheques a month are being distributed to dependents of members of the forces. Now, it may be that two or three times that many cheques would have to be distributed. The task will be a little larger. It is not a task of a different kind. A lot of experience has been gained in the administration of payments to be made for children through the operation of dependents' allowances.

Mr. GREEN: The government must have some estimate of the personnel that would be required. About how many civil servants will be required to administer family allowances?

Mr. ST. LAURENT: So far as I know, no estimate has been made of how many civil servants will be engaged in administering this. There are quite a number already in the Department of Finance who will be controlling it, but the details of the machinery required have not been determined; and what was stated to the government was that it was not a problem different in nature or kind but only different in magnitude from that which had to be faced in the distribution of allowances to dependents of men in the forces.

Mr. GREEN: I take it that there has been no estimate of the number required to administer the measure. Has there been any estimate of the cost of administering it?

Mr. CLAXTON: If I may answer my hon. friend as well as I can I should point out, following what the Minister of Justice has said, that there has been a great deal of experience in connection with the administration of dependents' allowances. Under the dependents' allowances regulations 609,854 cheques are issued each month. They are issued from Ottawa. They are issued by the treasury officials, and it is estimated that it takes something like forty officials to issue 100,000 cheques and to keep 100,000 accounts. It is estimated, as the Prime Minister said, that if every family having children entitled to receive family allowances receives an allowance this will mean something like one and a half million cheques. Therefore it is possible to estimate that the treasury officers who will have charge of the bookkeeping and administration from that point of view may total something like nine hundred.

Mr. ROWE: That would be just to write the cheques?

Mr. CLAXTON: That is writing cheques, taking account of changes and also keeping the necessary ledger accounts. But in addition to that there are two other operations which I might mention briefly. The first is registration. It is hoped that registration may be effected entirely through the instrumentality of the post office itself; that registration forms in the first instance would be distributed by letter carriers, collected by letter carriers, mailed by local postmasters to the local office or to the provincial offices of family allowances and there entered on the registers. Therefore that operation will be conducted by an existing agency of the government.

Mr. ROWE: Free?

Mr. ADAMSON: Yes, but what check will you have?

Mr. CLAXTON: I have not come to the question of check. The forms that will be required will be rather simple, probably consisting of not more than seven or eight questions. I would assume that following the practice in other countries they will have the

effect of a statutory declaration or affidavit and that ultimately adequate evidence of the birth of a child will have to be furnished. It might put a very heavy strain both upon the organization and upon the provincial authorities to require it right at the outset. Then, the registration forms which have been sent in to the provincial office of family allowances will have to be checked and ultimately investigated, but investigated in the first instance by checking with other existing vital statistics information largely in the hands of the provinces. It will not require a very large staff to deal with that. Why it is impossible to give my hon. friend or the members of the committee an accurate estimate of the number of staff that will be ultimately required is this: it is not known yet how much assistance can be obtained from the agencies that are ordinarily under provincial jurisdiction. It is hoped that there will be the very closest cooperation with the provinces and with those agencies. If there is that cooperation, then the number of federal investigators that it will be necessary to appoint would probably be very small. But if, on the other hand, it is found that it is not possible to use existing agencies to the degree that is hoped, then there will have to be a larger number of federal agents; but the employees—

Mr. GREEN: In that event about what number will be required?

Mr. CLAXTON: It is very hard now to suggest to my hon. friend the number that will actually be required. It would certainly seem that in the field staff something in the neighbourhood of five hundred would probably be more than adequate under any circumstance.

Mr. GREEN: Does that include the staff of the different offices across Canada? The parliamentary assistant said a few minutes ago that there were to be offices in the different centres in the provinces.

Mr. CLAXTON: No; that would be additional, but that would be for field staff, welfare officers. My hon. friend asked for an estimate of the cost of administration. From examining the cost of administering the dependents' allowance legislation and the cost of administering family allowances in New Zealand and Australia it is possible to say that the cost should be less than two per cent and probably closer to one per cent than to two per cent, and if—

Mr. GREEN: What would that work out to in a year?

Mr. CLAXTON: On $200,000,000, from $4,000,000 maximum down to $2,000,000 minimum. That $2,000,000 minimum would be an exceedingly good target to aim at and I do not suppose it could be achieved; but judging from the investigations made by the treasury officers I should think that $4,000,000 a year is quite possible.

Mr. GREEN: There are nine hundred treasury officers? That is the estimate?

Mr. CLAXTON: Yes.

Mr. GREEN: Five hundred field staff. What is the estimate of staffs in the different centres out in the province?

Mr. CLAXTON: That would be another five hundred.

Mr. GREEN: That is a total of nineteen hundred.

Mr. CLAXTON: Yes.

Mr. GREEN: Will there be any other requirements?

Mr. CLAXTON: Not that anyone can see to-day.

Mr. GRAYDON: I should like to ask one question that has been confusing me somewhat, but perhaps it is clear to the other hon. members of the committee. Speaking generally, I understand that those allowances are really payable to those who receive less than $1,200 a year actual income; otherwise, as I understand it, they will be paying income tax. For those above the $1,200 level—and that includes everybody in this chamber, for instance—the exemption given is $108 per child under certain ages. I think eighteen is the age limit with respect to income tax. It is not clear to me, under this measure, whether or not cheques are issued to those above the $1,200 level, or whether it is simply a matter of making an adjustment by way of receipt for the exemption in respect of the amount that actually would be payable. If cheques are to be issued to all parents whose children are under sixteen years of age, regardless of their income tax levels, then of course the problem will be very much greater from the point of view of administration, and from that of issuing cheques. I was wondering if the parliamentary assistant would clear up this point, because the question has been asked me on many occasions, and I am sure other hon. members have been asked with respect to the kind of machinery which will be in operation in connection with those above that salary level.

Mr. CLAXTON: If I might make a correction of a figure I gave the hon. member for Vancouver South I would say that the number of treasury officers estimated to be needed is 600—not 900.

This bill does not purport to deal with the income tax situation, as the leader of the opposition no doubt understands. It will be noted that section 8(1) says:

> Nothing in this act shall preclude such adjustment of the deduction on account of a dependent child from tax payable under the Income War Tax Act as may be necessary to avoid duplication of benefits under the Income War Tax Act and this act.

By that provision the legislation aims to warn recipients of cheques that they are not going to get both family allowance and full allowance for their children under the Income War Tax Act. But that is not being dealt with in this bill. I am informed it is the intention of the government that that will be dealt with by way of an amendment to the Income War Tax Act to be introduced at the next session of parliament, which will certainly be held prior to the coming into force of family allowances, on July 1, 1945.

If I might answer my hon. friend briefly on one point, I would say this. Both in his speech the other day and again to-night, he mentioned the figure of $1,200 as being the limit of income above which a person would not benefit from family allowances. I do not know if he was using the figure as an illustration, or if he used it as a definite top level. But from the tables I have seen, some people in peculiar circumstances, getting as much as $5,000 income, will benefit from family allowances. The number of people getting over $1,200 a year of gross income who will benefit from family allowances will be much greater than those above that figure who do not benefit from those allowances. But, as I have said, that is a matter which is not to be dealt with now.

Mr. MacNICOL: Would the parliamentary assistant give some further explanation on that? It is important.

Mr. CLAXTON: That is not intended to be dealt with under this legislation. That will be dealt with by an amendment to the Income War Tax Act, and when the amendment is introduced it will be fully explained to the house. I will be quite frank and say it is not easy to explain the operations of family allowances and the income tax deductions in respect of children, so as to avoid duplication. That is not a simple thing to do. It is not a simple thing to work out, in view of the changes made by legislation this year. That is still being worked out.

The purpose, however, is to make it quite clear and that is the intention of this section, —that no one shall benefit both from family allowances and from the Income War Tax Act, and that no one will be worse off than he is to-day. Those people receiving the full allowance for their children, to which they are entitled under the Income War Tax Act, will not receive any allowance by way of family allowances.

In answer to the hon. member who asked whether cheques would be sent out to those people who could not possibly benefit from family allowances, I can say that that is still under discussion with the income tax authorities. It may be easier for all concerned to send cheques out to everyone, and then have a final adjustment on the income tax return, rather than sort out in advance the number of people who could not possibly benefit under the family allowances measure. That number, I might tell the committee, is something under 200,000. There are fewer than 200,000 taxpayers who are in a position where they cannot benefit at all under the measure.

Mr. GRAYDON: Fewer than 200,000?

Mr. CLAXTON: Yes.

Mr. GRAYDON: I presume the parliamentary assistant means there are fewer than 200,000 who would not benefit to the full extent.

Mr. CLAXTON: Yes, that is correct.

Mr. GRAYDON: But there will be, I suppose, a shading off, as you get into certain income tax brackets?

Mr. CLAXTON: Yes.

Mr. GRAYDON: I think that pretty well answers the problem I had in mind. For instance, let me take my own case. I have three children under the age of sixteen. Two of those children would be, I fancy, eight-dollar children, and one would be a six-dollar child. By the way, I hope the Prime Minister is not listening too intently, because these are matters he would not understand. I would expect in those cases that I would not be receiving cheques each month; rather I would presume that my children's allowance against my income tax, which amounts to $324 a year, would be set off against it—and that would be the end of it.

However, I can quite readily see my hon. friend's point, because I suppose it is a question of deciding which is the easier process of administration—as to whether cheques should be sent out, or whether the whole thing should be forgotten, so far as income tax is concerned.

Mr. MACKENZIE KING: As my hon. friend observes, as the part of wisdom on these matters dealing with children, I leave them to my Benedict colleagues.

However my hon. friend has referred to his case, and I might refer to mine. Perhaps this will help to illustrate just how much easier this whole business may be to administer than would at first appear. The provisions of this measure relate only to families. There will be no necessity of keeping track of those individuals who have no families. Where there are families, in ninety-nine cases out of a hundred the chances are that already registrations will have been made, and those registrations will help to verify other matters of registration, will verify information given as to numbers, and the like. Children must be registered when they are born, and families do not move as readily as individuals. That is an important fact to keep in mind in connection with the administration of this measure, and the difficulties surrounding its administration—or rather the limitation of the extent of those difficulties. I mention this only because it throws some light on that aspect of the matter.

The ACTING CHAIRMAN (Mr. McCann): For the last half hour the discussion has been entirely irrelevant. We are dealing with definitions, and particularly to the definition of "institution". I would ask hon. members to confine their remarks to that.

Mr. ROEBUCK: Before leaving this paragraph I would ask the parliamentary assistant whether or not the decision as to the sending of a cheque to a person who, perhaps, is in a three- or four-thousand-dollar income tax bracket, would not depend upon the person himself. For instance, if I wish family allowances to be paid to my wife, instead of my having the privilege of deducting it from my income tax, I shall make that application. If I do not wish to have it done in that way, I will not make the application. Will not the matter work out through the volition of the taxpayer, rather than through the arrangements made by the department? If I wish my wife to have it, I shall apply for it. If I do not wish her to have it, I shall take my deduction. Is that not the way it will work out?

Mr. GRAYDON: That might be the solution to the problem in my mind. I take it that the application would be made and the cheques issued. Perhaps the suggestion of the hon. member for Trinity would cure the problem. Those of us who would normally be entitled to exemption under the income tax might decide that there is no point in having cheques come in and then having them go right out again. There would thus be duplication and trouble to the taxpayer.

Mr. CLAXTON: The number of taxpayers in Canada is estimated to be 2,000,000. The number of taxpayers who are married with dependents of every kind, some of whom might come under family allowances, is 800,000. The number of income taxpayers who would benefit in part if one dependent is a child under sixteen years is estimated at 521,000. The number who might benefit, depending on a number of the dependents being children under sixteen years, is 98,000. The number who could not benefit at all is 181,000. This makes a total of 800,000. The figure of 181,000 will fluctuate from year to year. Since the income tax is now on a pay-as-you-go basis it might well be that the income tax authorities will advise that the only way in which to handle this is to pay every one the allowance and adjust it at the end of the year. But the suggestion made by the hon. member for Trinity is certainly one that is being considered.

Mr. ADAMSON: It would fluctuate from month to month, too.

Mr. BURTON: I believe we are on the clause giving the definition of "institution." I am disappointed that the government has not found it feasible or possible to arrange that these allowances shall be paid to children in orphanages. Those of us who have had any experience in raising a family know that the allowance which is intended to be paid would in no way provide for the proper upbringing of a child. As has been stated previously, this is considered to be a provincial responsibility.

In the province from which I come there are several orphanages. I believe the oldest and largest is situated in the constituency the Prime Minister represents in this house. I am sorry I have not the amount of assistance the province has given to these institutions, but I know that in years gone by, had it not been for the help received from the district from which I come, the children in this orphanage in the constituency of the right hon. gentleman would have had extremely slim living and a very hard time to get along. In later years a fraternal organization has carried on a province-wide appeal for assistance for this institution.

There is also another institution in the southern part of the province at Indian Head which is sponsored and supported by another fraternal organization. I want to point out to you, Mr. Chairman, and to hon. members of the committee that the small sum being given under this legislation is not going to provide any child with a proper upbringing. This

allowance is to be paid to some people who can take it along with other money they have earned and yet place a child in an institution. As the Minister of Justice pointed out, this is properly done if it is to the advantage of the child. By this bill we are attempting to provide for the children of parents in unfortunate circumstances and I submit that there could not be any more unfortunate child in this country than the one who has lost both parents and must of necessity be in an orphanage. Consequently, I say I am disappointed that the government has not seen fit to work out some system whereby it would be possible to give this little bit of assistance to the children in these institutions.

Mrs. CASSELMAN: I think it will be found that in a great number of cases the child who has been left an orphan will be taken by relatives, perhaps a cousin or an uncle or an aunt. When this small assistance is being given, the child would not be placed in an orphanage. It may mean that children will be kept in the homes of relatives who could not otherwise afford to keep them were they not receiving the help to be given under this bill. I look for more children in homes and fewer in orphanages.

Mr. MacNICOL: Will the definition of "child" cover an Eskimo or Indian child?

Mr. MACKENZIE KING: I would suggest that if the committee would keep to the particular clause we are on we would make greater headway. There is reference later on to that and I think the question could be asked more appropriately at that time.

Mr. ADAMSON: I understood the Minister of Justice to say some time ago that allowances under this bill would be paid to an adult who sponsored a child in an orphanage. Would that mean legal adoption or could you just sponsor a child?

Mr. ST. LAURENT: It would not be sufficient for one to say that he would sponsor any child who came along. He would have to come within the definition of paragraph (f), but if unable to keep the child in his own home, he would have the child maintained in an institution where he would be paying board. In that case he would receive the allowance and make his own arrangement with the institution.

Mr. ADAMSON: He would have to be more than *in loco parentis?*

Mr. ST. LAURENT: There would have to be some sort of factual relationship existing between the child and the adult for the adult to be regarded as his parent.

[Mr. Burton.]

Mr. NEILL: I happened to be out of the chamber, and I am not sure that the question I have in mind has been brought up under this section. Paragraph (c) reads:

"Institution" shall have such meaning as may be prescribed in the regulations.

I do not understand why it is necessary to adopt that form. This is supposed to be an explanation, but it is really no explanation at all. It is simply handing over to the people who will draw up the regulations the power to say what it means. In the other paragraphs of this section we find definitions of "child", "maintains", "minister", "parent", "registration" and so on. There is no attempt made in this section to explain the meaning of "institution". It says:

"institution" shall have such meaning as may be prescribed in the regulations.

Is what we mean by "institution" so complex that it cannot be explained in a paragraph just as "child" is explained in paragraph (b)? This takes the whole power away from parliament to define an institution and gives the power to the person who will draw the regulations. Is this committee incapable of defining "institution", or is there anything improper about it that we cannot deal with it here? Is this one definition out of them all beyond us, that we cannot say what the word means? It is a common thing in this house to say, whichever party is out of power, that the government is governing by order in council, but orders in council are not nearly as bad as the abuse of the power to make regulations. Orders in council, many of them, are just matters of passing a resolution, and they must be passed by thousands in time of war. The real damage, if damage is done, is done by abuse of the power to make regulations. This power to make regulations generally appears at the back of an act where it is scarcely noticed, and it gives the framer of the regulations power almost to make an act that suits him. It is generally provided that the regulations must be laid on the table, but has any hon. gentleman had the experience of trying to get something that has been laid on the table? I was referred to three different people when I tried to get something that had been laid on the table, and finally I was told that I might get it in a few months hence if I am lucky. I would ask whoever is in charge of the bill to explain why it is necessary to take all powers away from this parliament to define such a simple ordinary word as "institution".

Mr. MACKENZIE KING: May I say to my hon. friend, who mentioned that he was out of the house and did not know what had

taken place in his absence, that this matter was discussed and a full explanation was given by the Minister of Justice. He will find it in *Hansard* to-morrow. In the same connection may I say, and I think the leader of the opposition will agree with me, that paragraph (c) was carried some little time ago and we have since been discussing paragraph (d). I only mention this because I am sure hon. members are anxious to get on with the business of the house and certainly there has been a lot of time wasted to-day.

The ACTING CHAIRMAN (Mr. McCann): If paragraph (c) carried, I did not so understand. Paragraph (d) was not called. Shall paragraph (c) carry?

Paragraph (c) agreed to.

On section 2, paragraph (d)—"maintains".

Mr. GREEN: There is the same difficulty in this paragraph because it says "'substantially' shall have such meaning as may be prescribed in the regulations". There again it does seem to me that we should have the full definition given in the bill and not leave part of it to be done by regulation. Could the Minister of Justice explain why this provision is inserted?

Mr. ST. LAURENT: There are two parts to the paragraph. It says, first of all:

"maintains" means maintains wholly or substantially.

There was no agreement at the time whether it was 51 per cent or 51½ or 60 or 75 per cent, and so it was said that there may be some other way in which it will be possible to determine who will get the allowance. It is not to be divided, one portion going to one person and another portion going to another. There should be some way to determine in a practical fashion what will appear as to be reasonable as to what "substantially" means. It may not be the same in every locality. Hon. members will see in a later clause that the allowance is paid only while the child is being maintained. It may be that the regulations will have to declare that a male child on a farm, not going to school, is still substantially maintained by his parent, while a male child not going to school and working for somebody else would not be substantially maintained by his parents but would be substantially maintained out of his own earnings. It was because we were not at the time prepared to deal exhaustively with all the cases that may have to be dealt with for the purpose of determining who shall get the allowance and in what cases there should be no allowance paid at all because there would not be substantial maintenance by the parent, that the clause was worded in this way.

Mr. KNOWLES: Am I right in assuming that "maintains" in this paragraph does not require maintenance by a parent of his child in his own home? I have in mind the case of a parent who has an invalid child, we will say a mental case. The parent maintains that child in a private nursing home or in a home where invalids are cared for. He will receive the allowance without question?

Mr. ST. LAURENT: If the facts are such that the parent is maintaining the child he will be entitled under the bill to the amount. The child might be away from home for a portion of the year. There will be children to whom this measure will apply who will be away from home for several months at a boarding school but who will still be maintained by their parents. A child undergoing treatment in a hospital but still maintained by his parents would be eligible.

Mr. KNOWLES: The particular case I have in mind is that of a parent who maintains a child in a private home but for whom I was not able to secure certain income tax adjustments when I brought the case up in the house a few weeks ago. I am glad to know that this clause will cover that case.

Mr. ST. LAURENT: This is intended to allow the drawing of regulations which will provide for the allowance being paid when there is complete maintenance and even when there is what would be regarded as substantial maintenance.

Mr. ROEBUCK: I wonder whether we are using English in its proper meaning, Mr. Chairman. "Substantially" was held by Mr. Justice Riddell, of the supreme court of Ontario, who wrote the judgment, to mean "in substance". What is meant here is not "maintain in substance", but "maintain wholly or in part".

Mr. ST. LAURENT: The provision is that the regulations will determine what "substantially" means and they would not have to rely on Mr. Riddell's judgment for that purpose.

Mr. ROEBUCK: Do I understand that the regulations will be sufficiently broad to give "substantially" a meaning that it has not had before, or some meaning which is in contravention of the meaning of the word? Whether Mr. Justice Riddell wrote the judgment or not, "substantially" means "in substance"; it does not mean "in part".

Mr. ST. LAURENT: It has certainly acquired the meaning "in large part", whether that be correct according to its origin or not.

Mr. ESLING: In British Columbia it sometimes happens that when a parent is incapable of looking after a child the magistrate

or some other authority will have the child sent to a home at the coast. Then the city is billed for the expense, which is usually three or four times the amount allowed under this bill. I am just wondering whether the city will be reimbursed in such a case.

Mr. ST. LAURENT: No.

Mr. ESLING: I should also like to ask the minister, what about those parents who do not register births with the vital statistics branch? Take, for instance, Doukhobors, who have large families and ignore the registration of the births of their children. It will be necessary, I take it, that they produce a birth certificate.

Mr. ST. LAURENT: There will have to be registration, and registration will be in accordance with the formalities prescribed by the regulations; and if they do not register they will not be entitled to any allowance.

Mr. ESLING: What about the municipalities?

Mr. ST. LAURENT: A municipality will not be regarded as a parent.

Mr. GRAYDON: The municipality will not be a parent?

Mr. ST. LAURENT: No.

Mr. GRAYDON: Well, we are making some progress on that score, anyway.

Paragraph (d) agreed to.

Section 2, paragraph (e) agreed to.

On section 2, paragraph (f)—"parent".

Mr. KNOWLES: I should like to suggest an amendment to this paragraph. I hope that the Prime Minister will give it consideration. Frequently the tendency is to look with suspicion upon amendments from the opposition side, but I would suggest that this paragraph, and also, if I may refer to it at the moment because it is related to it, section 11 (a) of this bill might be amended so as to put the choice of the mother first, as the one to receive the allowance. I would point out that in the two amendments which I intend to propose I leave the governor general in council with the power it has under the sections as they are now worded, to make varying arrangements in different provinces or for different classes of persons. But it seems to me that, in view of the experience of countries where family allowances are in effect, which in most cases is that it has been found desirable to make the payment to the mother, and in view of the considerable feeling here that that should be the case, we should try to word the bill so that the first choice will be the mother. Would you, Mr. Chairman, be lenient with me to the point of letting me read to the committee and particularly to the Prime Minister, the two amendments I would propose? First:

That section 2 (f) of Bill No. 161 be amended by removing the words "father, stepfather, adoptive father, foster father," from their present position and inserting the said words after the words "foster mother" in line 31.

If that were done, the section would then read:

(f) "parent" means a mother, stepmother, adoptive mother, foster mother, father, stepfather, adoptive father, foster father or any other person who maintains or has the custody of a child, but does not include an institution.

Legally that would not change the picture at all, but it would, so far as wording is concerned, put the mother, or the person taking the place of the mother, first, and I think it is more than likely that in the case of most of the provinces and in the case of most classes of persons the desire will be to have the cheque sent to the mother.

Along with that amendment it would be necessary to make a change in section 11 (a), and I hope you, Mr. Chairman, will permit me to read my proposal at this point so that the Prime Minister will have the whole proposal before him. I suggest that when we reach section 11 (a) it be made to read:

(a) provide generally that payment shall be made to the mother, stepmother, adoptive mother or foster mother, without limiting the right of the governor in council to provide in respect of any province or any class of cases that payment shall be made to the parent prescribed in the regulations.

I point out again that legally that does not change the situation. The governor in council might, under the wording which I have laid down, provide that payment would be made right across Canada to the father, but it would put the mother first at least as far as the wording is concerned. I think it might have the effect of encouraging provincial authorities to think in that direction and, I suggest, this would be more desirable. If it were not for the different concept of civil law that we have in the province of Quebec—I am not objecting to that in any way; I am simply stating a fact—I think it would be desirable to follow the practice of other countries where family allowances are in effect, and make it payable only to the mother; but because we have that different concept, which we respect, in one province of this country, I suggest that we should word this bill not in ironclad language, but nevertheless so that the primary emphasis will be placed on the parent to whom I think it is desirable that the allowance be paid in all provinces where it is possible, namely, the mother. I read the second amendment so that

the Prime Minister may know just what I have in mind for the later section. At the present time I move, seconded by the hon. member for Melfort, the amendment I have sent to the Chairman.

Mr. MACKENZIE KING: As the hon. member has said, the order does not make the slightest difference in the legal effect. If that is the case it seems to me there is a very strong reason for following in this statute the course followed generally in the statutes of Canada. In looking over the statutes it will be seen that the rule has been to mention the father in the first instance and the mother and child in that order. If it were going to have any real effect in the direction which my hon. friend thinks is desirable, namely, that this government or the provincial governments were more likely to put the emphasis on the mother than on the father, there might be some point to it; but I submit that it is better to hold to what is customary in statutes and allow the arrangement itself to be made in accordance with what may appear to be best in the different localities concerned.

Mr. KNOWLES: I might say to the Prime Minister that I regard the amendment to the later section, to which I have already referred, as the more important one. My reason for introducing this amendment at this point is that if my amendment to section 11 (a) were accepted by the Prime Minister and the government, it would then make the wording of this section seem a bit odd in its present form. Maybe I am counting on too much in hoping that my amendment to section 11 (a) will be accepted, but I dare to hope that. I just want to say to the Prime Minister that I did not feel that his argument that this statute is following other statutes on the law books of this country carries quite the weight he attached to it. This is a different kind of measure. This is a measure such as we have not yet on the books, concerned about improving the conditions of all the children of the country. As he knows, despite his bachelorhood, it is the mother who is closer to the children in their younger days, and I urge there is a real argument for payment being made to the mother. I suggest that this statute should be looked upon as something new and different in Canadian legislation.

Mr. DIEFENBAKER: In connection with that, the Prime Minister has pointed out that it would not make a bit of difference as to the order. I was reading the other day that in New Zealand they found it worked out better in the payment of allowances to make them payable to the mother only and that, as I understand it, is the law in New Zealand to-day. In Australia, as the hon. member for St. Lawrence-St. George said, the payment can be made to institutions but not to institutions that are wholly or mainly maintained either by the national or by the state government. In that connection I would ask the Prime Minister whether consideration has been given the question, whether or not in the interests of the maintenance of the children it be directed that the payments be made to the mother.

Mr. MACKENZIE KING: Yes, decidedly so, and that is the reason for paragraph (a) of section 11, under which the governor in council may make regulations to give effect to and carry out the objects of this bill and, without restricting the generality of the foregoing, to provide generally or in respect of any province or any class of cases, that payment shall be made to the parent prescribed in the regulations. That provision was inserted after very careful consideration of all eventualities as likely best to meet the very purpose which the hon. member who has just spoken and the member who has moved the resolution have had in mind. I think the administration, speaking generally, would favour payment being made to the mother. Speaking generally, we see a great deal to be said for that particular objective; but in bringing it about it has been thought that the end will perhaps be best served by having the regulations made after there has been opportunity of conference between officials administering the federal measure and officials in the different provinces. A good deal has been said about the desirability of conferring with the provinces on matters of the kind, and that end would be well served if this were one of the questions that would come up for consideration between the two.

Amendment (Mr. Knowles) negatived.

Mr. NEILL: I do not say it is very important, but I suggest that it would be advisable to insert the word "grandfather" in (f) giving the definitions. I know several cases where the grandfather is the sole support of the child, and while it may be said that grandfathers come under the term "or any other person" I believe there is some rule of law to the effect that when you once begin defining things you must put in some clause reading something like this, "while not impairing the general application of this regulation", and then go on to state specific cases. That has not been inserted here, and it might be said that as the house went to the trouble of defining all these different people—there are six or seven of them—

possibly it intended to leave out grandfathers. It would not do any harm to insert that word.

Mr. MACKENZIE KING: If you put in grandfather you ought to put in grandmother, and there may be cases where great grandfathers and great grandmothers would have to be considered. "Or any other person" would cover all.

Mr. NEILL: Why insert the word "stepfather"? That is a more remote relation than grandfather.

Mr. MACKENZIE KING: It is one that is not apt otherwise to be noticed.

Mr. GRAYDON: You will be getting mothers-in-law and so on.

Paragraph (d) agreed to.

Paragraphs (e), (f), (g) and (h) agreed to.

Section agreed to.

On section 3—Monthly allowance.

Mr. KNOWLES: This is an important section and it is late, almost eleven o'clock. Would the committee not prefer to report progress?

Mr. MACKENZIE KING: Unless the house prefers to sit an extra hour with a view to getting through with its business this week.

Mr. COLDWELL: It has been a long day.

Mr. MACKENZIE KING: I move that the committee rise and report progress.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, August 1, 1944

The house met at eleven o'clock.

DEFENCE INSTALLATIONS

CANADA AND LABRADOR — EXCHANGE OF NOTES BETWEEN CANADA AND UNITED STATES AS TO PAYMENT OF EXPENDITURES

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to table an exchange of notes between Canada and the United States of America constituting an agreement respecting the payment of expenditures on defence installations in Canada and in Labrador, signed at Washington, June 23 and June 27, 1944; three copies in English and three in French.

The exchange of notes which I have just tabled, dated June 23 and June 27, 1944, between the Canadian ambassador in Washington and the Secretary of State of the United States constitute an agreement under which the Canadian government undertakes to reimburse the United States government for certain works which the latter have constructed in Canada. It covers also certain United States expenditures at the base constructed by Canada at Goose Bay in Labrador.

The Minister of Munitions and Supply (Mr. Howe) informed the house in February of the government's decision to reimburse the United States government for permanent improvements which they had made to airfields on the northwest staging route and in the northwest generally. Then in April the Minister of Finance (Mr. Ilsley) stated that as part of an understanding which he had reached with the secretary of the treasury of the United States in connection with the Hyde Park declaration, the Canadian government would reimburse the United States government for permanent improvements which they had made to other airfields in Canada and for the telephone line from Edmonton to the Alaska boundary, which was also built by the United States. The exchange of notes which I have tabled is an agreement between the two governments on this subject and, with its appendices, goes into considerable detail as to the amounts spent in various localities.

It has been agreed that Canada will reimburse the United States to the extent of 76·8 million dollars, United States funds. This covers construction costs incurred by the United States government on works of permanent value on the northwest staging route, the flight strips along the Alaska highway, the flight strips along the Mackenzie river, the airfields in northeastern Canada, the airfield at Mingan, Quebec, the airfield at Goose Bay, Labrador, and the telephone line from Edmonton to the Alaska boundary. An additional 13·8 million dollars spent by the United States on these projects is not being repaid by Canada, since, while necessary for the prosecution of the war, it represents wartime expenditure for United States purposes and provides nothing of permanent value; for example, temporary barracks and other housing facilities. However, all these works, whether of permanent or non-permanent value, are relinquished to the Canadian government and it is I am sure a source of satisfaction to both governments that a specific agreement has been reached regarding the disposition of these facilities.

I should also point out that in addition to reimbursing the United States for the outlays under reference Canada has assumed substantial expenditures for the construction of war-

time facilities which were originally made on the understanding that we would be reimbursed by the United States. Our expenditures under this head in Canadian funds will total 34·7 million dollars. Thus including our reimbursements to the United States and the expenditures which we are making ourselves the amount expressed in Canadian dollars which the Canadian government is spending on the airfields and related projects mentioned in the exchange of notes is of the order of 120 million dollars.

Hon. members will observe that all of the foregoing expenditures were incurred in connection with defence installations in northwestern and northeastern Canada. Both are vital areas in the joint defence plans of the United States and Canada. Through the permanent joint board on defence far-reaching defence measures have been taken to close these back doors of the continent against attack by Germany and Japan. In concept and in execution the defence plans for these areas represent one of the most effective examples of cooperation among the united nations. At the same time these facilities have become links in the offensive plans of the allies. Planes fly across the northwest to the Pacific theatre of war and across the northeast to Europe.

Considerable information has already been given to the house and to the public about the northwest staging route, but for reasons of security little information about the northeast staging route has so far been made available. The need for a northeast staging route was originally suggested to Canada by the United Kingdom government in August, 1940, with the suggestion that the matter be discussed with the United States. Long-range bombers were already being ferried across the Atlantic through the Newfoundland airport at Gander, but this airport was congested and there were no facilities for ferrying short-range bombers or fighters which were beginning to come off United States assembly lines in considerable volume. Following discussions between Canada and the United States the United States proceeded to investigate the possibilities of establishing airfields in Greenland while Canada proceeded to reconnoitre Labrador. In June, 1941, Mr. Eric Fry of the topographical survey, who had been seconded to the Royal Canadian Air Force, discovered an ideal site at Goose Bay, North West river, and a preliminary survey was made. A United States army air force party subsequently examined and recommended the site. By agreement with the government of Newfoundland construction was begun by Canada almost immediately and the field was in use before winter closed in.

It was subsequently agreed by the governments of Newfoundland and of the United Kingdom that Canada should be given a ninety-nine year lease to Goose air base for defence purposes; that this air base should be available to the Royal Air Force and to the United States air forces for the duration of the war and for such time thereafter as the parties might agree to be necessary or advisable in the interests of common defence; that the question of civil air use should remain over for settlement after the war, but that in any event civil and military aircraft owned by the government of Newfoundland should have rights to use the base on terms not less favourable than aircraft owned by the government of Canada.

In the meantime, the United States, by agreement with the Danish minister at Washington, had in April 1941 assumed responsibility for the defence of Greenland and had begun constructing airfields there which were to be available to other "American nations," which included Canada. Shortly afterwards the United States also made an agreement with Iceland for the defence of that island, and airfields were rapidly constructed there. With the completion of Goose airfield and the Greenland and Iceland fields, a staging route was available for relatively short-range aircraft.

With the entry of the United States into the war on December 7, 1941, the strain on the existing ferry routes became even heavier. In May, 1942 the United States army air force proposed to the permanent joint board on defence the establishment of air routes over northeastern Canada to ferry long, medium and short-range aircraft to Europe. From the factories of the United States Pacific coast aircraft would be ferried across the Canadian prairies to The Pas and Churchill. From this Hudson bay port planes would fly to Southampton island, Frobisher bay, Greenland and Iceland and from there to their destination. Planes from another great focal point of United States aircraft production in the mid-west states would fly across Ontario and Quebec to Fort Chimo on Ungava bay at the northernmost tip of Quebec and from there would link up with the other north-east air route at Frobisher.

These two channels were to be in addition to the ferry route already established to the United Kingdom via Goose bay, Greenland and Iceland.

Another purpose for the speedy construction of the route was to permit forces from interior

points to be rushed to the defence of Greenland and Iceland should the occasion arise. While this defensive phase of the war now seems remote, members will recall that in the summer of 1941 the German battleship *Bismarck* operated in this area, and, as is also well known, the Germans established weather stations on different occasions in Greenland.

On June 9, 1942, the permanent joint board on defence approved of the proposal of the United States army air force. It recommended immediate construction of the proposed airfields on Canadian territory, either by the Canadian government or by the United States government with the approval of the Canadian government. Facilities of the new routes were to be made available to the Royal Air Force.

For several reasons the Hudson bay leg of the northeast route has not been used to the extent anticipated and the original plans were never completely implemented. As the submarine menace was mastered there was a parallel improvement in the shipping situation, permitting the transportation of more aircraft by ship. Increased facilities at Goose air base and at Newfoundland airports permitted a greater flow of aircraft through these fields. Amazing technological advances, which increased the flying range and reliability of aircraft, as well as improved meteorological services, made the route from Goose air base more serviceable for short-range planes. The successful allied landing in North Africa made it possible for aircraft used in this area to be flown over the southern route, thus relieving the pressure on the northern route. As the fortunes of the united nations rose in the north Atlantic theatre the threat of enemy action against the northeastern section of this continent diminished.

In reaching this agreement for repayment for expenditures incurred for these defence facilities in northwestern and northeastern Canada and Labrador, the government had two considerations in mind. In the first place, it is believed that, as part of the Canadian contribution to the war, this country should take general responsibility for the provision of facilities in Canada and in Labrador required for the use of Canadian, United Kingdom and United States forces. In the second place, it was thought that it was undesirable that any other country should have a financial investment in improvements of permanent value, such as civil aviation facilities, for peace-time use in this country. I am happy to say that our views on this subject were understood by the government of the United States and the agreement which I have tabled is the result of this understanding.

[Mr. Mackenzie King.]

Mr. GREEN: Would it be possible to have the exchange of notes printed as an appendix to *Votes and Proceedings?*

Mr. MACKENZIE KING: I think that would be desirable, and I ask that it be done.

FAMILY ALLOWANCES

OPINIONS OF DEPUTY MINISTER OF JUSTICE, 1925 AND 1930

Hon. L. S. ST. LAURENT (Minister of Justice): When the house was in committee yesterday on bill No. 161, to provide for family allowances, I undertook to lay on the table a copy of the opinion given by the deputy minister of justice on old age pensions on May 23, 1925, and a copy of the opinion given by the deputy minister of justice on family allowances on April 23, 1930, with the correspondence requesting those opinions, I now table this correspondence and opinions.

PRINTING OF PARLIAMENT

MOTION FOR CONCURRENCE IN FIRST REPORT OF JOINT COMMITTEE

Mr. R. W. MAYHEW (Victoria, B.C.) moved:

That the first report of the joint committee of both houses on the printing of parliament, presented on July 27, be now concurred in.

Motion agreed to.

LABOUR CONDITIONS

HALIFAX SHIPYARDS—PROGRESS OF NEGOTIATIONS IN SETTLEMENT OF STRIKE

On the orders of the day:

Mr. P. C. BLACK (Cumberland): Mr. Speaker, I should like to direct a question to the Minister of Labour. On Saturday I directed his attention to the fact that I had received a copy of a resolution passed by the United Mine Workers in my constituency with respect to the strike in the shipyards at Halifax. I would like to ask the minister what progress is being made in the settlement of this strike. Replying to my inquiry on Saturday he stated that the only issue in dispute was "the check-off and maintenance of membership clause" in the agreement. I thought that this was necessary by virtue of legislation passed by the legislature of Nova Scotia. I now wish to bring to his attention a telegram which I have received from Mr. James O'Connell, president, industrial union of marine and shipbuilding workers of Canada, local No. 1. This is addressed to me under date of July 31, 1944, and reads:

Halifax Shipyards Limited now on strike since July twenty-seventh because management refuses to accept majority recommendation of

Smiley conciliation board. Membership of union demands that government take necessary steps to see that management accept majority recommendation that government take over plant if necessary so that this vital war industry can be reopened. We appeal to you to use your good office to speed up settlement. Please reply.

Has the minister any statement to make?

Hon. HUMPHREY MITCHELL (Minister of Labour): I have no further observation to make to that I made on Saturday.

Mr. CLARENCE GILLIS (Cape Breton South): I also have a question to direct to the Minister of Labour, notice of which I have sent to him. I have received telegrams from a large number of organizations in Nova Scotia with regard to the shipyards strike at Halifax. I do not propose to read the telegrams, because I was of the opinion that in asking a question that was not permissible, but I am going to give the names of the organizations that sent them, to indicate to the minister that the shipyard situation in Halifax is serious.

I have one from the secretary of local 8147, United Mine Workers; one from the secretary of local 4529, United Mine Workers; one representing the entire steelworkers' organization in Nova Scotia, signed by the eastern Canada director; one from Industrial Union No. 1 of Marine and Shipbuilding Workers of Canada, which is similar to the one read by the hon. member for Cumberland (Mr. Black); a telegram from local union 4544, United Mine Workers; also one from the local committee, Canadian Fish Handlers Union. Each one of these telegrams suggests that action should be taken by the government with respect to reopening the yards in Halifax and operating them under a controller until such time as the legal difficulties with respect to implementing the report of the conciliation board are overcome.

My question to the minister is this: Has any discussion taken place between the Department of Labour and the Department of Munitions and Supply with a view to operating the yards as suggested in these telegrams? If not, is any action along this line contemplated by the department?

Hon. HUMPHREY MITCHELL (Minister of Labour): The answer to the first question is yes, and the answer to the second question is no.

Mr. GILLIS: No action is contemplated? A very intelligent answer to a very serious question.

CANADIAN FORCES

REFERENCE TO PUBLIC ADVERTISEMENTS IN CONNECTION WITH CAMPAIGN FOR RECRUITS

On the orders of the day.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, yesterday I was asked with regard to a couple of recruiting advertisements which had been published, one in English and one in French, and the question was whether the French one was a correct translation of the English one. The answer is no. The situation is that there was no intention that the advertisements in French and in English should necessarily be duplicates, any more than that there was any intention that the advertisement in French should be a translation of the advertisement in English or that the advertisement in English should be a translation of the advertisement in French.

There is a central committee having to do with recruiting publicity and recruiting campaigns generally. That committee has two what might be called subcommittees, consisting of experts in advertising and publicity, one committee to deal with French-speaking areas and the other to deal with English-speaking areas. Each of these committees prepares copy appropriate to the particular area to which the particular advertisement is being addressed and, as I say, there is no attempt to translate one series of advertisements in the one language into the other language.

It happened that eight advertisements were to be selected, and eight advertisements were selected, eight in English by the committee having to do with English-speaking Canada, and eight in French having to do with French-speaking Canada. Three advertisements in French were actual translations of the English advertisements. None of the advertisements in English, so far as I know, was a translation of the French advertisement. I think that that disposes of the question of the advertisements being translations or being uniform. There was no suggestion and no attempt that they should be uniform. They were suggested by committees who know the areas and the conditions which might hinder recruiting and had in mind the matters that could be put before a particular area to deal with those particular conditions.

There was a suggestion in the question that was asked that punches were pulled in connection with the French-speaking advertisements. I can say that no instructions, direct or indirect, by implication or otherwise, were given, nor was there any intention, directly or indirectly, to pull the punches in connection with French-speaking Canada, any more than in connection with English-speaking Canada.

Each set of advertisements was dealt with on its merits by advertising experts who were supposed to know their job.

I want to refer the house to just one advertisement. It is a translation of one advertisement that was published in French Canada. This is it:

Let's Repeat the Heroism of Vimy and Ortona
Let's March to Victory Together!

"Yes, you, chum, come on and join the ranks. If you have blood in your veins, you won't let us down. Do you want us to make you a present of victory without taking any part in it? Surely, you have more pride than that. Surely, you want to do your bit. We must win the war, we have to be in great number, you've got to be there.

"You'll lead a real man's life in the army. Let's march together in the footsteps of the heroes of Vimy, Courcelette, Passchendale, Dieppe and Ortona. Join the infantry. Be a volunteer. Volunteers are the best soldiers.

That was an advertisement that was published in the French language. There is no point whatever in taking No. 8 advertisement which was published in the English language and comparing it with No. 8 in the French language, because there was no intention at all to synchronize them in the matter of tone or in the matter of matter, or in the matter of argument or appeal. The situation is that the matter has been dealt with by publicity experts and the recruiting staff with a view solely to achieving results.

Mr. J. G. DIEFENBAKER (Lake Centre): There is one supplementary question I would like to ask following the minister's statement. He stated that these advertisements are made appropriate to the conditions and the areas in which they are disseminated. By that does the minister imply that the advertisement "Have I the guts?" was appropriate to the areas in which it was distributed? I would also ask whether these advertising committees that he mentioned go ahead without any control from the minister, or are any of these matters submitted to him? Do the men in charge of recruiting submit nothing to the minister in connection with the recruiting campaigns that they are waging? The statement made by the minister that these advertisements are appropriate to the conditions and areas in which they are distributed is a most strange and peculiar statement.

Mr. RALSTON: If my hon. friend has ceased wagging his head and delivering his lectures and has asked his question, I will endeavour to answer it.

Mr. HANSON (York-Sunbury): The advertisement was an insult to the English-speaking people.

[Mr. Ralston.]

Mr. RALSTON: My hon. friend's question was whether I considered that the advertisement "Have I the guts?" was appropriate to the English-speaking areas in Canada. I did not say that I considered it appropriate. I said that the series of advertisements was prepared by committees who were supposed to know what was appropriate, what the conditions were, what arguments and appeals it was appropriate to make. I go no further than that in connection with that particular advertisement. I must say to my hon. friend quite frankly that that is not throwing down the committee in any way, because they are advertising experts who are supposed to know what appeals should be made and what appeals would be most effective in the programme which they carried out of making appeals in different parts of the country and to different temperaments. If I had seen that particular advertisement I do not think I would have passed it. I say that quite frankly, but I take full responsibility because it was passed by my department and I must take the responsibility for it. That is all I have to say with regard to that.

The other question was whether these matters are brought before the minister. These matters have never been brought before the minister. We have had a committee which I considered a responsible committee, made up of men from within and without the department who I considered knew a good deal more about publicity than I did, and on whose judgment I felt I could rely as to the matter of appeal. That is an answer to the second question.

On the question as to whether or not each advertisement has to be submitted to the minister, if there is any minister in this country who has been criticized for going into detail, it is the minister who is speaking to the house this morning; and I thought that this might be one thing which I might leave to others.

Mr. HANSON (York-Sunbury): You find now that you can't do that.

Mr. RALSTON: Well, I find less justification for these criticisms and these indictments about my going into detail.

Mr. ROWE: The minister had better look them over from now on.

Mr. ADAMSON: Would the minister be prepared to say who were the committee who chose the series?

Mr. RALSTON: I would, but as a matter of fact I do not think it is quite fair to the gentlemen. If my hon. friend or anyone else is interested I could give the information to him. I am sure my hon. friend would be

impressed by the names. They are men from the advertising agencies who submit copy and who have an idea of what will make a proper appeal. There is a director of promotion, who himself is a newspaper man and is in the department, also on the central committee, though I do not say that they passed this particular advertisement, because I do not think it was passed by the individuals concerned; there was a representative of the wartime information board and the C.B.C.; I cannot find that these two members were present when the advertisement was passed, although I have not checked up on it.

Mr. ADAMSON: They were civilians, though?

Mr. RALSTON: They were civilians, except the director of promotion, who is in Brigadier Mess's branch, and Brigadier Mess is chairman of the committee.

Mr. GRAYDON: I should like to ask the minister, having in mind the advertisement about which some discussion took place a moment ago, whether he does not think that the government ought here and now to repudiate entirely that advertisement. I do not think he has gone by any means far enough in his statement to-day, having in mind the whole picture, the fact that one section, namely English-speaking Canada—and remembering the contribution to the war which has been made by that section and other sections as well—has been singled out for what is a direct reflection upon it, in an advertisement calling for recruits, saying, "Have I the guts?" I think that calls for a direct repudiation, not simply the explanation which the minister has made.

Mr. RALSTON: I do not know how this is in order; I do not think it is in order at all. I have already read the advertisement which was circulated to French-speaking Canada and which, instead of saying, "Have I the guts?" asks, "Have you the blood?" Both are a direct appeal to a man's courage. The advertisement might have said, "Have you the courage?" instead of "Have you the guts?" I have not repudiated either advertisement. I have said what I myself might have done had they been submitted to me. I think I have gone far enough when I have submitted this explanation and read the advertisement to French-speaking Canada.

INQUIRY AS TO POSTAL RATES ON PARCELS FOR OVERSEAS

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I desire to direct a question to the Postmaster General. I note that the postal rates on certain classes of mail destined for our troops overseas have been cut, but I would ask the Postmaster General if he would consider reducing the postal rates on parcels going to our forces outside Canada. I have had a number of complaints, particularly from service organizations which raise a good deal of money for parcels going overseas, and the percentage of the money raised which has to be paid on postage seems to them to be pretty high.

Hon. W. P. MULOCK (Postmaster General): I would advise the leader of the opposition that I received notice of his question at only five minutes to eleven. I am making inquiries and I shall be glad to make a statement to-morrow.

COAL

INQUIRY AS TO APPOINTMENT OF ROYAL COMMISSION ANNOUNCED ON MARCH 27

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): On several occasions the Minister of Munitions and Supply has announced in the house the setting up of a royal commission to inquire into the fuel industry in Canada. I am receiving numerous inquiries as to when we may expect an announcement of the personnel of the commission and the terms of reference. Is the minister in a position to tell the house when we may expect it?

Hon. C. D. HOWE (Minister of Munitions and Supply): My hon. friend is making an inquiry which is justified in the circumstances. The fact of the matter is that I have been so occupied with other matters, and as there has been some difference of opinion regarding the agenda for the commission and its personnel, the decision has not been made, but I assure the hon. member that as soon as this session ends action will be taken.

RADIO BROADCASTING

CHAIRMAN OF CANADIAN BROADCASTING CORPORATION—PROVISION FOR FULL-TIME SERVICE AND ANNUAL SALARY

Hon. L. R. LaFLECHE (Minister of National War Services) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Canadian Broadcasting Act, 1936, to provide that the chairman of the Canadian Broadcasting Corporation shall devote the whole of his time to the performance of his duties under the said act, and that he shall be paid such annual salary as may be determined by the governor in council.

Motion agreed to and the house went into committee, Mr. Bradette in the chair.

Mr. GRAYDON: I wanted the minister to make an extended statement as to the purpose of this resolution, and also to give the details, or such details as he can, so that we shall have some idea as to the principles upon which the bill will be founded.

Mr. LaFLECHE: This bill is a result of long observation by myself—if I may mention myself first—and by the chairman and the members of the board of governors of the Canadian Broadcasting Corporation. During this long observation and study of what was necessary to better the position of the corporation, it was ascertained by all that perhaps one of the weaknesses of the past was that the organization was not complete, in that the chairman of the board of governors—in other words, the gentleman occupying the top position in the corporation—was a part-time officer only and not at all times available to consider matters and to help arrive at quick decisions. In the setup of the corporation as described in the Canadian Broadcasting Act of 1936 the general manager is chief executive officer of the board; he has to carry out the policies laid down by the board. The general manager has not the power to make or decide policy; only the board of governors may do so. It has been found time after time in the administration of the Canadian Broadcasting Corporation that questions have come up which required very quick replies and decisions. It was asking too much of the general manager to require that he should, without authority, take it upon himself to make decisions on these points as they came up. In addition to that, the business of the corporation has increased very much. The people of Canada take a much greater interest in radio than ever before. With the years—with the few years, really, since radio broadcasting became popular and a matter of the every-day life of the people of this country—there has grown up in Canada, as in other countries, not only a great use of the radio but a great interest in radio, which means that the business of the corporation has increased a very great deal in volume and importance because of the more vivid interest attached to the matter by the people of Canada.

It has been found by those whom I have already mentioned that the machinery of the Canadian Broadcasting Corporation must necessarily be rounded out by giving to the board of governors a full-time chairman so that the nominal head of the corporation shall be the real head and shall be accessible at all times to persons wanting to do business with the corporation. I am of the opinion moreover that some of the troubles in connection with the Canadian Broadcasting Corporation in the past, those things that have been criticized about the corporation, have been very largely if not solely due to the fact that the top man in the organization, the chairman of the board of governors, has not at all times been accessible both to the public and to the officers of the corporation. It has been manifestly unfair, I believe, to the gentlemen who have held the position of part-time chairmen of the board to demand of them that perfection of administration which all of us without exception have wanted very badly. With this amendment I am very hopeful, I am sanguine, that the business of the corporation can better be attended to, more expeditiously and with a far greater degree of fairness to the officers of the corporation. I submit that it is not fair to demand an immediate decision on policy of a man who is general manager and who has not the power to decide policy. This amendment would rectify that situation and would protect, to that greater extent, a property which has become very valuable to the nation. I think, Mr. Chairman, that this action is quite necessary and in that I am in wide and, I believe, very good company.

Mr. GRAYDON: I have not been on the radio broadcasting comimttee for more than two years, and have missed very greatly the deliberations of the committee during the time that I have not participated in them. I felt, during the committee's deliberations from time to time, that the viewpoint of members of the house was very valuable, and I believe a good deal of advantage was gained by virtue of the meetings that were held. I have followed with some degree of care its deliberations this year as well as last year. One of the things that always struck me, one of the difficulties that radio has faced in the past, and I advance this suggestion to the minister, has been that there have been too many bosses of radio. That was a complaint that I made previously, and I am not sure that this resolution upon which a bill is to be founded cures the situation. This would appear to set up another boss of radio and to put him in the position of a paid boss at that. One of the reasons, of course, why the corporation failed to live up to all the advance notices and expectations that many people had of it was that it was never given a proper chance, during at least a part of its existence, to render the kind of service it should to this country. I know it is being remedied, and for that I commend the minister; but for a long period there were noticeable absentees from among the members of

the board of governors. From time to time vacancies were allowed to drift, one of them for eighteen months before it was filled, and in many instances for shorter periods there were important vacancies on the board. I am glad that the government has seen fit to take a step in the right direction with regard to the appointment of representatives of labour and of agriculture on the board. But for a long time the board of governors was not the strong body that radio really needed in Canada to make a success of it. Coupled with that, an unfortunate situation arose with regard to the whole of the corporation's activities, and that has made the task of bringing the corporation back to its proper position not a very easy one.

I am not sure that I agree with the minister—that the appointment of a full-time paid chairman of the board of governors is a step in the right direction. My belief is it is not, but rather that it is a retrograde step, because I do not think that by simply paying the chairman of the board of governors you accomplish the ends which are needed at this time. You have a general manager, and no doubt an assistant general manager will be appointed as well; and then you have a paid chairman on top of that. In radio, as in other things, as I pointed out two years ago, too many cooks spoil the broth. We had an example of what was going on at that time, and I hope the minister will pause and review the position and give careful, thorough and diligent consideration to the question whether or not this step now really achieves the ends which we have in mind. I know that in this session there is not likely to be a motion for concurrence in the report of the broadcasting committee, although it would have been helpful if such concurrence had been moved and we could have discussed at the same time as we are discussing this resolution the provisions and recommendations of that committee. I understand it was not unanimous in its report.

So far as the appointment of a new paid officer in the corporation is concerned, I think the minister ought also to consider something which I brought to his attention in a previous debate in this house, and it is this. With the commercial revenues rising in the corporation, with two networks now in operation across Canada, with the rising revenues everywhere so far as the corporation goes, I think the board of governors and the minister must consider taking one of two courses. First of all consideration should be given to keeping within the ceiling which was set previously by the minister who is now the Minister of Munitions and Supply, namely, a ceiling of one-half million dollars per year of commercial revenue. If the policy of the government is to allow the ceiling to be raised to two or three million dollars, then I believe the radio licence fee, which has always been a difficult fee to collect, should be abolished once and for all. in that connection, if my memory serves me rightly, the cost of raising and collecting the radio licence fee is greater than the cost of collecting any other tax in this country. I believe that it cost something like $536,000 to collect the radio licence fee last year. The collection of that tax does not justify the tremendous expenditure involved. It may be perfectly proper to have a radio licence fee in certain circumstances, but with the mounting revenue and with commercial programmes providing an ever-increasing revenue for the corporation, the time has come when the government must either revert to its previous decision with respect to the ceiling on commercial revenue or abolish once and for all the radio licence fee.

I desire to say no more on the resolution at the moment except to express that very material doubt. I do not think that the move which is now being made to pay a man who is to be the chairman of the board the sum of money which newspapers suggested, $15,000 will meet the difficulties—of course I realize that at odd times their speculation is not correct, although in most circumstances they have the happy faculty of being able to prophesy fairly accurately. I know that the minister will not be able to state the salary this morning because I understand it has not been set; nor has the person who will become the permanent chairman actually been decided upon. I should like the minister to give careful consideration to the position, because I for one am not convinced that the additional expenditure is going to meet the situation as may some alternatives which may be suggested during the discussion on the bill.

Mr. COLDWELL: This is the first opportunity that one has had of expressing an opinion regarding the report of this year. The report of the committee is not under discussion and therefore I do not propose to discuss it in detail, but I wish to say that I am generally in approval of the report that has been presented to this house. My reservation lies exactly in the resolution which is now before the committee. I am not convinced that the appointment of a full-time chairman is going to work out and be of benefit either to the corporation or to the country. I am afraid of this divided authority. We had an unfortunate experience two or three years ago when the corporation, because of the inability of the then general manager to do the job that

was expected of him, found it necessary to divide the authority in three ways, and I think the experiment was most unfortunate. I am afraid that this proposal will lead us into difficulties. I realize the necessity, as the minister has said, of having quick decisions made.

The criticism that I have heard of the corporation in the last year is that there seems to be nobody, and quite understandably, who can give a quick decision. After all, the responsibility for the policy of the corporation cannot lie in the hands of one man. It must lie in the board of governors, and we must have a strong board of governors. The board of governors having decided the policy, it seems to me that the official general manager of the corporation ought to be the person to carry out that policy. The government and the corporation will invite criticism in this way; there is no effective governing board, but rather a dictator in the person of a chairman who will make the decisions from time to time. From the point of view of the government I think that is dangerous; from the point of view of the corporation I think more so, because in my opinion the divided authority between the chairman and the general manager will lead us into more difficulties.

I concur in the views expressed in that regard by the leader of the opposition. I am glad that the amendment is only in this one particular. I am glad that the committee of this year, as in former years, expressed its faith in the soundness of the radio act, and that this resolution covers just one detail of the statute; but I am afraid of it. I should be remiss in my duty if I did not rise and say that in my opinion we are apt to run into more difficulties. We have experienced that before. I repeat that I would have preferred to see a strong board of governors with a strong general manager. I believe that the corporation has in its own service one, two or three men any of whom would have made an excellent general manager. I do not think that any prejudice there may be against one or more of these men should stand in the way. We have men in the organization who could have fulfilled this function well, and I am sorry that this alternative has been proposed. A strong board of governors with a general manager is in my opinion preferable to the method suggested by the resolution.

Mr. CHURCH: I should like to say a few words on the proposed resolution. If the resolution passes the committee this morning you are going to open up the whole set-up of the Canadian Broadcasting Corporation Act of 1936. When that act was passed the regulation of radio was comparatively in its infancy. A commission had been appointed. It went to Japan and other countries and made a report to the government. I am absolutely opposed to the division of authority in connection with this system. While I realize that the present minister has been most active and has made some salutary changes in the short time he has been in office, yet I have noticed in the set-up of any public body, especially a public utility or a public ownership concern like this, that the main point is to have someone as a strong administrator with a free hand to administer the property. In my opinion this board is not necessary at all; this board should never have been appointed in the first place. A strong sole administrator should be appointed to administer the system. He should have a free hand to choose his staff, and over the programmes and everything else. I am opposed to the recommendation of this committee, because I believe it will lead to a lot of complications, duplication and interference by a chairman of the board with the chief executive officer and generally will cost more money. It will lead to jobs and all that kind of thing. I believe it would be far better if the chairman and the board were abolished altogether and the system administered by one responsible head. In the past this system has given the public many headaches. I notice that during the past three months some of the speeches delivered over the radio have been published. Recently one such speech was widely criticized in the press, because it was bound on the most costly paper. Some of the speeches have to do with contentious matters, and are in the nature of propaganda. I do believe it would be far better to do without a chairman so that he will not sit around the establishment all day long, interfering with the heads of departments, because that is all he will be doing. In the past the chairman has been very largely a figurehead, also the governors; they have been providing jobs and interfering with the proper administration of the system.

I am sure this committee did a great deal of good work and gave much time to these matters. However, I should like to refer to one or two points before this amendment is carried. In the first place there should be a consolidation of the act, and it should not be amended piecemeal in this manner. I do not know the present acting general manager personally, but I have had some correspondence both with him and with the minister to which they replied very promptly in the ordinary course of business, and they have both been most attentive to their duties.

The whole system of broadcasting has been changed by the war. When parliament framed the act of 1936 a great deal of it was copied from the B.B.C., though all the British legislation was not adaptable to this country. I do not believe we should have a chairman, drawing a salary of ten or fifteen thousand dollars a year and just sitting around retarding progress. I noticed not long ago it had been recommended by the governors under section 24 of the act that four new French language radio stations be established in Canada. Before this amendment is acted on and carries I should like to find out where those stations are to be located and at what cost. In the beginning of this act we had a system, to which objection was taken by my former leader. I believe that one of these gentlemen at the start said he was going to make this country bilingual by radio, and all that sort of thing. I do not know why bilingualism should enter into the set-up, because this system was supposed to give equality of treatment to all classes of citizens no matter what their nationality.

As I see it, this division and duplication of officials will be a waste of money. If you look at the way a railway or any large corporation is administered, for example, generally it has one man who is responsible for the way that system carries on. I am absolutely opposed to the recommendation of the committee; I believe it is a step in the wrong direction, and that any changes whatever in this act should have awaited the result of a general election.

Mr. GILLIS: I am not going to discuss this resolution. I never had very much faith in part-time employees; that has been my experience. I rise at this time, however, to make a few observations on the report of the committee, and I do so for this reason. There is not very much use appointing officials of any kind unless their decisions are carried out. We in Nova Scotia require improved radio facilities. Not a station in that province is provincial in the sense that it can carry provincial broadcasts, and even the handling of network programmes has been rather poor. For at least the last five or six months I have understood that the corporation has had a plan under way for the setting up in Canada of a second national network, and I felt that to be a move in the right direction. In reading over some of the proceedings of the broadcasting committee I understood that Doctor Frigon, the acting general manager, had told the committee on June 28 that it was the intention of the corporation to set up in the city of Halifax the nucleus of a second network under which improved facilities would be made available in that city. I was also informed from Halifax that a transmitter was installed for that purpose, and that the only thing necessary to make available the facilities already decided upon was the passing of an order in council by the federal government. Evidently this order in council has not been passed. Those of us in that province who are interested in improving radio network facilities thought it would be merely a matter of time, but evidently the matter now is at a standstill.

I endeavoured to obtain some information through questions placed on the order paper a few days ago. The answers to those questions were tabled, but they were anything but satisfactory. I am not going to read the questions at the moment; they are available to hon. members in *Hansard*. In most cases the minister replied that the subject matter was still under consideration and no decision had been reached, but one question was not answered at all. I asked whether any steps had been taken by the C.B.C. toward the establishment of a new publicly-owned station, and whether a transmitter had been installed for that purpose. The part of the question dealing with the installation of the transmitter at Halifax was not answered at all. The information I was given from Halifax was that a transmitter had been installed and could be put into operation in a matter of three hours. Therefore I am taking this opportunity to obtain information, not because I want to be critical or because I want to hold up the measure but because I am interested in obtaining better radio facilities for the province of Nova Scotia. I am not quarrelling with the service given in the past; it has been as good as could be provided with the facilities at the disposal of the employees of the corporation in that province. I think they are doing an excellent job, but I am concerned about improving it.

We are now asked to approve the appointment of a full-time chairman. I do not quarrel with that. I am quarrelling with the fact that an official like Doctor Frigon should attend a parliamentary committee and definitely state that the nucleus for a second network for the province of Nova Scotia has been decided upon; that some of the equipment should be installed, and then at a moment's notice have the work come to a halt, with nothing more done about it and confusion reigning in regard to that matter as far as my province is concerned. A great many people are writing me in this connection. I do not care whom you appoint; unless the administration making the appointment are

prepared to support that man, no matter how capable he may be, if there is machinery behind the scenes holding him back then the net result will be that he will be discredited with the public whom he has tried to serve. It seems to me that any time a man in public life, employed by the government, doing a job for the people of Canada, makes a public statement, he should be supported one hundred per cent by those who have authority to do so.

I should like the minister to elaborate on the answers to the questions I asked in regard to this matter, because I must endeavour to answer them to those in Nova Scotia who want these facilities. I do not want to make trouble; I merely want to satisfy them that this matter is being looked after and that in due course these facilities will be established. I want also very frankly to tell the minister this. In some of the letters that I have received I have been told definitely that political forces in Halifax are endeavouring to set up a privately-owned station to be used exclusively for political purposes, and that that is what is holding up the installation of a publicly-owned and operated second network in Halifax. If the minister can assure me that that is not so, that there is some war-time necessity holding up the necessary equipment, I am prepared to take his word, but as the matter now stands it requires considerable clarification.

Mr. McCANN: Mr. Chairman, this resolution has to do with one of the recommendations made by the committee on radio broadcasting which carried out its investigations this year. Anyone who has been interested in the inquiries carried on during the past three years will readily see that because of the growth of the corporation it has been almost physically impossible for one man as general manager to carry on all the duties expected of him. The legislation to be based upon this resolution will not be very far from that contained in the Canadian Broadcasting Act, 1936. That act made provision for a chairman of the board of governors, a general manager and an assistant general manager. The only difference I can see in this resolution is that the chairman of the board will be a full-time rather than a part-time officer. The bill to be founded upon the resolution will also fix the salary to be paid to whoever takes the position.

Because of the demand of the public for improvements in radio services there has been a great growth in this corporation since 1936. Men who would be capable of acting as chairman of this board are hard to get. This position requires a man with some imagination as to the possibilities of the development of radio. Partly due to the war many executives are engrossed in their own particular affairs; they find that all their time is necessary to carry on and protect their own businesses during the years of the war.

This country has been fortunate in the men who have acted as chairman of the board of governors, and in the governors themselves. These men have given freely of their time and services. They receive no salary apart from their expenses, although the chairman receives a small honorarium. In my opinion the corporation has reached a position where it needs the full-time services of some one who understands the business.

It is physically impossible for a man like Doctor Frigon, the general manager, to carry out all the duties for which he is responsible. He is one of the best radio technicians in this or any other country, but he also has to carry on the business of an organization with a budget of about $5,500,000. Do the members of this committee realize that there are over 800 people in the employ of the corporation, that there are ten stations that belong to C.B.C.; that there are two short-wave stations, that another short-wave station is to be built, and that the corporation has supervision over 79 private stations? Doctor Frigon has been looking after the technical work of the corporation, and his work has been doubled because he looks after the French programme. It is absolutely impossible for him to carry on. If he attempts to do so, sooner or later he will have a break-down and we shall have no one coming up in the corporation who is in position to do his work.

It is simply a matter of the allocation of the work. Doctor Frigon has stated in evidence that it is necessary to have some one who can give his full time to the corporation. Mr. Morin, who was chairman of the board of governors, has also made this suggestion. I do not need to quote him, because I do not believe I should deal with the report of the committee at this particular time. I am quite prepared to back up the recommendation that there should be a full-time chairman of the board who would be paid a salary commensurate with his ability and the work he has to do. The chairman of this board would occupy a position comparable to that of a supreme court judge or the chairmen of other boards that have to do with public business.

It is not going to be easy to get someone who can carry on this work. With the increased growth of the corporation there will be sufficient work for a full-time chairman of the board and a general manager. The one will have to do with the making of policies. He will call the board together and policies

will be determined. He will interpret those policies. It will be the business of the general manager to carry out the policies. I think the division of the work will be quite simple. This is the only extension of the Canadian Broadcasting Act contemplated by this proposed legislation.

The CHAIRMAN: Shall I report the resolution?

Mr. GILLIS: I would like to have a reply to one or two of the questions I posed to the minister.

Mr. LaFLECHE: I shall be very happy to give it on second reading.

Mr. GRAYDON: Has the bill been printed, and is it ready for distribution?

Mr. LaFLECHE: I have a proof here before me. I have had it in plenty of time for the bill to be published.

Resolution reported, read the second time and concurred in, on division. Mr. LaFleche thereupon moved for leave to introduce bill No. 179, to amend the Canadian Broadcasting Act, 1936.

Motion agreed to and bill read the first time.

FAMILY ALLOWANCES

PROVISION FOR PAYMENTS IN RESPECT OF CHILDREN UNDER SIXTEEN

The house resumed from Monday, July 31, consideration in committee of bill No. 161, to provide for family allowances—Mr. Mackenzie King—Mr. Bradette in the chair.

On section 3—Monthly allowance.

Mr. GRAYDON: I wonder if the Prime Minister would mind giving the committee the underlying reasons for the particular amounts mentioned in this section. On second reading considerable stress was laid on the fact that those in the higher income brackets were already being given what was tantamount to a cash allowance by virtue of the income tax exemptions for children, amounting to $108 per child up to eighteen years of age. I am not suggesting that that should necessarily be the basis, but the Prime Minister did indicate that as one of the arguments he advanced in support of the bill. In view of that $108 income tax exemption which the Prime Minister said was really in the final analysis a cash allowance, may I ask how the amounts mentioned in this section were arrived at as the proper allowances for those in the lower income brackets: $5 per month for a child less than six years of age, and so on up to $8 per month for a child thirteen but less than sixteen years of age. I would also ask about the allowance in the case of larger families. I raise that question only because a different base for allowance is provided for in the income tax exemptions for taxpayers in the higher income tax brackets, where an exemption is provided with respect to children in the family up to eighteen years of age. I think that some reconciliation as to this section's provisions is in order.

There is another matter I might as well mention now while I am on my feet. It seems to me that the most expensive period of a child's maintenance and support is after fourteen years of age and from then on to sixteen and for the next three or four years. At least those of us who are parents realize that when children reach these ages the cost of their maintenance and support mounts rapidly.

Mr. MACKENZIE KING: My hon. friend will realize that the experts in the Department of Finance have very carefully considered the relationship of this measure to the income war tax measure, and some of the figures that have been arrived at have been as a result of considering all the implications and possibilities that may arise in that regard. The point that my hon. friend has stressed has been that under the income tax measure a larger amount is conceded by way of exemption for children over sixteen than is given in the form of allowances under this measure. Not only the finance department but others who have considered this class of measure hold, I believe, the view that there should be some recognition of the fact that something may be owing to those who are paying money into the treasury which would not be owing to a like extent to those who do not contribute to the treasury at all. I would add that this is the first attempt at a measure of this kind. It is based on experience already gained from the dependents' allowance administration, and undoubtedly further experience will go far to show what further readjustments may be advisable.

As to my hon. friend's point about the expenses increasing as the children get older, I am not experienced in these matters and I have to take as correct much that others tell me; but my recollection of my early days was that as one became older one was able to help one's parents by sharing some of the general burden and that might offset what my hon. friend finds is necessary in the way of extra expenditure as the children get older. I do think it is true, as I said on the second reading, that as a family increases in numbers what has served former members of the family can help in part to serve other mem-

bers and as children get older they in turn are able to help their parents in household ways as they cannot do when they are younger. Did my hon. friend have any other question?

Mr. GRAYDON: I referred to the income tax exemption applying to children up to eighteen years of age while this allowance is payable only up to sixteen.

Mr. MACKENZIE KING: I have answered that point.

Mr. BLACKMORE: In view of what the Prime Minister has just said it might be well to offer an observation. Too many people fail to recognize the changes which have been brought about in our economy by the coming in of an age of abundance Fifty or sixty years ago it was possible for the family to keep cows and supply milk to the neighbours, keep chickens and supply eggs, and do a variety of other things to supplement the family income, and in those days it was in a way an economic asset to have an addition to the family when the child was able and willing. But the coming in of the age of abundance and of the machine age has negatived all that in most cases. For example, in our ordinary towns it is impossible to keep cows and sell milk to the neighbours. In most cases there is a law prohibiting it, and in many other cases, even if the milk were there, the neighbours would not buy it because they would be buying from the dairyman who comes right to their door. A similar changed situation exists with respect to a large number of other economic activities in which boys and girls participated in the days when the Prime Minister was a boy and when I was a boy not so many years ago. I believe that that whole situation should be taken into account. You frequently hear people exclaim quite indignantly against this whole policy of social services and talk about "the time when my grand-dad went out into the woods and threw off his coat and rolled up his sleeves and carved a living". Well now, my old grand-dad could do that, because there were woods then that he could go into, there was free pasture where he could let his cows run, and it was possible for him to go out and catch fish, and shoot game; and many other conditions existed which gave my old grand-dad a chance to do such things. But let my old grand-dad's grandson go out and try to do these things, and see what happens to him. Then there is another simple illustration. My old grand-dad's wife could knit stockings and send the child to school with knitted stockings: you let my old grand-dad's grandson's wife try to do the same thing, and see what happens.

A great variety of changes has come over the world which renders it very necessary that these social services be offered and that they be munificent. I have said once before in connection with this measure that I consider it wholly inadequate. These allowances are not enough. The Prime Minister said, or implied, that the young girl or the young boy could probably help around the home. That is quite true, but by helping around the home that young child can add hardly twenty-five cents to the family income. Many of the things which children used to be able to do and which were a valuable service to the parents, such as running the wringer, the washer and the churn, are now no longer available to them. There are electric washers or some equipment of the sort in the average home which render the services which a child can give its parents of far less direct financial and economic value than in the old days.

Probably there are very few members who are in a better position to speak with authority on the subject of raising children than I am. The Lord blessed me with twelve children—for which I am very thankful—and he also blessed me because of those twelve children with an abundance of experience, and a lot of it in the school of hard knocks. So that speaking from experience I say that we can very profitably make these allowances a great deal larger, and then we would not be doing too much to aid those who are raising a future generation in this country.

Perhaps while I am on my feet I should say a word or two on a subject which hardly seems to be directly in point, but which has a bearing because of changed conditions. Fifty or sixty years ago grand-dad could stay around the home and there were always a lot of things which he could do to help out the family. He could feed the cow, feed the pigs, take care of the chickens, and do a lot of other things to help the family economy along. Because of changed conditions which have been ushered in through the age of abundance, the age of machines, grand-dad can find hardly anything about the place to do which will enable him to make any substantial contribution to the economic well-being of the family. This is hard on grand-dad—it grieves him terribly—it is hard on the family, and it renders essential the payment of more and more generous old age pensions.

The CHAIRMAN: Order. We are not discussing old age pensions at the present time.

Mr. BLACKMORE: I have mentioned it only once, Mr. Chairman. I do not propose

to mention it again. I just want to point out that this whole problem is bound up with the development of the age of the machine and the age of abundance. It is not that children are any less ready to take care of their parents, or that the older people are any less ready to support themselves: they are forbidden to offer the support and to give the support, because of changed conditions over which they have no control whatever. If we expanded our pensions to the elderly to $50 per month and brought down the age at which they received the pensions to sixty years, we would still leave plenty of room for actual hardship in Canada among elderly folks. I believe the pension should be raised as high as that and the age brought down to sixty years, as a part of our general scheme to improve the economic conditions of our homes where the children are being raised.

Mr. ST. LAURENT: May I say one word about this scale?—because I have had a lot of correspondence about it and I know that considerable public interest surrounds the scheme. The answer—and it is a complete answer—is that given by the Prime Minister. This bill has been prepared in the light of the experience which the government has gained over a period of nearly five years during which dependents' allowances to the families of the men in the services have been paid. That scale has been a sliding scale, providing $12 per month for the first child and $12 for the second child, $10 per month for the third child, and for the fourth, fifth and sixth, $8 per month each, and no further benefit beyond the sixth child; making a total possible dependents' allowance for children of $58 per month to a man who, in order to have that dependents' allowance for his children, is required to assign fifteen days' pay per month; and hon. members know that the rates of pay to the men in the services are in no wise comparable to the rates of pay which are being received by civilian wage-earners. There is in addition a separation allowance to the wife of $35 per month. The whole of the income available for the family of a service man has been computed and has been compared with the whole of the income which would be available to a like man in a civilian occupation, and it seemed from the experience gained during those five years that it was something which met with satisfactory results to have a diminishing scale as the number of children in a family increased. It was that reason which motivated the setting of these figures in this bill. Now it is intended to improve conditions throughout the land; but to do so in a reasonable fashion, and if the experience which has been acquired over the past five years should prove that it did not provide a satisfactory solution for civilian families, it will be possible to rearrange things.

There is in the dependents' allowance a limitation that does not go beyond the sixth child. While in the service the ordinary man is of an age group that does not go above a certain level, in the civilian population there are heads of families of all age groups, and a limitation on the number of children provided for by allowances would have implied a declaration by parliament that that was the maximum number of children that might be desirable in a Canadian family, and it did not seem that it was a good thing to have that either expressed or implied in any law enacted by the parliament of Canada. The population of Canada is in large part sprung from families in which there was no limitation as to numbers, and there are still, as the hon. member for Lethbridge pointed out a moment ago, a considerable number of families maintaining the traditions of past generations, so that it did not seem that it would be proper for parliament to say that it was not desirable to have a family exceeding so many persons. For the families in civiliain life, the whole available income for expenditure will be comparable to that which is made available to men in the forces by means of pay, separation allowance and the dependents' allowances; and I think it is a reasonable attempt to bring about a situation which will realize the objective expressed in the resolution—a greater degree of equality of opportunity for all the children in Canada.

There is the other point mentioned by the leader of the opposition, that the amount of $108 allowance off the tax is larger than even the twelve monthly payments that would go to a child of fifteen. It is somewhat larger, but it is also a fact that in a family it is a proportion of the revenue that is expended on each member, and prior to the war the situation was such that those with the higher incomes got a greater reduction in income tax than those who were paying tax on a lesser amount. But it was found that there was an amount beyond which, under the stress of war, the tax should not be further reduced, and the $108 was arrived at on a basis of $400 per child with the old rates. That would give an exemption of $80, at an average tax rate of 20 per cent; and that is the portion that is now deductible from the graduated tax. The other $28 is seven per cent of $400 for the national defence or normal tax, and the income tax act is so arranged that it is only when you get into the relatively high brackets that you get the full benefit of the $108. You

get $28 per child off your normal or national defence tax, but if you have, say, five children, you should get five times $28, or $140; but you have to have $2,000 income to have a normal tax of $140. If you have only $1,800 you do not get the full $140 but only the amount that is determined by the calculation of your normal tax on what your income is. And it is so with the graduated tax. You take from the graduated tax first of all $150 as an allowance for being a married person, and then if there is enough of the graduated tax left to make up $80 per child you get the benefit of it. But you have to reach a relatively high level of income—and when I say a high level I am speaking of the population at large, a level of income which is more than that of a very substantial portion of the population—before you get the full benefit of $108 exemption per child. It was felt that on the whole the calculations made by the experts of the finance department and the Department of National Revenue showed that these figures were a reasonable attempt to realize the objective of the resolution and to bring about as near an approach to equality of opportunity as past experience justified.

Mr. GRAYDON: I was merely seeking information in regard to what looked like a difference in the treatment of different classes, rather than making any advocacy with respect to amounts, because I had nothing at all to say in that regard. The minister's explanation has cleared up considerably one or two points in my mind with reference to the question. As he points out, the income tax payer in the brackets above $1,200 running to $2,000 does not actually get $108 allowance, which of course brings this much more closely into line, and I hope the minister will realize what my point was. I thought I saw a situation there which was irreconcilable with the other, but I did not rise to advocate any change, because the one thing which of course this bill does not really cover is the point which I rose to make in my speech on the second reading. I realize the difficulties that governments face, but the question of need is not taken into consideration in this matter in the same way that it might normally have been. There are certain families I know of who are almost comparable in point of numbers and ages and because of that they would be entitled to the same kind of consideration under this act. In one particular family I know the cost of raising them has been at least four times the cost of raising another with the same number of children, in the same town and in the same circumstances, the only difference being that in one case the ravages of disease left their impress. In many instances it would be wholly inadequate, a mere drop in the bucket, while in the case of families where health has played a greater part than in others the allowances might be viewed in a different light. That was one of the reasons why it struck me that in the best use to which this public money could be put, greater stress should be laid on the whole question of the need of families that were to be helped. I felt, and I believe many in the chamber felt, that there should have been some reasonable arrangement with the provinces as to where the money could be utilized to the best advantage instead of simply having a general standardized scale such as this, because it might have met the situation better; although I readily realize that situations arise where parents must have some cash. At no time did I advocate that there should not be cash paid in the circumstances where it could be used to best advantage. I think there would be agreement in the committee on this point; in some instances there ought to be supplementary arrangements made in connection with health programmes and so on. However, the question of need is one which is not covered in the bill. The policy which is laid down and the structure of the bill indicate that evidently that is not a possibility at the moment. I do wish to leave this one point with the government. There will be a dominion-provincial conference some time this fall. I am hopeful that this will not be such a rigid system that there will not be some way by which the provinces may play their part, and that underprivileged families will be considered.

May I say this one word in closing? I come back to it again because I feel very keenly about it, and the Prime Minister made some reference to it on second reading of the bill. I do not want to be misunderstood when I say this. There are parts of this country in which the standards of wages are too low. Those parts of the country are making it difficult for industry in other parts to compete successfully on the general market in Canada and elsewhere. I am fearful that this measure will start out to subsidize families before a proper wage level has been actually set across the dominion. It may be that that is an exaggerated position to take; but it seems to me that the family allowances scheme will work only if wage levels across Canada are equalized so that everybody in Canada will be on an equal basis to start with, with the exception of children. It seems to me that that is an almost unanswerable argument. That is one of the reasons why the amendment was framed in the way in which it was by us on second reading. If one part of Canada is to have

family allowances they ought to be ready to raise their wage levels so that those allowances could not possibly be a substitute for a higher wage level. I realize the difficulties connected with it, but this is one argument that is very difficult to get around. If wage levels in Canada were brought up to a proper standard, nobody could say with the same force that some form of family allowances should not be recognized.

I was struck by the arguments that were presented on all sides of the house with respect to the question of equal pay for equal work. If we accept that theory, as I think most people do, then as matters stand at the present time a penalty is attached to a man who has a large family. There is an injustice to the parts of Canada that have a high scale when they have to compete with low wage areas. I have not gone into this question very deeply. It may not be confined to one province—I am not sure that it is. Regardless of whether it is confined to one province or not, I think we should have a proper standard of wages in Canada so that even the people without any children may have a decent standard of living and there shall be no sagging below that minimum. Once you have that level, then bring in a proper and workable scheme for family allowances. At the present stage of our history it does work a comparative injustice to other parts of Canada that have a high wage level. I advance that argument without any special feeling in the matter, except that I do say there are arguments there based on premises which are difficult to get around. It has been difficult for me to get a satisfactory answer, and I think that applies generally throughout the country.

Mr. ST. LAURENT: I will not surprise the leader of the opposition by saying to him that I have been just as troubled as anyone could be by the apparent discrepancy in some wage levels in civilian industries between my province and the one in which his constituency is located. I have been met with the objection, with research work behind it, that there was a very close approximation to equal pay for equal work, and that the unit cost of labour entering into a commodity was as high in the province of Quebec as in any other province, because of the fact that apparently there was not as efficient work being performed during the same number of hours. I know for a fact that during a certain period that was true in our shipyards, but I am glad to have seen great improvement come about, and I am now in touch with research work that is being done in civilian industries for like improvement of output.

We would certainly be entitled to complain in my province if we were required to do work of the same value for less compensation. In order to justify an increase in the hourly pay for which we are asking we shall have to be able to show that we are capable of giving service for the additional pay. These are subjects that are being carefully examined into to determine the number of man hours that go into a given commodity. I know that the same situation does not exist all over the province. I know of two printing shops. The one that has the best installation does not deliver as much output per man hour as the other that has not as modern an installation. These things are being inquired into now and they are being attended to as well. Therefore I am of the opinion that that is the proper basis. There can be no objection, and should be no obstacle either from labour or from employers, to obtaining for our workers the same hourly rates as elsewhere just as soon as it is satisfactorily shown that their output is equal to that for which these hourly rates are being paid elsewhere.

Mr. GRAYDON: The discussion which has taken place between my hon. friend and myself will go far to bring out into the open one of the real difficulties and criticisms of this measure. We may as well be frank about this thing. People in some parts of Canada complain that other parts of Canada which are paid a lower wage are being paid family allowances before those wage rates are raised to a proper level. I am glad to have this out in the open, because there is not much use in keeping these things hidden. I feel that perhaps I was doing a service, and I am sure my hon. friend is doing a service, by discussing these matters frankly. I did it because the problem is there. It is a problem that we shall have to solve in this country eventually and I do not apologize for bringing it up at this time.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. CHURCH: I should like to call the attention of the Prime Minister to one point, and I think this is the only section on which I can mention it, though I have read the bill over eight or ten times. Section 3 has to do with monthly allowances, and provides for the payment of money out of the unappropriated balance in the consolidated revenue fund from July 1, 1945, in respect to children resident in Canada and maintained by their parents, in amounts of $5, $6, $7 and $8 according to age. The point I wish to make would

relate also to several other bills of last week amounting to a billion dollars in all, and while perhaps the Prime Minister may not be able to give me an answer to-day he might consider the suggestion. Of late years we have made a practice of drawing upon the unused portion of this consolidated revenue fund, and shortly before the war I introduced a bill which was based largely upon the laws of other countries, embodying a principle which has been in operation in many of our provinces and municipalities since confederation, proposing that on these questions of great national importance the people who pay the taxes should be consulted. That has been found to be a very good principle in votes on money by-laws in the administration of the provinces and municipalities. The explanatory note to bill No. 11 of 1939 contained just two short paragraphs, which I should like to read:

> This bill is enabling legislation similar to that for many years in vogue in democratic countries. It is found to be in the public interest and most useful, permitting the submission of important national questions to the wisdom and judgment of the electors.
>
> The provinces have used it extensively for years through the municipalities, thus providing an opportunity for giving the public a voice in government policies. It will create a prerogative of checks and balances and make for government "of the people by the people and for the people." The governor in council can be thus enabled to submit to a vote any matter of a national importance.

The bill was read a second time and considered by the election committee who took evidence and heard the clerk of the house and others. I recognize that to adopt this principle the measure now under consideration, the election act, would have to be amended. Everyone agrees that this provision dealing with children, and the other bills that have been brought in, deal with domestic matters of the greatest magnitude, matters which must be dealt with if we are to have a happy people and happy country. Everyone, both inside and outside this house, wants to help our poorer people. I do not know of anyone who does not believe in the Christian doctrine as set out in the tenth chapter of St. Mark, where the Lord referred to children, to the duty of the state toward the children, and all that sort of thing. I believe the adoption of a principle of this kind would be in the interests of the government itself. Some very able men have come up to the government benches from the municipalities; I would mention particularly the hon. member for Huron-Perth, who was a former mayor of his municipality. All those who have been active in municipal affairs realize the salutary effect this provision has had in keeping down the tax rate, and in protecting both the ratepayers and the government. I do not ask the Prime Minister to give a decision on this matter right away. I do not want to act unfairly in bringing up this suggestion at this time, but I believe it would be in the public interest if consideration could be given the matter and a reply made before the bill is given third reading.

Mr. MACKENZIE KING: I can answer my hon. friend at once. The bill already has had second reading, and if it is to come into effect on July 1 of next year I think we should proceed with it without further delay or interruption for other purposes. To adopt in the interval what my hon. friend has suggested, something in the nature of a plebiscite, would, I think, confuse the issue and certainly would delay the enactment of the bill. At the same time I have sympathy with his intentions "and all that sort of thing".

Mr. CHURCH: It could be done by an amendment to the election act, and I think it is in the public interest that this should be done.

Mr. KNOWLES: Unlike the hon. leader of the opposition I am not satisfied with the explanation given by the Minister of Justice for the scaling-off principles included in section 3 of this bill. I feel that the argument advanced by the minister just before the luncheon adjournment to the effect that the scaling-off principle applied in connection with the dependents' allowances to families of service personnel also applies here does not altogether fit the case. In connection with dependents' allowances an attempt is made, whether or not the government measures up to it, to meet the full cost of maintenance of the families of men in the services. As the Minister of Justice pointed out, the amount allowed for a child in the first instance is $12 a month rather than the $8 we are allowing here. There are also the other amounts, such as separation allowance for the mother and the assigned pay which the soldier must send home. I suggest that the situations are not comparable. What we have here is only a token payment toward the extra cost of maintaining children in a family, and because that payment does not meet the additional cost of each additional child it seems to me unwise and unfair to reduce it as the number of children increases.

Another argument that has been used in support of the scaling-off principle was advanced by the Prime Minister when he moved second reading if not also on some other occasion, when he contended that the

average cost of maintaining children in a family drops as the number of children increases. While in a sense that is true it does not tell the whole story by any means. Let me illustrate my point by giving some figures by way of example. Let us assume a married couple getting along on the meagre income of $100 a month. When the first child is born it would cost at least $20 a month to maintain it. This allowance will provide only $5 a month for that child when it is born, so the family allowance does not meet the additional cost of maintaining that child but only provides a token payment. Let us go on. The second child is born. Accepting the Prime Minister's argument that the cost of maintaining the second child will not be as great as the first, because there will be some things that can be used again, still it will cost $18 a month to maintain the second child. That brings down the average to $19 each, but I point out to the Prime Minister that the extra $18 it will cost to maintain the second child is not there. The family still has only the $100 a month income it had in the first place, plus the allowances for two children which will total $10. So the deficit in the cost of maintaining the entire family mounts with each child, even though the average cost of maintaining the children in the larger family may drop. It is a case where the average has no practical significance. Suppose, for example, that a family has five children, and that it costs to maintain those children $20, $18, $16, $14 and $12 respectively per month. That makes a total of $80 a month, or an average of $16. But we must remember that the family has only $100 as a basic monthly income, plus such sums as may be received under the family allowance measure. In other words, the deficit grows as the family increases.

Here is the point I have in mind. The fifth child born into a home comes in at a decided disadvantage as compared with the Canadian child who is the first or second child in another home. We should remember all through our consideration of this measure that our concern is with Canadian children as such. If we are concerned with Canadian children, we are concerned with every Canadian child whether he is the only child in a home or whether he is the fifth or tenth. I suggest that with this scaling-off principle included in this section we are penalizing the children who are born into large families wherever they may be.

There is also another scaling-off principle in this section which provides for lesser grants of money for younger children. I am not so sure from such experience as I have had that it can be said that children of tender years cost less to maintain than those who are a little older. I suggest that it is of extreme importance that children in their first two or three years should have everything possible provided for them so that their health will get a good start. It could be argued that there should be extra money the first year or two for this purpose. I speak out of some experience on this matter. It so happens that I was born in the midst of a depression into a home haunted by the spectre of unemployment. That spectre had already taken its toll before I arrived in the loss of two other children from malnutrition. If I may say so wtihout inviting a jibe from some of my political opponents in the chamber, I am told that it almost cost me my life as well.

I want to emphasize the importance of giving every Canadian child the best possible start. Frankly I do not not like the leader of the opposition to be able to say that he has three eight-dollar children whereas other Canadian children will be considered as only five-dollar children. I hope the government will reconsider these two scaling-off principles. I was pleased to note from the remarks last night of the parliamentary assistant to the Prime Minister that there are still some matters to be settled about this whole arrangement. He was speaking particularly about the relationship between this measure and the Income War Tax Act, but I took from what he said that study has still to be given to a great many feaures of this plan before it is put into effect.

When I was speaking on the second reading of the bill I suggested that we would probably pass this bill in its present form but that before it came into effect there would be an amending bill to implement some of the results of the study that will still have to be given to the measure. I hope there will be further study given in the interests of the main purpose of this bill which is to provide the best chance possible for Canadian children. In this study I hope it will be decided to revise the scaling-off principles to which I have referred.

Mr. MACKENZIE KING: I think my hon. friend has forgotten altogether the purpose of the bill. My hon. friend said that because of this scaling-off we were penalizing the last child or the younger children in large families. I cannot understand how we are penalizing anyone to benefit under this measure when to-day they receive nothing and when, after this bill comes into effect, there will be allowances for everyone that qualifies. My hon. friend has lost sight of the fundamental

feature of this bill, which is to give assistance to every child. We are not penalizing any child when we give it assistance.

Mr. KNOWLES: I am not comparing the condition that will be in effect after this bill is in force with the present condition; I am trying to compare conditions that will exist under this legislation when it has come into force, which is the proper comparison to make. I say that the fifth child born into a home will be discriminated against under this legislation as compared with the child who is born first or second into a Canadian home.

Mr. GREEN: The allowances are to be payable under the provisions of this section 3. The section starts off with these words, "subject as provided in this act and in regulations". I would think that all the provisions under which payments are to be made could be set out in the bill. Could the Prime Minister or his parliamentary assistant give us some idea of what is to be covered by the regulations?

Mr. MACKENZIE KING: My hon. friend surely realizes that with legislation of this magnitude there will arise innumerable cases that will have to be met in the light of the circumstances that exist when they come to the notice of the administration. Those cannot all be anticipated at the moment. The bill should not be so encumbered with regulations as to make it almost unintelligible. The power of making regulations is simply to enable the right thing to be done in the circumstances that may eventuate. There is no ulterior motive or sinister motive in—

Mr. GREEN: I did not suggest that there was.

Mr. MACKENZIE KING: I know that, but I wish to make it clear that there is no ulterior motive or sinister motive in any provision respecting regulations. The need for certain classes of regulations will be disclosed as the act is being administered. Those regulations will be made in the light of the responsibility of the minister to parliament. The regulations will be brought to the attention of the house. For that reason, if for no other, great care will, I am sure, be taken to see that the regulations are entirely in the interests of those for whose benefit this bill is intended.

Mr. GREEN: Could the Prime Minister give us an example of the type of provision that will be made by regulation under this section?

Mr. CLAXTON: In the first place there will have to be provision with regard to registration.

[Mr. Mackenzie King.]

Mr. GREEN: That is under section 4.

Mr. CLAXTON: That is under section 4 and that would be "subject as provided in this act and in regulations". Then in section 8 the governor in council is given the power to withhold the allowance in certain cases to avoid duplication. That will be also "subject also as provided in this act and in regulations." Paragraph (a) of section 11 reads:

> (a) provide generally or in respect of any province or any class of cases that payment shall be made to the parent prescribed in the regulations.

That is the kind of provision that will have to be made.

Mr. GREEN: The words in section 3 "and in regulations" refer only to regulations that will be passed under other sections of the bill?

Mr. CLAXTON: It would not be right to limit it in that sense. At the present time we cannot conceive of any regulation being passed except in accordance with the other provisions of the bill, but on the other hand it would not be fair to prevent the government using that power should some unusual circumstance which cannot now be anticipated arise in the future.

Mr. McIVOR: I am sorry I was unavoidably absent last week, but I want to say that any father or mother looking down on this section could not but say that now the children bring not only their own love but at least part of their living. Therefore the "not wanted" child will be welcomed. The second thing I see here is that when children are at least partly supported it will help to cure one of the worst curses in Canada, namely, the prevalency of divorce. Another thing I see is that when the mothers get this money—surely the fathers will be sensible enough to turn it over to them—it will be put into circulation. Anyone knows that money in circulation means employment. This is a forward step, and even the opposition say it is a good bill. As I say, even the opposition say this is a splendid bill and the fathers all over Canada should support a government that is so progressive in the name of peace, order and good government.

Mr. ADAMSON: I was interested in hearing what the Minister of Justice had to say this morning with respect to the rates. From what I gather, these rates were arranged by the Department of Finance and the Department of National Revenue and were based on purely financial considerations. The minister went to some pains to say that no consideration had been given to any differential in the standards of living between different parts of Canada. I have been a member

of the social security committee of this house which has been sitting for several years and I know that witness after witness has appeared before that committee and said that one of the great drawbacks to family life in Canada was the income differential in different parts of Canada, and the differential even between one family and another living in the same community. But apparently these rates have been based on purely financial considerations and the human side of the thing has not been considered. Perhaps it is impossible to do that; perhaps it is not. But I feel that more consideration should be given before we agree to these rates.

Mr. SLAGHT: What does the hon. member mean by that?

Mr. ADAMSON: I was just going to give an example. In a long brief presented by the United Textile Workers of the American Federation of Labour to the Quebec war labour board they point out that the textile worker in the province of Quebec is receiving an average weekly wage of $20.80, whereas the worker in all industry in the city of Toronto is receiving an average weekly wage of $32. There is a very great discrepancy between rates of pay, and until you lift the pay of the textile worker in the province of Quebec or in the textile industry generally you are going to have a differential between the standard of living of the worker and his family in Toronto and the worker and his family in the province of Quebec. I think that some consideration should be given to that point.

Here is another point. Over and over again witnesses have testified before the social security committee that the infant mortality and maternal mortality rates increase tremendously with the birth of the sixth or seventh child and furthermore that the cost of sickness increases very considerably in the larger families. But this bill by its provisions decreases the allowance to larger families. I do not know whether that is sound or unsound, but if this measure is based on what is likely to be the need, the allowance to the larger family should be increasing rather than decreasing; because witness after witness proved before the social security committee that the larger families have greater need of hospitalization and sickness benefits than the smaller family.

I am not going to go into the question of other services, but it appears on the face of it that these rates were brought about by the Department of Finance without any consideration of the human needs of the families concerned.

Mr. CLAXTON: The hon. member for York West has made what is an attack not so much on sections of this bill but on the whole principle of this legislation. I thought that he and the party to which he belongs had approved the principle of the bill in voting for it on the second reading. Let us look at the illustration which he gives and see what it adds up to.

What he said was this, that the textile worker in the province of Quebec received an average weekly wage of $20.80 and that the average weekly wage in the province of Ontario was $32. Then he argued that it would be unfair that the family allowance should be paid on the same basis in both cases.

Mr. ADAMSON: No; I was arguing that the first thing we should do was to raise the wages where they were low.

Mr. CLAXTON: Let me finish. The first thing the hon. member should do is to compare likes. If he compares the average weekly wage of workers in the province of Quebec with the average weekly wage of workers in the province of Ontario he will find that the differential is not $12 as he seemed to imply, but in the neighbourhood of two or three dollars, and a considerable part of that differential is due to the different classes of industries in which the people of Quebec are engaged as compared with the people of Ontario. Other reasons for the difference were given by the Minister of Justice just before the recess. Although we are wandering a long way from the provisions of clause 3, I thought I should point out the unfairness of the hon. member for York West comparing wages in probably the lowest paid industry, not only in Quebec but right across Canada, with the average wages paid in all industries in Ontario. If he compares like with like he will find that the differential is less than ten per cent in like industries, and there are various reasons for that.

May I deal for just a moment with the suggestion which the hon. member made that the government in arriving at this schedule of allowances has proceeded on the basis of financial rather than human considerations. I do not know just what the hon. member meant by that. I notice that he did not give any explicit answer to the hon. member for Parry Scund who questioned him about it. Does he mean this: that somehow the government of Canada or the administration that is to be set up under this act is to find out what the relative needs of each family are right across Canada and then pay the family allowance on that basis—is that it? If so, then surely, on the

illustration he gives, the people of the province of Quebec, having lower wages, should receive more proportionately than the people of the province of Ontario, who have a slightly higher average weekly wage. That is where that argument leads him.

But my suggestion to the committee is this, that you cannot do what is suggested by the hon. member for York West, or what was suggested by the leader of the opposition, except in one of two ways. Either you can try to make provision for a family allowance or children's allowance in kind, or you can do it by the application of a means test. Those are the only possible alternatives to doing it in the way proposed in this bill. Let us look at each one of them. If you want to provide assistance in kind to children, you are going back, I suggest, to some such set-up as was adopted by a former administration during the worst period of the depression. It led to every kind of unfairness and every kind of effort to get around the regulations; it reduced the self-respect of the recipients; it was paternalistic in an extreme form; it was a reversion to the days when the rich man took a basket of necessaries to the poorer people in his community. That would be a retrograde step. What is more, it would be impossible for this parliament to do it, or to approach doing it. When it is suggested that instead of the proposal before the committee we should have some other proposal, we may ask if that is not really a suggestion that we should not do anything at all, because the suggestion is one which can be carried out only by some other agency. Payment in kind will not be accepted by the people of Canada; it would be retrograde in the extreme.

The only other way to relate payment in the way suggested by the opposition is to have a means test, whereunder family allowances will be paid, not on an equal basis for every citizen, varying only with the age and number of his children, but in proportion to the income of the family. That, too, would lead to a kind of policing in connection with the bill, an interference with individual freedom, and a degree of regimentation, which the people of Canada would not stand for.

Mr. DIEFENBAKER: How is it worked out in New Zealand?

Mr. CLAXTON: If my hon. friend wants me to compare our situation with that in New Zealand I will do it.

Mr. DIEFENBAKER: No; I am just asking.

Mr. CLAXTON: In New Zealand they have a flat-rate wage which runs right across all industry. The differential for skilled workers and unskilled workers is not more than five cents an hour. The average earnings of the people at the top wage level and at the bottom wage level in New Zealand do not vary by much more than ten per cent. The whole economy is on a very level basis. If you have it on that basis it is possible to apply a means test of the kind they have in New Zealand without unfairness and without interference with the liberty of the individual. We have only this test, that the people who get the full benefit from the allowance for chlidren under the Income War Tax Act do not get a duplicate benefit from the family allowances. Apart from that everyone is treated alike.

One word in conclusion. The greatest single factor in creating differences between one family in Montreal and another family in Montreal, or even between one family in Montreal and another family in Toronto—is neither their wages nor their health; it is the number of their children. Taken by and large across the great bulk of the population, nothing so much affects the relative economic position of families as the number of their children. That is why this measure is introduced at this time; it is an endeavour to correct that disparity by attempting, in part of course, to bridge the gap between wages and the number of children. Wages are related, as we know, to work done. This measure is relative to the number of children, and it is in an endeavour to equalize the position of the great mass of the people of Canada that this measure is introduced. When we have an increasing scale for children of higher years, and a reduction for the number of children over five, we are simply trying to make this as scientific as it can be. I share the experience of the leader of the opposition in having three children, but it is within my knowledge, as I think it is within the knowledge of all hon. members who have children, and it is the experience of all social workers, that on the average the cost of caring for, maintaining and educating a child rises fairly steadily from birth until at least the age of fifteen.

Mr. ROWE: Fifteen?

Mr. CLAXTON: Yes, because that is as far as this bill goes. It does not benefit anybody over fifteen.

Mr. ROWE: It is when children are over fifteen that they are most expensive.

Mr. CLAXTON: That is when this bill stops short. Do you want it to go on?

Mr. ROWE: Yes.

Mr. CLAXTON: And pay in respect of seventeen, eighteen and nineteen years?

Mr. ROWE: Yes.

Mr. DUPUIS: And reduce the old age pension age!

Mr. CLAXTON: I think my hon. friend cannot be serious in that, because that is one thing in respect of which family allowance and children's allowance legislation throughout the world seems to be uniform; that is, it applies in respect of children up to the age of sixteen and not above. I believe that that is so, with the exception of one country where an allowance can be claimed, if the child shows special educational aptitude, for educational purposes.

Mr. KNOWLES: That is in New Zealand.

Mr. CLAXTON: Yes; but in every other country as far as I know there is an absolute flat limit; no child gets it above fifteen, because as a rule that is the ordinary top age for compulsory education, and when children attain that age a number of them begin to earn their living.

As I was saying, the leader of the opposition and myself have each three children, but a number of other hon. members—I think of the hon. member for Rosthern, the hon. member for Dorchester, and others—have a very much larger number, and I believe that their experience will be the same as my own in finding that the cost of maintenance rises with the age. I was glad to hear the hon. member for Lethbridge say "hear, hear" to that. The cost of maintaining and educating a child does increase up to the age of fifteen, at least. On the other hand, the cost of caring for and maintaining a child is less with the family above four than it is with respect of the children under four.

So that this provision is scientifically drawn to take account of both factors. I wish to point out to the committee that this provision is far more generous, far wider in application, and covers a much greater range of the population than the provision made by any other country, and even if you take it at the lower level it would still be generous compared with practically every country in the world.

Let me make that clear. In Australia the first child is excepted, the benefit is five shillings per week. The average amount of benefit is about $1.10 per week in Canadian money and that applies only to the child or children after the first. In New Zealand the benefit is seven shillings and sixpence a week; it applies to the first child, but there is a top level, because families in receipt of over five pounds five shillings per week have a reduction for the amount by which their income goes over that level. If hon. members who are interested would look at the number of children receiving benefit in New Zealand compared to the number proportionately that will be benefited under the Canadian scheme, they will see that our scheme will cover a very much wider range of the population and gives much more per child than the New Zealand scheme; and as I have said, it covers a much wider range of the population than other countries. In addition the rates are higher. That is done not purely for financial reasons, not purely for humanitarian reasons, but for a combination of both; and this measure is justified, as I believe it has been justified, on both grounds. On that account I hope that this scale will be accepted by the house and that we shall get the measure working.

Mr. ADAMSON: Just one correction. The textile worker at Toronto is paid $26.20. That is completely comparable to the figure I quoted.

Mr. DIEFENBAKER: The parliamentary assistant said that under the New Zealand system there was provision for payment beyond the age of fifteen when the child required additional educational facilities. There is another provision, as I understand, that the allowance may be paid beyond fifteen where the child is mentally or physically defective or totally incapacitated. In setting up this bill has consideration been given to the desirability of such a provision? Take a family with one child who unfortunately is unable to carry on by reason of invalidism either physical or mental; is any provision to be made whereby in such a case there will be a continuation beyond the level set in the act? That is one question.

The other has to do with a matter that has not been discussed yet. I would like to understand the plan of the government, for plan it must have, in relation to the question of the securing of the fund from which the payments will be made. I have read the various acts, and if I understand correctly, in Australia a child endowment is financed mainly by payroll tax on employers and other social services are payable out of general revenue. What has been done there is to set up a national welfare scheme fund which is built up by taking each year one quarter of the total collections levied and secured on income tax from individuals, or by annual grant from the general revenue of £30 million, whichever is the lower. The

parliamentary assistant has properly stated that there is no scheme anywhere that goes any further than does this. As a matter of fact, of the thirty-four schemes in effect in various nations, with the exception possibly of three, the general plan seems to be one of voluntary schemes whereby employers cooperate, or voluntary schemes assisted by the state. I would like to hear from the parliamentary assistant the general plan that the government has worked out by which this necessary fund will be secured. Is it intended to set aside a portion of income tax each year? Is it intended to bring in other legislation similar to that in certain countries whereby there will be payroll deductions, or what in general is the plan in that regard? In the various countries where similar legislation is in effect there is a very great diversity of schemes and so far we have not been informed as to just what plan the government intends to follow in that regard. We know what the benefits will be as set out by the Prime Minister. There will be $200 million or more put into circulation during the post-war years and it will create greater demand and purchasing power, apart from the beneficial aspect so far as the family is concerned. No doubt there will have been complete consideration of this phase, and I would ask the hon. gentleman to place the matter before the committee in detail.

Mr. MAYBANK: With reference to what the hon. member has said regarding the extension of payments to certain classes of children, just as soon as he begins to take in certain classes such as those who need additional help because of mental instability or for reasons of that sort, just as soon as that sort of thing is attempted, we are running into constitutional difficulties, the very kind of thing respecting which he has spoken at considerable length in the house already. The simpler the scheme is kept the better it will be. He endeavoured to lead us—I do not mean that he was endeavouring to lead us with malice, but he endeavoured to lead us—into other fields than just the one that is covered here, and that is to lead us into danger. We can destroy the whole act by particularizing in one way or another, thus running into the constitutional pitfalls which the hon. member has dealt with already two or three times in the house.

I would add that from such observation as I have been able to make this measure is so far superior to any other extant that there is simply no comparison. I say that having in mind more particularly New Zealand, a country to which we are often having our attention directed these days. Some time ago I had occasion to look with some care into the New Zealand situation with reference to family allowances, and as most members know, the New Zealand plan is all worked in together with other plans. There are family allowances, health insurance benefits, benefits to widows, benefits for weak mentality cases, and unemployment benefits, and a great many other things, all brought together into one law. But the law is sectionalized and there is one which deals particularly with family allowances. In our case we have our legislation in that regard codified partly because of the fact that we are a federal country. I looked into the facts respecting payment and also respecting the obtaining of money in New Zealand, and I should say at once that in any figures which I will give there is some error but that the error is deliberate, and so long as I draw the attention of the committee to that fact there need be no misunderstanding of what I say.

The figures are expressed in pounds and I have translated the New Zealand pound into $3.50. The reason I take $3.50 rather than par is that the New Zealand pound has been selling for a little more than $3.50 for some time—somewhere around $3.56. I use $3.50 because it is easier arithmetically to use that translation figure, and in translating the tax in New Zealand into dollars I translated it by $3.50, and in translating the total I translated it by $3.50 also, so that the payments out translated by $3.50 do not constitute any particular error. There is an error on both sides and they cancel each other. In the first place you will note that in New Zealand there is an income for children only when the salary or income of the recipient is $17.50 or more per week. A person getting $17.50 or one cent less than that per week would be entitled to the allowance. Everything is worked on a weekly basis, and the allowance in such a case as that is eighty-seven cents. Thus a person with an income just a fraction below $17.50 would receive $18.37. If he had ten children he would get ten times the eighty-seven added on to his $17.50, or a total of $26.20 per week. They did not introduce, as we have here, the principle of diminishing returns. There is not a cut at the fourth, fifth, sixth or seventh child. Personally I do not see why we should have done that unless it were for reasons of policy at the moment. I do not like to see the law worded in such a way that when the seventh, eighth and ninth child come along there is not the same allowance paid for them. I cannot speak with any personal knowledge on the cost of the ninth or tenth child. I cannot go beyond three.

Mr. CRUICKSHANK: You are a young man yet.

Mr. MAYBANK: I am a young man yet; there is plenty of hope, and I should like to see the law changed in time. I have thought that perhaps there were some economists around the Prime Minister talking so much about the law of diminishing returns that they persuaded him to weave that into this measure. When you come to examine the act that I have mentioned and deal with New Zealand you find that the amount of benefits given there is negligible compared with what is contained in this measure. As I have already said, it is only eighty-seven cents per week per child. It might be interesting to note that in the year 1942 the amount paid out was $1,897,130. The total cost of this measure in Canada is going to be $200,000,000, I believe, with about $50,000,000 recovered, or a total of $150,000,000.

Mr. CLAXTON: The estimate is $250,000,000.

Mr. MAYBANK: It is $250,000,000 with $50,000,000 recovered. Of course we are a larger country than New Zealand. One would expect that a scheme of family allowances would cost more in this country; but we are not that much larger either in population or in any other way. It is out of all proportion to New Zealand benefits, out of all proportion on the favourable side. It is good out of all proportion to the New Zealand scheme.

I might add—and I think every person knows this—that in New Zealand there is a special tax for the purpose of paying this; and every man, woman and child over the age of sixteen years pays a proportion of his income into a fund that will pay for it. There is no exemption, not even an exemption if the income is a dollar a year. First of all there is a registration fee, an annual or a quarterly registration fee, and then a percentage of income every year. I think the percentage is five per cent; but at any rate it makes no difference who the person is, how lowly his status in the community, how small his income, it must be paid. I might also add that by reason of the various social security plans in New Zealand they have been running about twenty per cent behind their intake. I do not suppose that even at the level they have, it could be kept up indefinitely. According to the figures that I looked up, in the year 1942 the deficit came to about twenty per cent on this particular account. Fortunately we are proceeding in the way of having surveyed the field carefully. We know what we can do. We are not going to apply to any other country to assist us. There is no need for us to borrow money in the old country in order to carry on social security schemes, yet we are able through the manner in which our economy has been built up to give this over-all benefit to all people in Canada to the amount of $200,000,000, and on a scale which no other country has equalled or is likely to equal, particularly the country which I have mentioned. It has not equalled nor come anywhere equalling this scheme.

While there are certain little points about the measure that one may think could be improved—I have already mentioned that I should like to have seen the reduction in the rate after the fifth child changed—yet on the whole one cannot find anywhere in the world legislation as progressive as this, as generally beneficial to the country as this. I know that this measure together with the various other laws that we have been enacting constitute on the whole about the best social security programme that will be found in any given country, certainly far superior to the country that has been pointed out to us so often, namely, New Zealand, which operates apparently under a socialist plan.

Mr. DUPUIS: I did not intend to speak on this particular section, because I had prepared something to speak on the main motion. If circumstances permit I may have something to say on the place of family allowances in a social security programme; but I think it is an hon. member's duty to relieve the consciences of some hon. members on both sides who represent the extremist views in this country, particularly in Ontario. In order to relieve the conscience of those whose feelings seem to be so much disturbed I thought I should give some statistics. Happily there are only a few hon. members who made a very uncalled-for attack on Quebec, but outsiders, writers in newspapers, have made an unjustified attack on this subject of family allowances. Knowing hon. members from other provinces as I do, I am sure that in a general way they are broad-minded and freedom-loving citizens. After I have given these figures I am sure they will rectify their mistake if they have the chance.

I hold in my hand a leaflet published by the Dominon Bureau of Statistics, eighth census of Canada 1941, sheet No. 5, page 4. The heading is, "Families by children per family at home." I should like my good friend from Lake Centre to try to bring about a little calm on the otherwise tumultuous lake of his constituency, and listen to this. Of families with one child there are in Quebec 123,030 and in Ontario 228,760, or nearly twice as many. Quebec has 92,020 families with two children;

Ontario has 163,610. In Quebec there are 64,630 families with three children and in Ontario 89,910. The difference becomes reversed after the fifth child.

Mr. DIEFENBAKER: Just go on and read them all.

Mr. DUPUIS: In Quebec 33,340 families have five children, and in Ontario 26,130. Quebec has 25,760 families with six children while Ontario has 13,950, and the proportion decreases right along to families with ten children or more.

Mr. GRAYDON: Has the hon. member all the figures?

Mr. DUPUIS: Yes.

Mr. GRAYDON: Would you put them on record?

Mr. DUPUIS: I should be pleased to do so. The complete figures are as follows:

Families with—	Ontario	Quebec
1 child	228,760	123,030
2 children	163,610	92,020
3 "	89,910	64,630
4 "	48,330	47,490
5 "	26,130	33,340
6 "	13,950	25,760
7 "	8,040	19,840
8 "	4,380	13,930
9 "	2,380	9,400
10 or more children	2,460	13,220

As hon. members know, under this measure the allowance is $5 for the first child under six years of age, $6 for the child over six and under ten, $7 for the child over ten and under thirteen, and $8 for the child over thirteen and under sixteen, provided that for the fifth child the allowance is decreased by $1, for the sixth and seventh children it is decreased by $2 and for the eighth child by $3. So that small families with less than five children benefit more than the larger families. I have made some computations to illustrate what I understand the law to be. I have taken a family with eight children, with the youngest two years old and the others four, six, eight, ten, twelve, fourteen and fifteen. This family will receive $45 a month. This example will illustrate the fairness of the legislation as it is brought down, not only in relation to those in Ontario who criticize it but also in relation to those in Quebec. We are proud to say that in the past many heads of families all over the country have understood their duty to raise large families as God might decide, without interfering. That is their right. These large families are to be found not only in Quebec but in Ontario and all the other provinces. In these families of eight or more children the example I mentioned is followed more or less commonly; if the youngest child is two years of age, it will receive $5 less $3, so that during the first year this legislation is in force that child will receive $2 a month. When that child reaches the age of six it will receive $6 less $2 or $4 per month, and when it reaches the age of ten it will receive $7. During the years between thirteen and sixteen it will receive $8 per month. So in the years between birth and the age of sixteen this child will have received an average of $5.28 per month.

Mr. GRAYDON: I could not hear that last statement. What is the figure of $5.28 per month?

Mr. DUPUIS: If my calculation is correct, between birth and the sixteenth birthday a child will receive an average of $5.28 per month.

Mr. GRAYDON: That would be the average from the time the child is one year old until it reaches the age of sixteen?

Mr. DUPUIS: Yes, if it is one of a large family, because I am basing those figures on a family of eight children. As this child gets older it receives a greater allowance. According to the census figures, Ontario has almost twice as many families with one, two, three and four children as there are in the province of Quebec; therefore I do not see why some hon. members should complain and say that this legislation is intended to benefit Quebec only. That is not fair. We have heard complaints from the hon. member for Parkdale. I knew him by reputation before he came here and I had regard for his personality when he was representing the king as lieutenant governor of Ontario. When you meet him intimately you realize that it would be hard to find someone more refined than he. I am sure he will admit, when he considers the figures I have just given, that this law is not made for one province only, that it is for the whole country.

Let me say in all sincerity that in bringing down this legislation the Prime Minister is between two fires. There are two sets of critics. One set is illustrated by this newspaper which is distributed among the farmers. Its criticism of this legislation is that it does not go far enough. It states in particular that the legislation is intended to help the well-to-do people. That criticism is insincere, because they ought to know that when the head of a family earns more than $1,200 per year he is subject to income tax. Now he may deduct $108 a year for each child. If he receives $8 a month for a child, that totals $96 for the year and he will have to refund $96 out of the $108. That is the type of criticism the Prime

Minister has to face. As a member from that province I receive letters of complaint all the time from people who are not well-informed. I consider it my duty to rectify the mistaken ideas that may exist. As the leader of the opposition has pointed out, there are a good proportion of large families in Ontario. Every one of those families will receive the family allowances.

Every hon. member of the committee knows that the purpose of this bill is not to pay the full expenses of bringing up a child. It is to help, it is a grant to large families. A family of eight children ranging from two to fifteen years will receive $528 per year. That will be a great help to the head of the family. He can use it to build a better home, or if he intends to rent, he can obtain a home possessing more hygienic facilities. If one of his children shows special talents he will be able to keep him in school longer than he otherwise would. There are many things that the fathers of our families will be able to do with this grant.

I talk with knowledge on this matter. I know there are many heads of families in my own district who will be delighted to receive these allowances. It will be just found money: trésor trouvé. Those who understand the laws of psychology and sociology will understand the benefits to be derived. These people understand the danger in the present movement against the capitalists. This dangerous underground movement is going on from the west to the east; it is pervading the whole world. Our legislators should try to prevent this movement from coming to the surface and getting hold of the administration of our country. We should have parties based on sound principles of government. This country should be governed by either the Tories or the Grits. I am frank about that.

Let us be sociologists. Let us work together to try to help the larger families. Let us be willing to take a few pennies out of our pockets to enact this social security measure. The families in Quebec did not expect to get this legislation. If we were not in the midst of such a terrible struggle I think I could say something that would open the ears of my colleagues about the patience of the people of Quebec. We are patient. We did not ask for this legislation. Our sociologists came here and suggested that this would be a good policy, but we never made any threats as to what we would do if we did not get this legislation. It comes as a gratuity and the fathers of our large families will be very much pleased.

I recall the day when I was a young fellow. I was the fourteenth boy in a family of seventeen and I am proud of it. Had my father, who was a very humble farmer, lived to this day I know he would send a letter of thanks to the Prime Minister of this country for giving him help in raising his family. What did he do? At the age of thirteen years he gave me my inheritance. Do hon. members know what it was? It was the king's highway. That farm is very narrow but it is very long and full of hardships. I am glad that I followed that road. When I was passing through those difficult times I said to myself that whatever talents Providence would give me would be used to help relieve the hardships of others. If I am to leave public life, the fact that I have contributed by my vote toward the passage of this measure to help the young children of large families make their way in life, will make me feel that my life will not have been in vain.

Mr. KNOWLES: There was one statement made by the hon. member for Chambly-Rouville with which I heartily agree—that as between Grits and Tories there is no real difference and the sooner they get together the better.

Mr. DUPUIS: I would ask the hon. member not to distort my thoughts or my words.

Mr. KNOWLES: If I have distorted either, the hon. member can correct me.

The CHAIRMAN: We have already voted on the second reading and I would ask hon. members to keep to the clause now before the committee. We are on clause 3.

Mr. KNOWLES: Clause 3 deals with the scale of payments to be made under this act. Despite the criticisms that I have offered about the scaling off of these payments and such other comments as we have made, it stands that this is a commendable measure. I rise to express my regret that the hon. member for Winnipeg South Centre found it necessary, in his effort to endorse this matter, to try to run down what is being done in our sister dominion of New Zealand. I wish to correct some of the statements that he made, but I make these remarks not just for that purpose but so that I may indicate that New Zealand is doing the kind of thing for which we in this group have been arguing all along in the matter of social security.

First of all, the hon. member for Winnipeg South Centre quoted rates of family allowances in New Zealand which are out of date. I am not going to argue with him as to the value of the pound in dollars and cents, but it would appear from the figures he gave to the com-

mittee that he was taking the family allowance rate in New Zealand of four shillings per week, which was in effect in New Zealand up until May 1, 1942, on which date the New Zealand government increased the rate by fifty per cent to six shillings per week; so even on that point the hon. member was out by fifty per cent.

But the main point I wish to make in reply to my fellow member from Winnipeg is that in New Zealand the family allowance payments are only one feature of an all-inclusive social security plan. I would like to take just a moment to give a brief outline of what that plan is in New Zealand, and I do so because we have argued so often here that what we should have as quickly as possible is an all-inclusive social security plan. I hold in my hand an outline of the social security scheme in New Zealand which was prepared by the International Labour Office in Montreal. The document is a very complete and interesting one, but apart from quoting one or two opening sentences all I am going to give the committee at this time is the headings, which will speak for themselves. But first the introductory sentences:

> New Zealand is no longer at the stage of planning: since 1938 this country possesses the most extensive social security scheme ever conceived and put into practice.
>
> The Social Security Act of 14 September 1938 aims at protecting the citizen against the consequences of loss of adequate means of livelihood, whatever may be the cause of such loss.
>
> Provision is made, on the one hand, for health services. The expectant mother is afforded medical protection even before confinement; free treatment and maintenance at a maternity hospital during and after confinement are provided for and post-natal medical care is also granted free of charge.

The CHAIRMAN: Order. I listened very attentively to the speech of the hon. member for Winnipeg South Centre and I did not think it was his purpose to start a controversy or to raise controversial points. I do not think it is relevant to discuss on this clause the social legislation of a sister dominion not pertaining to family allowances.

Mr. KNOWLES: Mr. Chairman, apart from the fact that I would ask you to reconsider your decision in that you permitted the hon. member for Winnipeg South Centre to make his remarks but seek to deny the same opportunity to me, may I point out that I am offering this outline because it fills in the claim we make in connection with clause 3, just as we make it with reference to the whole bill, that what Canada should aim at is an all-inclusive social security plan.

[Mr. Knowles.]

The CHAIRMAN: Order. That cannot be relevant to the clause under consideration, which deals with monthly allowances.

Mr. KNOWLES: If I have to bow to your ruling, Mr. Chairman, I shall do so; but first let me make one remark and then I shall sit down. The family allowance payments made in New Zealand are only one element in the whole gamut of social security provisions which they have in New Zealand covering literally all the economic difficulties that might assail the people of that country. When one realizes that there is that complete coverage in New Zealand it puts the amounts that are paid for family allowances in that country in an entirely different perspective. I suggest that the hon. member for Winnipeg South Centre has completely distorted the picture in New Zealand, and that in addition to being false it was unnecessary if his purpose was to approve the measure now before the committee.

Mr. PICARD: Mr. Chairman, I gave this bill my wholehearted support on the second reading, and I do not want to withdraw any of that approval now, but there has been so much talk in certain parts of this country about this clause that I want to say a word about it.

When considering the scale of allowances it is true that we must admit that most countries that have provided family allowances give the allowances on an ascending scale, while a few provide for a fixed amount for each child. The present clause has not been understood correctly by many. It is feared by some that it might be prejudicial to large families. I want to say that the plan proposed here is so generous that even with the ascending scale that is provided for large families in some other countries, the families will receive more in Canada under this measure. In France, where before the war, family allowances were more generous than elsewhere, the allowance to a family of seven children amounted to $432, while here the same-sized family will receive $496, and in other countries with family allowances paid on an ascending scale the amount was considerably less than that, even in countries where the cost of living is on a par with ours. Therefore I say that the people of this country should thank the government for providing this measure rather than find fault with technicalities.

I represent a constituency which has a considerable number of large families and I shall have to answer the question which, as the hon. member for Chambly-Rouville said, has been spread in a farm paper in the province

of Quebec in its last issue. Some people try to find fault with every forward movement of this government, but I say that this family allowance movement is a step in the right direction and I stand by it. If this scale of allowance does not work out the way we hope it will, if it does not bring about equality of opportunity, and if the scale of allowances is not proportionate to the cost of providing for a family of more than four children, then it will be time to reconsider the matter.

While I am on my feet I should like to say a word on a question of privilege. On Monday, July 31, the hon. member for Parkdale took me to task for the following words which I had used in the house on July 27, at page 5479 of *Hansard:*

> It ill becomes anybody in this house, no matter how distinguished his past career, to come in the late hours of his advanced life to use the prestige of his respectability, of his eighty years and his white hair, to cast aspersions on those of a different racial descent from his own.

To this the hon. gentleman objected in the following words, as reported in *Hansard,* page 5674:

> I should like to refer for a moment to a few of the remarks made by the hon. member for Bellechasse, as reported on page 5479 of *Hansard.* He made reference to my grey hair. My grey hair did not prevent me from serving three years in the last war as a surgeon overseas.

And the hon. member proceeded to give more details of his work in the field. He did not tell us of what Sir Andrew McPhail calls the "short hours of Doctor Bruce's greatness" in connection with his period of office as inspector general of medical services and director of medical services at headquarters in London.

Mr. KNOWLES: Mr. Chairman, I rise to a point of order.

Mr. GRAYDON: I rise to a point of order. I do not think we ought to be scattering mud and dirt over the pages of *Hansard* during this debate. The matter might well rest where it is. I think it was pretty well cleared up, and I do not see much excuse for the hon. member for Bellechasse now attempting to attack the reputation and character of the hon. member for Parkdale. It looks to me to be a little too small, too petty for any hon. member to have a part in at this time. We have gone a long way in this debate; it has been spread out and extended over subjects which I am sure the section was never designed to cover. Surely we have not arrived at the point where we are going to engage in a mud-slinging contest, in which any hon. member who has the last word will perhaps have the best of the argument. I think we ought to call a halt now, because I agree with the hon. member who observed that when this kind of debate has gone on a certain time, parliament will sink to levels from which it will not be able easily to rise. In the interest of all hon. members this ought to be stopped.

Mr. PICARD: Mr. Chairman—

The ACTING CHAIRMAN (Mr. Golding): The hon. member for Winnipeg North Centre has the floor.

Mr. KNOWLES: I was simply rising to a similar point of order. You ruled me out of order when I was about to deal with a matter which I thought had relevance to the section, and concerning which I was speaking in reply to a previous speaker. I cannot see the relevance of this dispute to the section which is before the committee.

Mr. PICARD: That has nothing to do with it at all. This is a question of privilege, which can be brought up at any moment in a debate; and with the kind permission of the committee I would say that I am not referring to the debate on allowances but to the next sentence in the statement of the hon. member for Parkdale. If I may come to my question of privilege, which I have not yet stated: my own position in the war was attacked by the words of the hon. member for Parkdale, and I want to answer him. Here is the quotation—

The ACTING CHAIRMAN (Mr. Golding): As hon. members realize, we are in committee of the whole house on a particular bill. Questions of privilege should not be brought up in committee of the house; they have to be brought up when the house is sitting, on or before the orders of the day.

Mr. PICARD: I bow to your ruling, Mr. Chairman. But the other day the same question of privilege was brought up by the hon. member for Parkdale and he was allowed to go on. That is why I thought I could go on to-day, but in view of your ruling, I will do so at the next sitting of the house.

Mr. ADAMSON: There is one question I should like to ask the parliamentary assistant, and I think it comes within this clause. He has stated that the cost of this measure will be $200 million. Now Cassidy, in his work on social security and reconstruction in Canada, says that there are according to the 1941 census 3,600,000 children in the country who will be benefited by this act, and, basing his figures on $10 per month, he arrives at the figure of $432 million per annum as the cost

of this act. Can the parliamentary assistant explain how the government arrived at the cost of $200 million?

Mr. CLAXTON: I shall be glad to do so. The Dominion Bureau of Statistics took the figures from the 1941 census figures, either from those figures or from the census returns themselves on a test based on a sample of two per cent, arrived at an estimate of the distribution of children aged from birth to sixteen years, and then worked out the reduction which should be made for the children over four in the various groups. On the basis of those calculations, extended up to the first of July, 1945, they arrived at an estimate of the cost of $253,200,000. The last figures, the $3,200,000, are not very significant because of the way in which the estimate was arrived at. The Prime Minister in his opening on the resolution gave the house an estimate of $250 million. That is the estimate of the Dominion Bureau of Statistics.

Mr. ADAMSON: I believe this matter is of sufficient importance to have the working out of this estimate either tabled or put on record.

Mr. CLAXTON: That has already been done.

Mr. ADAMSON: Has it?

Mr. CLAXTON: Yes. If my hon. friend will refer to *Hansard* of July 26 he will find the figures at page 5396.

Mr. LOCKHART: Is there any mention in the calculation made by the bureau of statistics of the cancellation of certain mothers' allowances payments in the provinces? No deduction is made for anything such as that?

Mr. CLAXTON: None at all.

Mr. LOCKHART: This is in addition?

Mr. CLAXTON: Oh, yes. The question of the mothers' allowances which are now paid in eight of the nine provinces is entirely a provincial matter; this is additional. To complete the picture I should refer also to the estimate given by the Prime Minister, that from this total of $253 million should be deducted $50 million to $60 million for duplication of income tax allowances.

Mr. LOCKHART: I want to make it definite in that respect, that in the tabulation made by the Dominion Bureau of Statistics no services rendered by the provinces of any kind, in cash payments to mothers, or otherwise, have been included in arriving at the $253 million.

Mr. CLAXTON: That is correct.

[Mr. Adamson.]

Mr. BRUCE: Mr. Chairman, when the parliamentary assistant to the Prime Minister was speaking on July 26, page 5398, he stated that he was not able to give certain statistics, that is of family groups in the provinces, because it "would be a very lengthy operation." I have been able to get those figures through the statistical records in the library, and I have them here, if I may be permitted to read them. The population under sixteen years of age by provinces—

The ACTING CHAIRMAN (Mr. Golding): Order. We are now on section 3, which deals with the monthly allowance. I think we had better stay with the section.

Mr. DIEFENBAKER: I would like the parliamentary secretary to give me an answer in regard to the whole question I raised a while ago. He was prevented from doing so, and I know he is ready now to do so. Possibly that would fit in with what the hon. member for Parkdale has in mind; and then, I submit, the hon. member for Parkdale's figures are of use in connection with the matter which I have raised and upon which I am asking information.

Mr. CLAXTON: The hon. member for Lake Centre asked two questions. One was, had consideration been given to the inclusion in this bill of allowances for children above the age of fifteen in case of their being invalided or otherwise disabled. Consideration was given to that, but it was felt that as the care of such children was now being undertaken by the provinces, whose responsibility is clear under the British North America Act, the provisions of this bill should not be extended. This was a measure for family allowances and aimed to do one specific thing. Moreover, it was desirable, as pointed out by the hon. member for Winnipeg South Centre, that the scheme be kept as simple as possible. Therefore that additional group of children over sixteen was not included.

The second question the hon. member for Lake Centre asked was, had any scheme been arrived at for financing this measure? That is made very clear from the provisions of the bill itself. The allowances are to be paid out of unappropriated moneys in the consolidated revenue fund, and the moneys necessary are not to be provided by any tax specially earmarked for the purpose. He himself referred to the situation in Australia, where part of the cost of family allowances is raised by tax on payrolls. That is true. In Australia the amount, estimated at two-thirds of the total cost, is raised by a payroll tax on employers of 2½ per cent on all payrolls over £20 per

week. I am not too sure that even in Australia that is found a satisfactory way of doing it, but in any event, here it was thought very much fairer and less misleading to have the payment come out of the total tax revenues of the country, borne by all taxpayers, all citizens, in proportion to their payments and carrying out to the fullest possible extent the principle of taxation that payments should be made on the basis of ability to pay.

Mr. DIEFENBAKER: That is comprehensive in its generality, but what I want to find out from the hon. gentleman is this. In order to raise the amount that will be required, has consideration been given as to any increase in taxation that will have to be brought into effect over and above that which was in effect before the war? Naturally the hon. gentleman was not able to give full details, but the fact remains that no matter whether this money comes out of general revenue or out of special tax, it nevertheless will have to be paid through the medium of taxation. What consideration has been given this matter? Apparently very full consideration was given to questions of constitutionality. The hon. gentleman has just said that the reason children over sixteen were not included, children who by reason of invalidism or other condition could not maintain themselves, was that child welfare is a matter of provincial jurisdiction. That indicates that there was some considerable care. The hon. gentleman accepted the explanation that was given by the hon. member for Winnipeg South Centre and he appropriated it as his own. He further said that the reason, as I apprehended what he said, that this bill was in such skeleton form was that it was intended to be so and not to give full details. Mr. Chairman, this particular phase, the expenditure of $250 million, is a very important matter. Whether the money comes out of general revenue or not, whether it is a matter of special tax or not, it must necessarily be raised through the medium of taxation. At the moment I am not complaining about that, but I am asking, what is the plan? Take the situation in 1939, before the war. Taxation was at a certain level. Is it intended that that level shall be returned to or be increased by approximately fifty per cent, as it must be, when this measure is being brought into effect? A matter such as this can scarcely be brushed aside by the general statement that the money is coming out of general revenue. The people have a right to know just what the plan is in so far as this matter is concerned. Skeleton information and skeleton details are insufficient.

Mr. CLAXTON: The hon. member referred to this as a bill which was in skeleton form.

Mr. DIEFENBAKER: Certainly.

Mr. CLAXTON: He himself seems to have read the acts in force in New Zealand and Australia and, if he has examined them as carefully as he seems to have done, he will admit in all fairness that except in one particular this bill is in greater detail than either of those acts, and that particular is that the recipient of the money, whether it be one parent or the other, is, as was mentioned last night, left to the governor in council. Apart from that, this measure is very detailed and sets out in ample form not only the rights that people will have to allowances but also the actual administrative machinery on which the act will be administered.

With regard to his other question—what is the plan?—his question to me before did not raise the large question of how the budget of Canada for the year beginning April 1, 1945, would be made up, and that is really what he is asking. He cannot expect any member of the government or myself, at this stage, to indicate what the budget of Canada will be or how it will be made up for the period beginning April 1, 1945. But when he says that this measure can be financed only by an addition to income taxation he must admit that he is wrong. The budget of Canada in any ordinary period that we can envisage ahead will take care of this measure and other social security measures of the government and at the same time permit a substantial reduction in taxation. That must be admitted by anyone who looks at the prospects that lie ahead. But to say what the rate of income tax will be this time next year is a matter for the Minister of Finance and the government which will be declared in the budget speech that will be made at the next session.

Mr. DIEFENBAKER: Does that suggest that it is to be taken from income tax—that statement about income tax?

Mr. CLAXTON: The hon. member should be fair. I have already pointed out that the cost of this is to be paid out of the consolidated revenue fund, and he knows that the consolidated revenue fund is made up of all the revenues of the crown. The reason why I

mention income tax is that he mentioned it, and he said that this could only be raised by an increase in income tax. He must know that if events move as we hope and expect they will, the government's expenditures on war account will be reduced substantially, beginning, we hope, next year, and it will then be possible to reduce income tax and other taxation and at the same time pay for all social legislation of the government without any great difficulty. He cannot expect the details of that to be disclosed now because we do not know what the state of the war will be. All we can do is to hope and expect that it will be very much farther advanced than it is to-day.

Mr. BRUCE: I shall give these figures as it seems to me they will be useful to the members at this particular time. They are as of June 1, 1941. This is the population under sixteen years by provinces:

Provinces	Population	Per cent
Prince Edward Island..	26,437	0·7
Nova Scotia	208,597	5·7
New Brunswick	161,918	4·4
Quebec	1,258,255	34·0
Ontario	1,118,278	30·0
Manitoba	200,940	5·4
Saskatchewan	232,629	6·0
Alberta	239,375	6·5
British Columbia	269,575	7·0
Total.....	3,716,204	

Mr. MacNICOL: Have you the Yukon?

Mr. BRUCE: I have not got the Yukon. Now, children under sixteen years in charitable and benevolent institutions as of June 1, 1941, are as follows:

Province	Orphanages	Homes for adults and children	Children's aid societies	Juvenile immigration societies	Total
Prince Edward Island.....	117	20	129	...	246
Nova Scotia	412	171	1,386	...	1,969
New Brunswick	395	400	113	17	925
Quebec	10,053	4,554	4	...	14,611
Ontario	1,642	304	10,381	...	12,327
Manitoba	567	8	587	...	1,162
Saskatchewan	170	20	214	...	404
Alberta	271	141	124	...	536
British Columbia	202	49	1,113	177	1,541
Canada.....	13,829	5,667	14,051	194	33,741

Mr. JACKMAN: In offering one or two criticisms or a request for further information on this section I should like it to be distinctly understood that I am enthusiastically in favour of this measure as a general principle. I think it will do far more good than otherwise. I agree with the quotation used recently by the editor of the Ottawa *Journal* when he said that we should never let the perfect impede the good. However, the matter of relative wages in Ontario and in Quebec was brought up by my colleague the hon. member for York West. He quoted a figure showing that textile workers in the city of Montreal received $21.41 a week, whereas in the city of Toronto they received $26.40.

Mr. CLAXTON: There are no cotton textile workers in Toronto.

Mr. JACKMAN: Yes, indeed there are textile—

Mr. CLAXTON: Cotton textile workers. You are dealing with two different classes.

[Mr. Claxton.]

The ACTING CHAIRMAN (Mr. Golding): Order. I think we had better stick to the section under discussion, which is the section having to do with monthly allowances.

Mr. JACKMAN: That is correct; but if you will bear with me for a moment I think you will find that I am pretty closely on the section. Certainly there are textile workers; I cannot say whether they are exclusively on cotton or not. There are cotton textile workers in the city of Hamilton, for which I have not the figures at hand, but I think they pretty well bear out the general principle, which is understood by everybody who knows anything whatsoever about industry, that wages are considerably higher in Ontario than in Quebec.

What is feared by some people in regard to these family allowances is that they will tend to crystallize the situation in Quebec, namely, continue the lower wages there which the people in Quebec, the people in Ontario and elsewhere in Canada would like to see raised

so that the people in Quebec would have a better standard of living because of what they earn and contribute to industry, and would not compete unfairly with industrial workers in other parts of the country. I understand that in recent years practically the whole cheap furniture business has gone to Quebec, much of it from Ontario, because of the lower wages in the province of Quebec. If these family allowances are to be paid on the rates set forth in the schedule, with which I have no complaint generally, they may nevertheless tend to cause a shift in employment because of certain industries in the lower wage class moving from Ontario to Quebec and thus favouring one province of this great country over another when it comes to employment. Naturally that is something looked at with askance by the people of Ontario, particularly the industrial workers. What is the solution of it? I do not suppose that in a federal state such as Canada we can definitely and clearly rectify the difficulty and make certain that further damage will not be caused by the granting of these family allowances. However, I believe that the government should be cautioned on this point, should be warned, if I may use that expression, that the people in the other sections of Canada will watch to see just what effect these family allowances have on the relative wage scales and the tendency for certain industries to shift to the lower wage scale areas in this country.

The second matter I wish to mention is this. I do not put this forward too seriously in a sense, and yet I think the committee should be apprised of the fact that there is in the minds of many of us, and I hope in the minds of all of us, a very great difference between a man who has earned money being allowed a certain deduction for the maintenance of his children and the man receiving an allowance or what even might be termed a hand-out from the state for the support of his children. In the one case the man has earned the money by the sweat of his brow or the work of his brain in open competition with his fellow Canadians; in the other case the man has not earned the money but is being given it by the state. I see no way of rectifying the situation exactly. One does not ask for greater consideration to be given to children of taxpayers than to children of those who do not pay taxes; yet in this regard I believe it is an integral part of the bill that we should know definitely what the changes in the income tax regulations are to be. What we have been given is the very general statement that a parent will not be allowed to benefit through receiving the income tax deduction or tax credit, as it now is, and certain family allowances. Yet an income tax schedule should be available to all, so that those who receive $1,200 and over, but are not given the full $108 exemption to which a larger income would entitle them, may know exactly what their position is, and so that all may be fairly dealt with. This matter of income tax regulation is just as vital as any other provision in this bill; and while I do not want to use the term "half-baked legislation", it certainly does indicate that the government or the Department of Finance, which is responsible for the income tax act, as yet has not found out exactly how it is to be handled. Otherwise there could be no possible reason why the actual mechanics of it should not be given to the members of this committee, so that we might understand them and be able to answer the many questions which have been addressed to us by our constituents.

The other point is in regard to where the money is to come from. I suppose it is merely going to come from the general pot, but undoubtedly it will prevent certain reductions in taxation which otherwise might have been made. However, we cannot have our cake and eat it at the same time, and we must realize that we are going to pay for these family allowances through taxation. Yet I believe the government should give us a clear indication, perhaps not in percentages but at least in principle, of where the money is to come from; whether it is expected that it will come from income tax directly or from some form of indirect taxation. This statement does not apply only to family allowances; it applies to the whole generality of these appropriation bills which we are putting through the committee at the present time with such abandon. In this committee and this house we have little regard to how much we can raise; we simply go ahead and make our coat with no regard at all to our cloth. We do not know what our total financial requirements are likely to be in the post-war years. This all ties in with a matter which I believe is of first importance; that is, if we are to have full employment after the war we must have incentive for our people. If they are taxed too heavily it means that people will not be given a reasonable reward for the risk and enterprise which they show, and we shall come to the point where the state will be running everything. So that I urge upon the government that they outline to this committee not only where the $200,000,000 or $250,000,000 required for this measure are coming from, but that they give us some idea—it might as well be brought in now as at some later time—where all the money is to come from and approximately

what the total budget is likely to be in the year after the war, say, when we shall no longer have direct war expenditures. Otherwise it is impossible to know whether we can with the most complete faith vote for measures which involve hundreds of millions of dollars, without knowing where the money is to come from; whether it will come through a continuance of the printing press methods, or from borrowing from the banks as in the past we have borrowed a certain proportion of our national expenditures.

To give some indication of the lack of information possessed by hon. members in regard to these financial expenditures, as yet we have been given no information whatever with respect to the $848,000,000 which the Minister of Finance announced would be spent on matters of which he could give no details. Perhaps that should be more properly brought up under another bill, but at least it will give hon. members an appreciation of the little or no information we are given by the government in regard to the very important matter of how we are to finance our expenditures or even how we are to spend our money. I would remind hon. members that $848,000,000 is not less than 160 or 170 per cent of the normal pre-war budget; yet we have had only the barest indication that this money will be spent, and we are not told on what it is to be spent. In the same way I believe we should be given full details, at least in principle, as to what our total expenditures will be, so that we may have an over-all picture, before we go at the matter piecemeal, appropriating $200,000,000 here and $200,000,000 there, without knowing whether or not this country can afford to go ahead with these measures.

Mr. MACKENZIE KING: I should like to refer to just one point asked by the hon. member who has just taken his seat. Several hon. gentlemen on the opposite side have implied that the granting of family allowances is going to have the effect of keeping wages in the province of Quebec at a comparatively lower level than in the province of Ontario. I suppose there is nothing more intricate than an understanding of the factors which enter into the determination of rates of wages; they are in part international, in part national and in part local, and arise from many causes. One thing, however, is apparent or, I believe, has become apparent in recent years, since the prejudice against the organization of labour has begun to disappear and large visioned employers have begun to see the wisdom of such organization. That is, wages have only risen appreciably where labour has been strong enough to organize. In the matter of organization, there is perhaps nothing that enters so effectively to prejudice their position as the obligation the workers have to consider when they are carrying on a struggle to improve their conditions. In a province in which there are small families, where great numbers of those employed are unmarried, it is relatively easy for labour to organize, and, if that should become necessary in order to improve the condition of labour, to strike and refuse to work until wages are more in accordance with the service rendered. But where you have a condition in any part of the country where wages are relatively low and where there are large familes, the wage-earner is confronted with the most difficult situation possible as far as improving his condition is concerned. When he is driven to the point of refusing to work unless he can get better pay he has to consider not himself only, his wife and possibly one child; he has to consider the fate of five, ten or fifteen children, and he finds himself in a position where there is practically no option between allowing some of his family to starve or giving up the struggle to improve his condition altogether.

This allowance to children where there are large families will help remove that impediment. It is going to help place those large families above a bare subsistence level, and often a condition worse than that, because the standard of living frequently degraded because of the small incomes which heads of large families are able to obtain in relation to the obligations they are called upon to meet because of the size of their families. When this law goes into effect the head of a large family will have at least some provision which he can be sure his children will receive if he finds himself driven to that desperate position which labour at one time or another has reached in whole or in part when it has tried to improve its condition, namely, having to choose between starving or working, because that is all what lies at the basis of success or failure in most strikes. I do not for one moment hesitate to say that the effect of this legislation will place those who have large families in a relatively stronger economic position. They will not, because of this legislation, be economically weaker, relatively, than their brothers in other provinces. They will be appreciably stronger than they have been in the past and, as a consequence, will be able to fight for wage standards in their respective provinces comparable with those existing in other provinces. In that way they will help bring about what all hon. members have said is very desirable, and which I personally think most desirable, namely, uniformity of rates of

pay for equivalent work in all parts of the dominion. So that my argument is that, far from deploring that this legislation is quite likely to further an inequality in labour rates of pay for all parts of this country, we should view it in entirely the opposite way.

Section agreed to.

On section 4—When and how payable.

Mr. TUSTIN: I believe that certain institutions are to be granted this family bonus?

Mr. MACKENZIE KING: Institutions do not get it.

Mr. TUSTIN: In many parts of Ontario there are children's aid societies which are maintained by the municipalities and which receive grants from the provincial government. In the community from which I come we do not keep up an institution for these children. Our children are boarded out in private homes which we think gives them a much better chance than they would have in an institution. Will these children receive the allowances when they are under the direction and supervision of families in private homes?

Mr. CLAXTON: Under this bill the allowances are payable to parents with respect to children and to parents who maintain children wholly or in part. The payment is to be made to a parent as defined in the bill and he must maintain the child in order to qualify. Once you have a parent who maintains a child, then he is qualified under the bill. He would receive the allowance and could, I think quite properly, make an arrangement with a boarding school, a child welfare organization or anyone else whereby the child would be boarded and supported. The parent may pay the necessary amount to the institution and still continue to receive benefits under this bill. The allowances to be paid are payable to parents who maintain children.

It is contemplated that in a small number of cases it may be necessary, on the application of a child welfare organization or a provincial or municipal welfare officer, to consider whether or not in the special circumstances of a given case the allowances should not be diverted from the one parent to another or from the parent to a guardian appointed by the court or to some other person. Such other person may conceivably be an agency or organization.

Mr. LOCKHART: Where is that in the bill?

Mr. CLAXTON: That is provided for in section 5 and section 11 (b).

Mr. LOCKHART: Would a child welfare organization get help for an orphan child?

Mr. CLAXTON: I have explained already that if an institution is now supporting a child and there is no parent responsible for the maintenance of that child it would not qualify because it is not a parent maintaining a child, but—

Mr. LOCKHART: Orphan children will not get these allowances?

Mr. CLAXTON: There must be a parent or somebody else responsible for their maintenance. As was pointed out by several hon. members last night, it was expected that the effect of this would be to bring more children into homes. If I may say so, we went over these points at quite considerable length yesterday afternoon. I hope that is clear. The reason why payments are not made to institutions was pointed out by the Minister of Justice and I have nothing to add to what he said.

Mr. MACKENZIE KING: The hon. member (Mr. Lockhart) who just spoke left an impression which I think ought to be removed. He left the impression that orphan children are not going to be looked after. That is quite erroneous. As has been pointed out, provision already exists under the constitution whereby, under subsection 7 of section 92 of the British North America Act, an obligation is placed upon the provinces with respect to orphanages. This was brought out earlier in the discussion. Where that particular obligation has been placed and accepted it would be creating a duplication of payments to pay the allowances to an institution which is already carrying out its obligation in accordance with existing legislation.

Mr. TUSTIN: Perhaps I did not make myself clear. As I say, we do not maintain an institution. I would direct the attention of the parliamentary assistant to the fact that many of the children in Ontario being cared for by the children's aid society have parents who are deemed to be not capable of looking after their families. In our particular case we place these children in private homes and the county pays their board. As I said before, the province does make a small gift to the children's aid society. I received a letter to-day asking me about this very point and I should like to get a clear answer. Will any assistance be given to these underprivileged children who are being maintained by the children's aid society in private homes rather than in institutions?

Mr. CLAXTON: It is difficult to give a categorical answer to the hon. member. There are nine provinces and in every province there is a multiplicity of agencies which deal with

children. There is a variation in the provincial arrangements and those of the municipalities, and at times there is a variation in the financial arrangements made by a particular institution. As I have said, the bill provides for payment to parents, excluding institutions. Institutions may be defined by regulations under the bill. If there are cases which indicate clearly that it is only right and just and in accordance with the general purpose of this bill that payment should be made, those cases will be taken care of. As I say, it would be difficult to give a categorical answer because that might be taken as indicating a line of policy which might not be susceptible of application in every type of agency.

Mr. TUSTIN: If consideration has not been given to this matter, I trust the government will give some real consideration to it.

Mr. CLAXTON: It has been considered and will be further.

Mr. TUSTIN: It appears to me that this is the class of child that should receive assistance under this bill. He has been removed from his family because the home is not a fit and proper place for him, because his parents are not fit and proper persons to look after him.

Mr. ROSS (Calgary East): When the time comes to draft the regulations I hope the government will provide that these allowances shall be payable to the mother. She can be depended upon to see to it that the money will be used for the benefit of the children. I have received a letter from one of my constituents for whom I have a very high regard. I should like to read part of this, as follows:

> First, the payments should be made to the mother unless she is dead or is proven to the satisfaction of child welfare authorities to be incapable of using the money properly. The mother is responsible, in spite of a number of asinine laws, for seeing that there is food of adequate quantity and quality on the table. She also is directly responsible for the children's clothing. There are men who would see only a few extra beers in a cheque like that, and there are others who would not mean to use it dishonestly but would spend it on things that looked more necessary. Ask any farmer's wife what the cream cheques and egg money have to buy besides groceries. Let it be understood that these allowances are for the purpose intended, child welfare.

I think the policy advocated by the writer is sound and I hope that it will be followed except in very exceptional cases.

Mr. MacNICOL: Subsection 2 of section 4 refers to the child who fails to attend school. Some children under sixteen in Toronto get permission of the board of education to work in the daytime. There is a regulation that all children must attend school until they are sixteen unless special permission is obtained from the board under certain circumstances to enable the child to work during the daytime, and in that case he must attend school at night. Would that child qualify under this bill?

Mr. MACKENZIE KING: Where there is a provincial law of the kind, that would be taken into account in administering a measure of this sort. If a province has made certain provisions for children attending night school instead of day school, certainly the administration that was administering this law would take that fact into account in relation to the clause to which my hon. friend referred.

Mr. MacNICOL: I do not know that it is a provincial law, but I do know that the board of education permits it under certain conditions.

Mr. MACKENZIE KING: What my hon. friend has mentioned illustrates perhaps better than anything else could, the wisdom of allowing regulations to be made and of not attempting to cover everything by specific enactment at this time. Those who have to do with the administration of the law will look into just such a case as that in order to see that equity is made to prevail.

Mr. MacNICOL: Yesterday I asked about Eskimo and Indian children. Is this the clause under which I can be given an answer as to how they will be taken care of?

Mr. CLAXTON: The clause under which that would come would be clause 8 (2), but I might just as well say now that it is contemplated that if Indians and Eskimos qualify as parents maintaining a child they will be entitled to receive the allowance, but in the case of Indians or Eskimos who are in receipt of other assistance from the government in respect of children, there will be an offset to prevent a duplication of the allowance.

Mr. MacNICOL: The only allowance they receive is five dollars a year, which is a bagatelle.

Mr. CLAXTON: I am informed that the dominion government does give a great deal of other assistance in kind to Indians by way of health assistance, medical assistance and other kinds of assistance, and that does give rise to a question which will have to be considered so as to avoid duplication of assistance in respect of children.

Mr. MacNICOL: Do Eskimos register births?

Mr. CLAXTON: Nobody will receive benefits unless he registers. It will be necessary for any person to register a child in order to qualify for the allowance.

Mrs. CASSELMAN: I suppose that when the regulations are framed they will cover a situation like this, where a child is physically able to attend school but where there are no schools within reach. There are districts like that where there is no school to which the child can go. Will that case be looked after by the regulations?

Mr. CLAXTON: Yes.

Mr. EDWARDS: The only comment I wish to make with regard to this bill can be most appropriately made under this clause. I personally am concerned that we give recognition to the people whom next to the children we have uppermost in our minds. It is in recognition of the greatest financier that I have ever known, my sainted mother, that I rise in my place at this time and recall the sacrifices that she made, her industry and the heartaches that she had when I was a boy. I think of the hundreds of mothers, legitimate and others, who have consulted me in my professional capacity during the last twenty years. I am most concerned that this money which is to go to help children shall in very truth and fact go to those who are most anxiously concerned to help children—the mothers of those children. I would feel much happier if it were embodied right in this bill that parliament says that the money shall in the first instance go to the mother of the children, and only to others when it is established by proper authority that the mother is not a fit and proper person to receive the money wherewith to take care of her children. I feel keenly and strongly on that phase of the matter, and I know that many other members of this house and literally thousands of people outside are most anxious and concerned lest the benefits of this legislation be lost by reason of the fact that this government will make it possible for these funds to be diverted by officials or others from what I believe to be and what I believe humanity believes to be the proper and appropriate recipient of the money, the one who cares most for the weal, welfare and happiness of those whom this measure is designed to help—little children.

Mr. KNOWLES: There is a question bearing on this section that I would ask, but before doing so may I say how glad I was to hear the opinion just expressed by the hon. member for Calgary West. I trust that he will support me when I move an amendment to section 11 (a), which I indicated last night that I would propose when we reached that clause.

My question on section 4 is this: Will the allowance be paid at the beginning or at the end of the month for which the payment is being made? I have a reason for asking this question. Personally I feel that the provisions of section 4 are generally quite good, but from our experience with the old age pension measure we know that one unhappy situation arises. A person who qualifies for the old age pension had his seventieth birthday, we will say, the second day of January. Because of the wording of the Old Age Pensions Act he does not draw his first old age pension cheque until the last day of February. There is a lapse of almost two months from the date that he qualifies before he receives his first cheque. That may not seem very much to some people, but it is a source of a good deal of disappointment and feeling to those who are affected. I have run into quite a few cases of that kind. As I see it, the wording of this section will produce the same result if the payment is made at the end of the month. On the other hand, if payment is made on the first day of the month for which the payment is specified, there would not be that two months' lapse.

Let me point to another type of case. Supposing the child is born about the twenty-eighth of the month; the father is excited; it is the first time it has happened, and he neglects to register until the first or second of the next month; then the payment is not made until the end of the following month. It is a pretty long lapse of time between the birth of the child and the receipt of the first cheque. I wonder whether the parliamentary assistant could answer me on that point.

Mr. MACKENZIE KING: I have a statement before me which I think answers my hon. friend. The allowances are payable month by month, and changes in the rate of allowance are similarly to be made month by month, so that broken periods of less than a month will not be included. This is for administrative purposes, and by and large will work out fairly, as children will continue to be eligible until the end of the month, just as they will cease to be eligible at the end of the month.

Mr. KNOWLES: I understand that all right, but the question still remains, are the payments for the month, that is for the full month, made in advance or in arrears?

Mr. CLAXTON: It is contemplated that the payment will be made the first or as near the first of each month as possible. The payment for that month will be made on the first of the month or as near the first of the month as is possible, exactly in the same way as in the way of dependents' allowances; so that payments will not be made in arrears, they will be made in advance.

Mr. KNOWLES: In other words, it is different from old age pensions in that respect. I am very glad to hear that.

Mr. HOWDEN: The trend of the debate lately has made me wonder whether there are adequate safeguards in this bill to ensure the proper maintenance of the children after the allowances are paid. If I may say so, being a medical man I have been in many homes in my life, and I do not think that in every case one can depend on the children being properly maintained unless there is supervision of some kind to see that they are. I can even conceive of a family saving the money and letting the children go wanting to a certain extent. It seems to me there should be adequate safeguards, whether in the bill or somewhere else, which would ensure the proper maintenance of the children as a result of government expenditure on these allowances.

Mr. CLAXTON: The hon. member will, of course, share with all of us the view that the best safeguard for the great majority of cases is the desire of the parent to look after the well-being of the child.

Mr. HOWDEN: That is not entirely dependable in all cases, I am sorry to say.

Mr. CLAXTON: The hon. member is concerned now with a minority, and it is a small minority of cases where the parent does not look after the child properly. This bill has two provisions which expressly deal with that. There is the provision in section 5, under which it is declared:

> 5. The allowance shall be applied by the person receiving the same exclusively towards the maintenance, care, training, education and advancement of the child, and, if the minister or such officer as is authorized by regulations in that behalf is satisfied that the allowance is not being so applied, payment thereof shall be discontinued or made to some other person or agency.

In this, I may say, the bill provides along lines similar to section 20 of the Australian act and section 29 of the New Zealand act. In addition there is this provision in section 11:

> 11. The governor in council may make regulations to . . .
> (b) provide that where, by reason of age, infirmity, ill health, insanity, improvidence or other reasonable cause of disqualification of the person to whom the allowance is payable or in other special circumstances, payment may be made to another suitable person or agency.

There, provision is made for diversion, and I should say, further, that it is contemplated that in the administration of these provisions the provincial child welfare agencies and child welfare officers will play a very big part in drawing to the attention of the family allowance administration any case where there may be either a withholding or a diversion. As I think hon. members know, in every province to-day there is a child welfare act, a child protection act or some other similar legislation. In every province to-day there is a fairly extensive system of administration of these acts. That system is being constantly added to and improved, and it is hoped that this measure will support that improvement so that there will be a very close cooperation between voluntary agencies, provincial agencies and the federal government. The cases which the hon. member has in mind are dealt with in the ways I have mentioned.

Mr. HOWDEN: Will there be any provision for connection between the child welfare organizations under the sections of this bill?

Mr. CLAXTON: There is provision for the working out of close cooperation between the dominion government and the provinces.

Mr. DORION: I understand that these allowances will be paid monthly. There are cases, in some remote areas where children live far from schools, where during a few winter months they are unable to attend school. Will a child in this situation lose the allowance for one, two or three months during which he will be unable to attend school?

Mr. CLAXTON: The Prime Minister has already indicated that, in the administration of the condition that the allowance will be paid while the child continues to attend school, close regard will certainly be had to the provincial laws and provisions regarding education, so that if they cover the case of my hon. friend, one can certainly assume that a federal government will not expect a higher standard than a province does, or that it will not fail to take care of the exceptional case if the province does. But even if the province does not make provision for a very unusual case I should certainly think that should be covered in regulations, so that if it is impossible for anything to be done in order to qualify, a person should not be penalized for not performing the impossible.

Mr. ADAMSON: Last evening the Minister of Justice in answering a question of mine, said that a child in an institution could be adopted—and it is provided for in the bill, in section 2—and thereby receive the benefits of this measure. I bring this up as a matter of clarification of answers given to the hon. member for Prince Edward-Lennox. Can a child—an orphan or a child in an institution—be adopted only by a male parent, or what are the rules of adoption? Can it be

adopted by a woman? What are the regulations in this regard. I think this is quite important, because quite a number of children will be affected.

Mr. ST. LAURENT: The laws with respect to adoption are determined by the provinces respectively, and they differ in the several provinces. In my own province, under the laws that exist, a child whose father is living cannot be adopted by some other person even though the father may be consenting. It is looked upon as a matter of public interest that the father of the child should not renounce his quality and the paternal authority which goes with it.

Mr. ADAMSON: The blood line takes precedence over everything?

Mr. ST. LAURENT: It does. There are other provinces where, I understand, the system is different. I am not in a position to tell the hon. member what are the legislative provisions in that regard in each of the several provinces. In my province, if there is no obstacle to adoption, the adoption can be made by a female as well as by a male person. There are restrictions with respect to difference in age. An adult male can only adopt a female who is younger than himself by a certain number of years. There are such provisions established by the legislatures of the several provinces. But here the relationship required to be classified as parent under this bill would not necessarily be a full legal adoption relationship according to provincial law.

Mr. ADAMSON: That is the question I want to get at.

Mr. ST. LAURENT: The bill provides that the regulations may recognize as parent one who would not have the full legal status of adoptive parent under provincial legislation.

Mr. ADAMSON: In the case I brought up the other night one *in loco parentis* would qualify under the bill.

Mr. ST. LAURENT: It would be possible for the regulations to recognize that kind of relationship, and as a matter of fact the hon. member knows that under the regulations dealing with dependents' allowances *de facto* situation, whenever they have attained a degree of permanency that shows they were not arranged for the purpose of getting the benefit of the regulations, have been recognized.

Mr. JACKMAN: While there will be a multitude of cases which vary slightly in points, I would ask the parliamentary assistant what would happen under this set of circumstances. In Toronto we have a children's aid society and they have in their custody certain children either because their own parents have not looked after them well or for some other reason. At all events, they have come into the custody of that organization. The feeling is that children are not best looked after in an institution and are given out to inspected, approved homes and so much is paid per month for each child. Two young boys of twelve years of age in my riding are looked after in that way. Who would occupy the position of parent in that case? Would these children be subject to family allowances? The definition of "parent" purposely excludes an institution. It may be that these children are technically in the custody of an institution and are, therefore, not eligible to receive the money. I agree with the Prime Minister that we cannot cover everything in the bill and we cannot discuss all possible cases here. But the experience of many of us with those in the various departments who frame regulations is not always satisfactory, and if the income tax division has anything whatsoever to do with this I can positively assure the Prime Minister that the regulations will be drawn against the subject and in favour of the crown in order that they may have ease of administration.

Mr. CLAXTON: The hon. member for Rosedale has asked a question which I think is similar to one asked by his colleague, the hon. member for Prince Edward-Lennox. The answer was that institutions are not to receive the allowances in the first instance, but if the case as described by the hon. gentleman is a case where payment ought to be made, then there is a provision in the bill for regulations to be adopted under section 11 (b) which declares that the governor in council may:

> provide that where, by reason of age, infirmity, ill health, insanity, improvidence or other reasonable cause of disqualification of the person to whom the allowance is payable or in other special circumstances, payment may be made to another suitable person or agency.

The word "agency" there contemplates some such agency as the hon. member mentions, so that if the case to which he refers is one where payment should be made, provision can be made for meeting it. But it is not possible to describe such cases in detail in the bill because there are nine provinces and there is a great multiplicity of types of agencies and arrangements throughout Canada that cannot be dealt with in detail in the bill.

Mr. JACKMAN: The spirit of the bill is that every child not maintained in an institution shall be the subject of family allowances.

Is that the general principle? If the child is actually in an institution someone on its behalf receives the allowance.

Section agreed to.

Sections 5 to 7 inclusive agreed to.

On section 8—Avoidance of duplication in allowances.

Mr. KNOWLES: I wish to make a few comments on both subsections of this section. In regard to subsection 1, I feel, as I stated when I spoke on the second reading, that there is an inconsistency between section 8 (1) and section 7. Section 7 provides that these allowances shall not be subject to taxation, but subsection 1 of section 8 provides that there may be an off-set against an allowance under the Income War Tax Act, which means in effect that it is taken back in the higher income groups. I do not complain against the taking back or the withholding of the allowance from those in the higher income brackets, but I still feel, as I said before, that further consideration should be given to the whole question of relating this family allowance scheme to the income tax structure, which I feel is wrong. I was glad to hear the parliamentary assistant say last night that this is a phase of the question on which the officials are still doing a great deal of study. I hope their study will not be confined to the various ways of working things out within the provisions of section 8, but that they will give consideration to divorcing the payment of allowances from the income tax structure altogether. That structure is not sacrosanct. It is something of a hodge-podge in the way it has grown up. Certainly it is likely to undergo changes in the post-war years, and the family allowance scheme should stand on its own feet, with a view to its inclusion later in an over-all social security plan. I suggest that the same purpose that is sought by section 8 (1) can be achieved by setting a ceiling on incomes above which the allowance is not paid, a ceiling for the father and mother, plus a certain amount for each child. In other words, let there be a relation between family allowances and the incomes of the people of the country. But that is totally different from tying it in with the income tax structure as it stands at present. I will not press the point further at this time, particularly in view of the statement the parliamentary assistant made last night that the whole question has to be studied further. I anticipate with pleasure that there will be an amending bill next year.

I am deeply worried about some phases of subsection 2 of section 8. I wish to emphasize again what I regard as the basic principle of this whole bill, namely, an endeavour to improve the lot of Canadian children. Despite what I thought I heard the parliamentary assistant say a few minutes ago as to the family allowance being an addition to payments made by provincial governments, as I read subsection 2 of section 8 it makes it very clear that the governor in council may withhold—

Mr. MACKENZIE KING: May I interrupt my hon. friend. I think I know what he is coming to. I have in my hand an amendment I intended to move when this section was reached, to subsection 2 of section 8 which strikes out the words "in any province" in the fourth and fifth line thereof. I mention it now because it may anticipate the point the hon. member has in mind.

Mr. KNOWLES: I am glad to hear that. It does take care of a good many cases I was going to mention.

Mr. MACKENZIE KING: This is the amendment that I intended to ask my colleague to move. If my hon. friend will allow me I shall have it submitted to the committee at once. I shall ask my colleague the Minister of Justice to move that subsection 2 of section 8 be amended by deleting from line 5 thereof the words "or any province". The intention, of course, is for the government to leave it for the provinces themselves to decide what they wish to do with respect to any of the social services they are maintaining at the present time, such as mothers' allowances. It will be for the provinces to decide in the light of this legislation.

Mr. ST. LAURENT: I so move.

Mr. KNOWLES: May I speak to the amendment, Mr. Chairman. I am glad that the Prime Minister has proposed this change. As he said, it anticipates some of the points I was going to raise, namely, such benefits as mothers' allowances, compensation payments that are made in cases of accident, which at times are based on the number of children in a worker's family, et cetera. As the subsection read, it would have meant that people receiving these payments would not be entitled to this additional benefit.

I am afraid that there are still some classes not covered; for example, persons receiving payments under the Pension Act will be entitled to the family allowances. Am I right in that?

Mr. MACKENZIE KING: If they are otherwise entitled, yes.

Mr. KNOWLES: Yes; that is understood. The distinction I wish to point out now is that some widows are receiving special allowances from the war veterans' allowance board as provided by a special vote last year; and in cases where these widows have children they are receiving an additional amount per month per child if the child is under a certain age. But they would be denied these additional allowances by the wording of the subsection as it now stands. I suggest that it is unfair to those children. It may be an oversight. As a matter of fact there may not be a great many of them. In many cases widows of veterans of the last war have no young children, but I had a case of a widow of a soldier of the last war that came to my desk yesterday. As a matter of fact she herself has died and has left two young children. The married sister who is going to look after them will receive an allowance of $40 a month for a period of a year, beyond which no settlement has yet been made. But suppose the mother were still living. She is not under the Pension Act; she is under the War Veterans' Allowance Act, and there will be other cases like that where children are receiving payments from the government of Canada not under the provisions excepted here; they would be denied this additional payment, which would be most unfair. Perchance this is an oversight.

Mr. CLAXTON: There are a number of measures under which payments are made with respect to children and the circumstances of each of those measures differ. All that this subsection does is to give the governor in council power by regulation to prevent the duplication of allowances in respect of the same children. If in the case mentioned by my hon. friend the allowance where one which was only payable on proof of need, which I think it is, then it might so happen that the need would not exist in view of the family allowance that would be payable under this measure, or it might happen that the need would be very much less, so that the allowance which is only payable on proof of need should be reduced if duplication of allowance is to be avoided. It is to avoid such cases that the governor in council is given power under this subsection to act. I might tell my hon. friend, however, that I think there are quite a number of other cases that he might mention. Each one of those will have to be carefully examined to see the exact terms on which the allowance is made, how many people are affected and so on. That would be a lengthy operation.

Mr. KNOWLES: If I may say so, I think the government is introducing into this subsection a principle which ought not to be there. The only limitation on those people receiving the family allowances should be the limitation on everybody, namely, the limitation imposed either by the income tax tie-up that you have now, or by the ceiling suggestion that I made a moment ago. To pick out these particular children, such as the children of people receiving war veterans' allowances and of widows of soldiers of the last war and hundreds of other cases that my hon. friend mentioned, and establish for them a lower ceiling on their income than is the case with other people is not fair. The fact that they would be receiving two cheques from the government is immaterial. Our interest here is in doing the best we can to provide for the children, and I hope that the parliamentary assistant will see that it is looked into further during the study that is yet to be given to various details.

Amendment agreed to.

Mr. CLAXTON: I might give my hon. friend the assurance that I am sure the government will consider the classification that he mentioned, and all others. It is to permit of that consideration that this subsection is inserted.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. GRAYDON: I have only one word to say with regard to section 8. The Prime Minister will recall that during the debate on second reading I urged the government that instead of waiting until July 1, 1945, these allowances should be paid at once to the children of those in the armed services; that the children of those coming under the Pension Act, and also the children of those who belong to the naval, military or air forces of Canada, should receive these allowances before July 1, 1945. I offered that suggestion because, as I see it, these children, and particularly those of members of the armed forces, are in a particular category. They are now in receipt of dependents' allowance, and this would be only a matter of increasing the cheques they are already getting. If they do not come under this legislation until July 1, 1945, I am afraid they may be placed at a little disadvantage, because one cannot know whether or not the war will be drawing to a close at that time, or what the military situation will be. This is one class of children in Canada who are already recorded, and I believe the government

might very well consider paying them the amount of these allowances now. The constitutionality of this legislation, or any other objections that may arise from time to time with respect to its details, need not enter into the matter with respect to soldiers' dependents because, if I am not mistaken, the dependents' allowance is paid by order in council under the War Measures Act. That being so, these additional payments could be made without difficulty, and it would be a very acceptable gesture on the part of this government and this parliament to those whose fathers or mothers are serving in the forces at the present time. Has the Prime Minister given any consideration to the plea I made at that time, and what might stand in the way of these payments being made now to the dependents of those in the armed forces?

Mr. MACKENZIE KING: My hon. friend really is suggesting that there should be family allowances for soldiers at the present time; as I understand it, that is what his suggestion comes down to.

Mr. GRAYDON: Or an increase in the dependents' allowances.

Mr. MACKENZIE KING: The suggestion is that allowances to children of those in the armed forces should be increased. If this legislation had not been introduced at all and the children of those in the armed forces had not been receiving the consideration they should have received, I believe an amendment would have had to be made to the dependents' allowance act or to the Pension Act to meet that situation. I do not think it would be right to attempt, in any way, to anticipate payments that may be made under this legislation until it is actually in force. Among other reasons, I would mention that provision will have to be made in the estimates of next year to meet the requirements of this measure. The budget will have to take this legislation into account, and I do not think it would be proper for hon. members of this parliament to take any steps that obviously would belong more properly to those who may be in this house at a subsequent session. I should say that would be the view of members of the administration. My hon. friend will recall also that this session we have been considering anew the position of members of the armed forces. There are gratuities to be paid and other matters which the government has been considering but which have not yet come before this house. Until the full extent of what the government is proposing is very clear in the minds of hon. members, I do not think it would be advisable to make any further commitments.

Section as amended agreed to.

[Mr. Graydon.]

On section 9—Powers of minister.

Mr. COLDWELL: I hope great care will be taken to see that people who are trained in public service welfare work will be appointed to these committees. I believe to some extent it would defeat the benefits of the measure if there were too much of the Paul Pry about the committees. Every care should be exercised to see that people really qualified for this type of work are appointed.

Mr. MACKENZIE KING: I agree entirely.

Mr. MacNICOL: Will they be appointed by the civil service commission?

Mr. MACKENZIE KING: I should not think so; not the committees.

Mr. MacNICOL: No; I mean the 1,600 employees who were mentioned last night by the parliamentary assistant as the number who will probably compose the staff.

Mr. MACKENZIE KING: The permanent staff will be appointed by the civil service commission. I thought my hon. friend was referring to the committees. We might want him on one of the committees, but the civil service commission might not appoint him.

Section agreed to.

On section 10—Cooperation of provinces.

Mr. GRAYDON: This section appears to anticipate some arrangements which will be made between this government and the provincial governments. Would the Prime Minister indicate to the committee why there was no consultation with the provinces before this legislation was brought down? That question has been raised a number of times. I was just wondering what was the real reason for the failure of this government to consult the provinces before bringing down this legislation.

Mr. MACKENZIE KING: There was no failure. The government was anxious to get the legislation down this session; it came completely within the jurisdiction of this parliament, and we saw no necessity for communicating with the provinces in regard to the legislation itself. When it comes to the administration of the measure, of course, we shall hope for the cooperation of the provinces. There was no intention of overlooking the provinces, or to do other than simply to carry out as speedily as might be possible the programme of legislation set forth in the speech from the throne.

Mr. GRAYDON: What sort of transactions with the provincial governments does the government anticipate will be necessary in order to carry out this legislation?

Mr. CLAXTON: We hope a number of arrangements may be made with the provinces. In the first place they keep the vital statistics of their population, the records of births, marriages and deaths. They have already cooperated very fully with the dominion government in making those records available in connection with dependents' allowances, pensions and the like. It is hoped that arrangements may be made under which those records will become available in this regard also, and that there will be cooperation between dominion and provincial officers in connection with them. The hon. member for Rosedale and the hon. member for Prince Edward-Lennox mentioned one class of agency to-day. There are a number of such agencies, and different kinds of agencies, that exist in the various provinces and municipalities right across Canada. They all have arrangements with the provinces or municipalities and it will be necessary to see how they should be fitted in, if at all, with this measure.

In the third place, as I said before, the provinces all have child protection acts and other similar legislation, and most of them have child welfare officers. In addition there are a great number of children's aid societies and child welfare organizations. It is hoped that there will be complete avoidance of overlapping and duplication, complete avoidance of that Paul Pry attitude which the leader of the Cooperative Commonwealth Federation party mentioned. It is hoped that there will be genuine cooperation between all agencies, not only to make this legislation work but to make it work in the interests of the children and for their maintenance, education and care. It is the view of the government that this legislation will free the provinces and municipalities of some of the responsibilities that they have with regard to certain families, and that they will use the money saved in one way to extend their services in another so as to make one great cooperative enterprise for the better maintenance, care and education of the people of Canada.

Mr. LOCKHART: Before the old age pension legislation became effective, was a conference held with the provinces in order to work out some of the details of administration?

Mr. MACKENZIE KING: There were certain obligations imposed on the provinces by that legislation and it was therefore necessary to have a conference in the first instance.

Mr. LOCKHART: There were conferences held before that legislation was definitely put into effect?

Mr. MACKENZIE KING: There were conferences or meetings because of the financial obligations that the provinces had to assume. Under this measure there are no financial obligations being imposed on the provinces.

Mr. DIEFENBAKER: Were any representations received from the provinces with regard to this bill?

Mr. MACKENZIE KING: I am not aware of any.

Section agreed to.

On section 11—Regulations and penalties.

Mr. KNOWLES: At this point I should like to move the amendment which I suggested last night that I would move when we reached this section. As I indicated at that time, and as other hon. members have indicated since, there is a feeling in many quarters that we should be more specific about our desire to have these payments made to the mother wherever possible. I need not go into the argument again, but I have an amendment to section 11 (a) which I move, seconded by the hon. member for Melfort (Mr. Wright):

That section 11 (a) of Bill No. 161 be amended by striking out all the words after the word "generally" in line 8 and substituting the following words therefor:

"that payment shall be made to the mother, stepmother, adoptive mother or foster mother, without limiting the right of the governor in council to provide in respect of any province or any class of cases that payment shall be made to the parent prescribed in the regulations."

As I indicated last night that does not put it in any iron-clad form; it would still be within the power of the governor in council to prescribe that in any province or for any class of case the payment shall be made to the father or any other parent provided for in the regulations. But this puts the mother or the person taking the place of the mother first in the language of this governing section and I consider that that is desirable when we consider the purpose of the bill now before us.

Mr. MACKENZIE KING: When we were discussing section 2 the hon. member brought up the matter which he now has brought up, and at that time we discussed the wisdom or the reverse of altering the sections as they now stand. The committee decided at the time that section 2 (f) which defines "parent" should

remain as it appears in the bill. Under those circumstances I believe this particular section, which is related to the one I have referred to, should be allowed to remain as it is. If it is not, it will change the phraseology of the bill in a manner which would not, I think, accord with proper drafting.

As I have mentioned, there is nothing in the bill which, in any way, will preclude payment from being made to mothers rather than to fathers. I have indicated that, speaking generally, the administration favours payments being made to mothers. Reference has just been made to the wisdom of holding a conference with the provinces. This is one of the matters on which the government would wish to confer with the different provinces before finally arriving at a definite decision. It may be that all the provinces will wish to have the payments made in that way, or it may be that some will wish to have it that way and others may not. We want, if possible, to be perfectly sure that the wishes of the provinces in this regard as well as the wishes of the dominion are met. I think it will make for greater harmony in administration to confer first with the provinces on the matter before making a change in the bill or changing the procedure in a manner which might not be found to be the most satisfactory.

Mr. COLDWELL: The Prime Minister's first point was that in the discussion last night it was decided that the phraseology of section 2 (f) should be allowed to remain. As I remember the discussion last evening, it was that it did not matter just how the order of parentage or guardianship appeared in 2 (f), because the provinces and dominion could vary the form of payment as required. I see no conflict between what the hon. member for Winnipeg North Centre now proposes and the language of section 2 (f). If there is a conflict, then it would seem that the argument advanced by the Prime Minister last evening was not altogether valid in regard to this section. My reasons for supporting the amendment briefly are that I think, while consultation may be had with the provinces as to the parents that should receive these payments, the bill should specify the preference. I believe that from every point of view the preference should be the mother.

The mother is the housekeeper; she has to provide food and she looks after the clothing of the children. This bill is a children's bill and it should be considered primarily from the point of view of the child. That being the case, I think it should state in the language suggested by my hon. friend that payment should be made to the mother except where the province desires that it should be made to another parent or to some other person. I think we should follow the precedents that have been set in other countries where they have legislation of this description. I am strongly in favour of specifying that the payments should be made to the mother except where a province has a code of civil law or preference for payment to the father.

Mr. MITCHELL: Might not a case arise where the father was better able to protect the children than the mother?

Mr. COLDWELL: Oh, yes; there are cases where the father is better able to protect the children than the mother, but in the majority of families it is the mother who spends the money to feed and clothe the children. I would rather that the exception cover payments to the father than leave the matter open as it is now. After all, I think the parliament which appropriates the necessary funds, in this case the parliament of Canada, ought to take the responsibility of laying down certain conditions in the payment of such funds as we appropriate. I feel that we would be doing the right and proper thing to specify the mother as the person who shall receive the payment on behalf of the children.

Mr. MITCHELL: I do not want to be misunderstood. I am strongly in agreement with what my hon. friend says about the mother, but I wish to say something in defence of the father. All the angels are not on the mother's side, and it may be that in certain cases the money should be paid to the father. It may be only in isolated cases, but some leeway should be given in the matter.

Mr. COLDWELL: The amendment makes it clear that it shall be paid to the mother, stepmother, adoptive mother or foster mother, without limiting the right of the governor in council to provide in respect of any province or any class of cases that payment shall be made to the parent prescribed in the regulations.

Mr. McLARTY: Is the clause not perfectly clear as it stands?

Mr. COLDWELL: No, I do not think it is.

Mrs. CASSELMAN: Is it contemplated that payment will be made to the mother throughout the whole province or to the father throughout the whole province, that it will not be a matter of individual choice in each case but shall be decided after consultation by the dominion with the provinces?

Mr. COLDWELL: We are not suggesting that.

Mr. KNOWLES: I preserve in my amendment the language of the original clause. The original clause left it to the governor in council to provide generally or in respect of any province or any class of cases to which parent payment should be made. My amendment, using that same language, leaves power to the governor in council to specify some other parent than the mother where the governor in council wishes to do so. The only difference is that my amendment makes the mother the first choice. If I may say so to the Minister of Labour, in reply to his defence of the father, he made a perfectly valid defence, but the same defence can be made for the mother.

Mr. MITCHELL: I have already made it for the mother. My hon. friend must not put me in a false position.

Mr. KNOWLES: The clause as it stands does not specify to which parent the payment shall go. But section 2 (f) names father, stepfather, adoptive father and foster father before it mentions mother. That puts the emphasis on the father as though the mother was not to be depended upon. It works both ways so far as that argument is concerned. I contend from the experience of other countries and from the desire of the members generally that the money should go to the mother, and from the rumours that are around that it probably will go to the mother in the greater portion of the country, I contend that this is a very reasonable amendment.

Mr. MACKENZIE KING: May I draw the attention of the committee to this fact, that the clause as it stands does not say that the money shall be paid to the father, and it does not say it shall be paid to the mother. It says that it shall be paid to the parent that may be decided upon as a result of the regulations which may be made. It is contemplated that in determining to which parent, the father or the mother, it would be preferable to make the payment, those who will have to do with the administration of the measure will discuss the question with the different provinces, with those officials who will be interested in the furthering of child welfare and who have to do with the social legislation of the provinces. I think it is preferable to leave the clause as it stands for that reason, and that before making mandatory the payment of the money to the father or to the mother this House of Commons should have the benefit of the results of conferences that will take place between the dominion officials and provincial officials on this very matter. It is not as though this bill were to go into force before there will be another session of parliament. What will take place before another session of parliament will be that the Department of National Health and Welfare will have been established and the officials who will administer this measure will have been appointed and will have had an opportunity of having conferences with those most concerned with child welfare, and the government of the day will then be in a position to inform the next House of Commons what regulations they regard as most helpful. I say that it is in every way desirable that the matter should first be discussed between the provincial and dominion officials before a final decision is reached.

I want to make it perfectly clear that there is nothing in this legislation as it stands which says that the payment must be made to the father or that it must be made to the mother. It says that the the payment shall be made to the parent, and the parent will be decided upon as the result of conferences which will help to determine what may be advisable in this matter.

Let me add that in deciding upon the parent it does not follow that the decision will be to make the payment either to the father or to the mother from one end of Canada to the other. There will be an effort to have the payment made to the parent in those communities and localities and provinces which desire that payment should be made to the mother, or to the father, as the case may be. I suggest that in legislation as important as this, the less complicated it is made until the whole machinery is set up the more helpful it will be in the administration of the legislation.

Mr. KNOWLES: But this parliament ought to express its preference on this point.

Mrs. NIELSEN: I think I made my position quite clear on this matter when I spoke previously. I am without a shadow of a doubt in favour of the mother being stipulated in the bill as the person who should be responsible for receiving the cheque and spending it on the children's welfare. In what the Prime Minister has just now said I would feel more assured if I thought the people of each province would have an opportunity of deciding this issue through their chosen representatives in the provincial legislature, but I do not feel so much assured if the decision is to be arrived at merely by departmental officials of the federal and provincial governments. If the people of the provinces might decide the matter I would feel more assured about it.

Mr. MACKENZIE KING: It must be obvious that whatever government may be administering this measure—and I say "whatever government" because no one knows what government may be occupying the treasury

seats before this measure goes into force—will seek to do what the people of Canada wish it to do and what the people of each province may want it to do with respect to this matter. That ought to be sufficient assurance that there is no desire to do other than to make the measure as helpful and as workable as possible when the time comes for putting its provisions into force.

Amendment (Mr. Knowles) negatived: yeas, 15; nays, 72.

Mrs. CASSELMAN: May I make my position clear, Mr. Chairman. It is not that I do not trust the mothers to spend the money just as well as the fathers, but that I do trust the fathers as much as I do the mothers in this case.

Mr. CRUICKSHANK: On a question of privilege, Mr. Chairman, I would trust the mother more than anyone else.

Mr. GREEN: Before the section carries—

The CHAIRMAN: Order. I just called a paragraph. I believe it is the intention of the committee to follow the different paragraphs of section 11. We are now on paragraph (a). Shall paragraph (a) carry?

Paragraph (a) agreed to.

Paragraph (b) agreed to.

On section 11, paragraph (c).

Mr. GILLIS: Would the Prime Minister or the parliamentary assistant indicate what is meant by the setting up of the tribunal? I am concerned about this tribunal, because the real test of the legislation is going to be in the administration. You may have pretty rotten legislation and if you have a sensible and reasonable administration they can do a fairly good job with it; or you may have good legislation and mess it all up with incompetent administrators.

Under section 6—and this particular paragraph has reference to section 6—the proposal is to set up a tribunal which will decide any question that may be at issue under the regulations if and when they are drafted. I should like to have some idea of what the Prime Minister has in mind by way of a tribunal which in the final analysis will have the determination of all matters pertaining to this bill and the regulations. What will be the composition of this tribunal?

Mr. CLAXTON: As the hon. member for Cape Breton South indicates, this power given to the governor in council to make regulations has relation to section 6 of the bill, which reads:

6. If any person is dissatisfied with a decision as to his right to be paid an allowance or as to the amount of an allowance payable to him or as to any other matter arising under this act, he may appeal against such decision to a tribunal to be established and conducted in accordance with regulations, and the decision of the tribunal shall not be subject to appeal or review by any court of law.

As a matter of administration it will be necessary to decide in some cases whether or not the child is the age his parent claims, whether or not the child has been resident in Canada for three years or was born in Canada, whether or not the child is a child in respect of whom the allowance may be made. Also it may be necessary to decide whether or not the parent is maintaining the child wholly or substantially, and sometimes even which parent is maintaining the child. All these matters will have to be decided as matters of administration, and it was not thought fair that such important matters should be left exclusively to be decided by administrative officials. Consequently provision was made for an appeal, and the word "tribunal" was used, although what was intended was something more in the nature of a committee. As I understand it, it is under contemplation that committees will be established in each province, probably of an honorary nature or at least not of a permanent nature, and not of a purely judicial nature, but committees of people who, as the hon. member for Rosetown-Biggar suggested, would be experienced in welfare matters, and they would have these cases submitted to them for decision, in much the same way as the local committee of the dependents' board of trustees act with respect to the claims for allowances made under that measure. In other words, there would be an appeal from the purely administrative official to a committee of citizens who would be chosen because of their interest in public questions and their knowledge of public welfare matters, who could be trusted to be fair and to make each decision in the light of all the circumstances of the particular case.

Mr. DIEFENBAKER: What would be the position of this tribunal provided that, under the child welfare laws in any one province, a declaration had been made as to the custody of a child, and yet the dominion tribunal set up under this measure were to decide that the payments should not go to the individual declared under provincial legislation or authority to have the lawful custody of that child? The greater part of this section has been passed, and I realize that no amount of objection may alter the attitude of the government. But I desire to record my

protest against almost the entire section, with the exception of paragraphs (e) and (f), for in my opinion it constitutes an abdication on the part of parliament of its rights to legislate in regard to such important matters as child welfare and allowances. I know of no bill which has been brought before parliament affecting the rights of individuals which goes as far as does this section in general in permitting persons removed from the courts to determine the rights of other individuals, and I would ask that this section as a whole be held in abeyance so that it can be redrafted and full details given to parliament with regard to the operation of this measure, in order that parliament and the people in the country as a whole may realize how these powers are going to be used.

It strikes me as passing strange that the Prime Minister, who always averred in times of peace the necessity of there being control over administrative bodies, should bring before this parliament a bill which provides no recourse to the courts, even though tribunals not responsible to the people—and there can be no responsibility to the people where there is no recourse to the courts—have the right to determine the disposition of the moneys which will be in the control of the department under this measure. Looking at these provisions one finds that there is being handed to administrative bodies rights over individuals which, if they are implemented, must entrench in large measure on provincial jurisdiction with respect to children and property and civil rights. Surely we should have the right to know how this measure is to be implemented, what controls there are to be, to the end that caprice shall not be permitted to guide in any way the actions of an administrative body, and caprice inevitably does enter into the decisions of administrative bodies which have the power to determine the rights of individuals when there is no provision of recourse to the courts.

As I asked at the beginning, what would be the situation where in any province a decision is made by the courts determining the custody of a child, and an administrative tribunal under this measure has refused to grant to that individual the rights given by a provincial court with respect to custody?

Mr. MACKENZIE KING: I just want to say to my hon. friend that from an administrative point of view it would be hopeless to allow appeals to the courts in a multitude of small cases which in the nature of things should be decided administratively. There is even greater justification for excluding references to the courts here than in the case of workmen's compensation allowances, pensions under the Pension Act, dependents' allowances for the dependents of members of the armed forces and other similar payments.

There is no more justification for allowing appeals to the courts in this case than in these others. As my hon. friend knows, in a measure of this kind it would make confusion worse confounded to have that particular procedure adopted. But there is a further fact to be considered. The moneys paid under this bill are in the nature of grants. There is no contractual relationship being established. If there were there might be reasons for appeal to the courts; there might be reasons for having the courts interpret and decide. If my hon. friend wishes to introduce the courts into this legislation, I am afraid he will be only helping to make it anything but agreeable in the eyes of those who may hope to benefit by it, and until it is shown that decisions by a tribunal under this measure would not be as fair as decisions under tribunals such as are established in the case of workmen's compensation and dependents' allowances, we can afford to leave the question of appeal to the courts where it has been left in the bill.

Mr. DIEFENBAKER: In reply to the Prime Minister, may I say that the argument I have advanced has repeatedly been advanced by the Canadian Bar Association and, I may add, during the period when the Minister of Justice was president of that association. I do not believe there should be appeal on questions of fact, but I believe, when a decision is made by an administrative tribunal which deals with the rights of individuals and which may determine those rights contrary to the law of the province concerned, that in such cases there should be the right of appeal.

Mr. CLAXTON: I do not think this should be allowed to pass without a further word. Here we are passing legislation which is new. We have had an opportunity to examine with the utmost care legislation already adopted in New Zealand, Australia and Ireland, and I think it is interesting to let the committee know the situation with regard to this matter in those three countries. In each of those countries there is no appeal except to an administrative officer, a single administrative officer appointed under the provisions of the act or the appropriate social security measure.

Mr. STIRLING: An appeal from a tribunal to that officer?

Mr. CLAXTON: Not at all; an appeal from an inferior to a superior administrative officer. Here we have gone farther and provided for

appeal from an administrative officer to a committee or tribunal of citizens to be appointed and to be independent. I submit that is a fairer provision and it is a provision which goes further than the legislation in the other countries mentioned. It is the kind of provision which will give the citizens of the country the safeguards they should have.

My hon. friend keeps harping on the constitutional question and interference with provincial rights in one respect or another. There is no provision of the bill which interferes in any way with provincial rights, and I cannot conceive of any administration by those responsible which will amount to interference with provincial rights. In the case he mentioned, namely, "where a guardian is appointed by a provincial court to administer the affairs of the child, I cannot conceive of any administrative official paying anyone but that guardian except in the most unusual circumstances. But if by any chance he did, that would not be an interference with provincial rights in any sense whatever." It would be the exercise of powers conferred under this measure. It would not change the position of the guardian in any sense or interfere with the jurisdiction of the provincial court. It would be carrying out the provisions of this legislation which gave the administration power to say to whom the payment should be made.

It is essential that payments be dealt with in this way because here we are dealing with 3,500,000 children, and it is impossible to lay down in this or in any other measure, no matter how long we work at it, the terms and conditions on which the payment should be made so as to cover every special case. It is essential that there should be not only discretion in the individual case but power to pass regulations to deal with classes of cases. In this connection may I mention how far they have gone in Ireland. We have not gone so far, but it does indicate the attitude in their legislature toward this kind of problem. Section 19 of the Irish children's allowance act of 1944 reads:

> If in any respect any difficulty arises in bringing into operation this act the minister, with the consent of the Minister of Finance, may by order do anything which appears to be necessary or expedient for bringing this act into operation and any such order may modify the provisions of this act so far as may appear necessary or expedient for carrying the order into effect.

In this bill we have provided, as has been provided in the case of the Pension Act and every other similar act I have knowledge of, that the governor in council shall have power to pass regulations. It is provided that these regulations shall be laid on the table of the house and shall be published, and that gives hon. members and citizens of the country the safeguard of publicity. But also, as the Prime Minister has indicated, it is contemplated that the regulations will be drafted and laid on the table of the house at the next session before the measure comes into operation, so that hon. members will have an opportunity of seeing them then.

Mr. BRUCE: Which part of Ireland does the parliamentary assistant refer to, the Free State or Northern Ireland?

Mr. CLAXTON: Eire.

Mr. MITCHELL: My hon. friend speaks of administrative bodies. I have had some experience in connection with workmen's compensation. Under the old scheme of things, prior to the establishment of workmen's compensation in Ontario in 1914, there was the old common law approach where a man could go to the courts. What were the results? The biggest part of the damages awarded injured workmen went to the legal fraternity for prosecuting the case or conducting it before the courts. I am convinced that since the inception of workmen's compensation with an administrative body, and notwithstanding appeals from other people outside that there should be the right of appeal to the courts, no resolution or demand has come from any responsible labour organization. They have always taken the position that while the number of problem cases is less than a fraction of one per cent, if appeal were allowed to the courts almost every case in the very nature of things would be challenged by the employer. That might be said truthfully also about widows' pensions, if access had been given to the courts in connection with such pensions or soldiers' allowances. I think it is fair to say that all these administrative bodies engaged in connection with social measures, unemployment insurance, for instance, function better and to the advantage of the working man and woman without resort to the courts. They get the money instead of the legal fraternity.

Mr. DIEFENBAKER: That is the usual answer.

Mr. MITCHELL: It is the practical answer.

Mr. DIEFENBAKER: It is a frivolous kind of answer and we are not dealing with frivolous matters now. So far as the parliamentary assistant is concerned he has not covered the situation at all. New Zealand has had a similar act in effect since 1926. I would ask him to point out where there are any similar

provisions in the act of New Zealand. Australia has had an act since 1941. I would ask him to point out similar provisions in that act. Let me say to him that the example of Eire is scarcely applicable to the situation in Canada. In Eire there is no divided jurisdiction such as exists in this country as between the dominion and the provinces. There has been little experience in the operation of the act which was passed in Eire during the present year; therefore the argument which the parliamentary assistant advances scarcely covers the point that I endeavoured to make.

Mr. CLAXTON: The regulations are covered in the Australian child endowment act by section 29, and I shall read it:

The governor general may make regulations, not inconsistent with this act, prescribing all matters which are by this act required or permitted to be prescribed, or which are necessary or convenient to be prescribed, for carrying out or giving effect to this act, and in particular for prescribing matters providing for or in relation to—

(a) the manner and form of any claim, the person by whom and to whom and the time within which claims shall be made, and the information and evidence which may be required and accepted in connection with any such claim;

(b) the general conditions governing the grant, payment and administration of endowments;

(c) the manner in which endowments may be paid or applied; and

(d) penalties not exceeding a fine of twenty-five pounds or imprisonment for three months, or both, for any breach of the regulations.

If hon. members will look at the New Zealand act they will find that their social security act deals with the various provisions regarding social security. Only sections 28 to 32 deal specifically with family benefits, as they are called there. In other words, they have only five sections dealing with this whole measure specifically and they are in such terms that almost all of them could be included in two sections of our bill, sections 3 and 4. These, however, are supplemented by general sections applicable to the whole bill, and one of them, namely section 140, gives power to make regulations. It reads:

(1) The governor in council may, from time to time, by order in council, make all such regulations as in his opinion are necessary for the purpose of giving full effect to this act.

(2) All regulations purporting to be made under the authority of this section shall, until revoked, have the force of law as if they were enacted in this act.

(3) All regulations made under the authority of this section shall be laid before parliament within fourteen days after the making thereof if parliament is then in session, and, if not, shall be so laid before parliament within fourteen days after the commencement of the next ensuing session.

Paragraph (c) agreed to.

On section 2, paragraph (d).

Mr. BRYCE: I wish to get some explanation about Indians from the parliamentary assistant. Are treaty Indians to participate in family allowances, or is it only non-treaty Indians that are to participate?

Mr. CLAXTON: When that question was asked this afternoon the answer was that in the case of an Indian who qualified as a parent under the bill, those who are maintaining a child and otherwise qualified under the bill, the allowance will be paid to them as in the case of any other parent; but in section 8, subsection 2, discretionary power is given to the governor in council by regulation to avoid duplicating the payment of any allowance to any Indian by the allowance payable under any other provision of law. As I explained then, I understand that in addition to the payment of treaty money to Indians on reservations they receive additional allowances or benefits by way of provision for health or welfare, and in so far as that provision may be for the benefit of children it may be offset so as to avoid any duplication of allowance in this case for children. In the case of Indians who are in full possession of their rights they would be entitled to the benefit on registration like everyone else, and this provision would not apply to them.

Mr. BRYCE: A treaty Indian gets $5 a year, and if any person in the country needs some extra money it is the Indian. If you would only go and see the conditions under which they live you would realize that. We have a lot of non-treaty Indians who fought in the last war and who are fighting in this war; surely you are going to include them?

Mr. CLAXTON: Quite so.

Mr. BRYCE: And their families? Why leave it to the governor in council? If these men are good enough to fight for us they ought to get the money at the post office or wherever you are going to pay it, without having some Indian agent take it out to them. I am sure you understand what I mean. The Indian is a Canadian in every sense of the word. He is the true Canadian. Surely you are not going to ask to have some other body handle the money for him if he is good enough to fight for it?

Mr. CLAXTON: I did endeavour to answer my hon. friend. If the Indian is in full possession of his rights and is in the same position as any other Canadian, then he will be treated like any other Canadian; but if he is in receipt of benefit, there will not be duplication of benefit. In the case of Indians who are on reservations, it may be that under

this power the money, instead of being paid to them, may be paid to the agent for them.

Mr. BRYCE: Are you going to give them the same deal that you give the white man?

Mr. CLAXTON: Yes.

Mr. BRYCE: You are quite sure about that, now?

Mr. CLAXTON: Yes, but not a better deal, that is the point.

Mr. BRYCE: They only want a square deal; they do not get it to-day, you know.

Mr. CLAXTON: Yes.

Mr. HATFIELD: If the money is paid to the agent they are not on the same terms.

Paragraph (d) agreed to.

On section 2, paragraph (e).

Mr. STIRLING: I should like the committee to be informed rather fully of what is in the government's mind with regard to the holding of this registration, whether it is to be carried out entirely by the officials appointed under this measure, or whether use will be made of officials of the welfare departments of the provinces and other officials of the provinces.

Mr. CLAXTON: The form of registration that is receiving favourable consideration at the present time from governmental officials is this. They hope that it may be possible to use the facilities of the post office and of its employees in order to conduct the registration. It is hoped that it will be done in this way. Forms will be distributed to the letter carriers and deliverers of rural mail. These forms will be made available in sufficient numbers that a form of registration will be left at every house or residence where there is a family that might be entitled to these benefits. At the same time there will be publicity in the press to draw attention to what is being done, and other forms may be obtained at any post office. The forms will be explained; in themselves they will be simple, containing probably not more than seven, eight or nine questions. Probably a statutory declaration or affidavit will be required with some supporting evidence as to the birth of the children. Those forms when completed by the parents will be collected by the postal carriers and sent from the postal headquarters to the local office of the administration. At that local office the registration will be effected; addresses and ledger sheets will be prepared, and all the necessary machinery prepared in order to send out the cheques. At the local office also the registration forms will be checked with vital statistics information from the provinces; spot-checked in other ways; checked with the local welfare officers of the province, if their cooperation can be achieved as it is hoped it will be. Throughout all that operation the only employees it will be necessary to appoint under the measure will be those in the local offices actually charged with registration and administration, together with the treasury officials necessary to make out the cheques, and the officers of the governments necessary to supplement any investigation carried on by provincial or other agencies.

Mr. STIRLING: Will it not be necessary, then, to exhibit birth certificates?

Mr. CLAXTON: Undoubtedly it will be necessary at one stage or another, but the possibility or practicability of requiring birth certificates to be obtained for at least three and a half million children during a short period of time is still under consideration. If that period can be spread out so that the registration can start in March, let us say, then it may be possible that birth certificates will be required to be furnished right from the start. In any event, ultimately birth certificates or the equivalent document, according to the law of the province, will be required.

Mr. STIRLING: Can the parliamentary assistant give the committee any information as to how many local offices there will be?

Mr. CLAXTON: So far it is only contemplated that there will be nine, one in each province.

Mr. STIRLING: I wonder how the local office in a city like Vancouver will be able to deal with the birth certificates of those who live in parts of the province five hundred miles away. Surely they will not have to be sent in by mail.

Mr. CLAXTON: I have a note here, but I do not want to take up the time of the committee in reading it. The note shows the situation in regard to birth certificates in each province, but my understanding is that in most of the provinces there is a central registration from which birth certificates can be obtained.

An hon. MEMBER: What about the province of Quebec?

Mr. CLAXTON: In the case of the province of Quebec there are complete registers of births located at the prothonotary's office of every superior court.

Mr. HATFIELD: But what does it cost to get a birth certificate in that province? About a hundred dollars?

Mr. CLAXTON: In most places they can be obtained from the local minister or priest, who is an officer of civil status, without payment. Where payment is required to be made to the officer of the court who keeps the duplicate register, the fee is fifty cents.

Mr. STIRLING: What will be the process, then? The postman delivers the completed registration form to the local office. Will the local office then endeavour to check it with the birth certificates at the central office to ascertain the correctness or otherwise of the statement contained therein?

Mr. CLAXTON: Whether or not it will be necessary to ask each parent registering a child to furnish a birth certificate with the registration form is not yet decided. In most jurisdictions I think that is ultimately done; that is, the parent registering a child is required as part of the act of registration to attach the birth certificates of all his children. As I explained, it may be placing too great an onus upon the provincial authorities responsible for issuing birth certificates to require them to furnish three and a half million certificates within a short period of time. They may not have the necessary facilities for that, and quite a large percentage of the population do not have their birth certificates, because they have never bothered to obtain copies. That is one thing still to be worked out. If birth certificates are not required at the outset a statutory declaration, perhaps supported by the declaration of some other person, may be required; but ultimately I would think that every parent registering a child would have to furnish a birth certificate. If that is not done before July 1, 1945, then I should suppose that various groups would receive notices with their cheques saying, "You are required to furnish birth certificates within a certain period of time," so as to put the least possible burden on provincial authorities and also on the individuals concerned.

Mr. STIRLING: Has the government arrived at any final decision as to how they will handle the Doukhobor children?

Mr. MACKENZIE KING: No final decision.

Mr. DIEFENBAKER: The parliamentary assistant stated that nine offices will be set up. Can he give any indication as to whether they will be set up immediately, or as to when registration is likely to commence?

Mr. CLAXTON: I should not think there would be any need to set up offices before some time around the first of the year. I believe it would be desirable to have them set up then, in order gradually to acquire the personnel, and particularly the leading personnel, who may be needed, to train the staffs and gradually to get the machinery working so that the rather large undertaking of issuing a million and a half cheques on one given day may be carried out smoothly and efficiently, and also so that the necessary co-operation with the provincial authorities and local welfare agencies may be set up. So I should think it would be desirable to open the offices around January 1, and to recruit the staff gradually. It would not be necessary to have a full staff at any place until pretty close to the date of registration. One difficulty about bringing this bill into force before the date mentioned is the lack of the necessary mechanical equipment. That can be obtained only on priorities, and at the present time deliveries are extraordinarily slow. We are informed that it could not be obtained for probably six months from the present date.

Mr. DIEFENBAKER: Do I understand, then, that registration will not be proceeded with before the beginning of the new year? Is that correct?

Mr .CLAXTON: Yes.

Mr. JACKMAN: May I suggest to the parliamentary assistant that when the dominion-provincial conference is held, consideration be given to requesting the provinces to furnish copies of all birth certificates, or the essential parts thereof, applicable to the children who will be eligible under this measure. That would obviate the necessity of having these hundreds of thousands, if not a million or more, parents writing to their various provincial headquarters, paying a fee of fifty cents or some such sum, and then sending the certificates on to the departments here in Ottawa. Then, if my idea is sound, further to that agreement there should be a clause providing that from year to year the various provinces will forward to the department a list of all births, so that the names may be checked as the applications come in, thus saving the people of Canada a great deal of money, and doing away with a tremendous amount of clerical work.

Mr. CLAXTON: I can assure my hon. friend that every possible means will be taken to save both money and work on the part of the government and the individuals.

Mr. JACKMAN: It is easy for the government to leave this to the individuals and not do it in the way in which a business corporation would handle the work. I think consideration should be given to my suggestion.

Mr. ESLING: What will be the status of Japanese children under this bill?

Mr. CLAXTON: Subsection 2 of section 8 is designed to deal with Japanese who are receiving subsistence in respect of their children because they are interned. Power is given to the governor in council to withhold or reduce any allowance which is paid by the government of Canada and which duplicates the allowances under this bill.

Mr. STIRLING: That does not cover a considerable number of Japanese who are distributed throughout the provinces and those who are resident in British Columbia itself and are not receiving any amounts from the dominion government.

Mr. CLAXTON: They would be in the same position as any other resident of Canada. If they were born in Canada or if they have been resident here for three years or have served overseas and have had children born on service or within twelve months, or if the children come under section 2 (b) they would be entitled to allowances.

Mr. MacNICOL: There have been a number of Japanese children born in Ontario where we have no particular objection to them. Would they not be entitled to this same treatment as white children?

Mr. CLAXTON: Yes.

Mr. COLDWELL: Does the hon. gentleman mean that children of parents of Japanese origin but who are Canadian citizens either by birth or naturalization would not be eligible, or would they be eligible?

Mr. CLAXTON: Yes.

Mr. COLDWELL: This is regardless of race, creed or colour?

Mr. CLAXTON: I have already pointed out the possible application of section 2.

Paragraph (e) agreed to.

Paragraph (f) agreed to.

Section agreed to.

On section 12—Regulations to be laid before parliament.

Mr. MACKENZIE KING: I want to add a subsection to this section. This is the usual provision that regulations must be published in the *Canada Gazette* or laid before parliament, but in order to provide extra security in the matter I am going to suggest:

That section 12 be amended by adding the following as subsection 2:

"No regulation shall be effective until published in the *Canada Gazette* and upon such publication shall be effective and shall have the same force and effect as if it had been enacted in this act."

I think the hon. member for St. John-Albert will recognize that section as the one which he wished to have placed in the farm prices bill the other evening.

Mr. MACKENZIE (Vancouver Centre): I move accordingly.

Mr. STIRLING: Does this mean that on the day after publication they would come into effect? Would it not be reasonable to have a certain time elapse after the publication so that the public might be able to study them?

Mr. MACKENZIE KING: I presume the regulation itself would have some provision where that was desirable. It might easily be stated that the regulation would come into effect on and after March 1, or some other provision.

Amendment agreed to.

Mr. GREEN: Has consideration been given to inserting a provision in the bill to the effect that family allowances shall have no effect upon the setting of wages. In the course of my speech on the second reading of the bill I suggested this in order that it might allay the fears of labour organizations in Canada. In any event, it would be helpful because I believe it is the intention that these family allowances should not affect wages.

Mr. MACKENZIE KING: I think that has been made clear through the course of the present debate, but the placing of a provision of that kind in this bill might be regarded by some of the provinces as an interference with their rights in the matter of wages. Certainly the declaration of policy on the part of the dominion would be to the effect that these family allowances should not be allowed to influence the fixing of wages.

Mr. GREEN: Could there not be a provision inserted to cover dominion contracts, that family allowances should not be taken into consideration in the setting of wages?

Mr. MACKENZIE KING: I have pointed out several times that family allowances are in the nature of a grant. There is no contractual relationship in the making of this grant by this parliament to those who are entitled to receive it. The whole measure might be rendered ultra vires if this parliament were to make a contractual relationship. It was on that ground that some other legislation was declared unconstitutional, in that it

placed in the contract a condition when contractual obligations were matters of property and civil rights in the province.

Mr. GREEN: It could be done in the case of contracts with the dominion government. In the post-war years there will be many contracts made by the dominion government, and surely it would not affect the rights of the provinces if the provision were limited to dominion contracts. It would show what the house had in mind in passing this bill.

Mr. MACKENZIE KING: I think the declaration I have made can be taken as a declaration by the government as to what the house had in mind. I notice that every hon. member agrees with me. It would be dangerous, I believe, to run the risk of inserting anything that might be interpreted directly or indirectly as being contractual.

Mr. GREEN: I have another question to ask which may not come under this section. There will be many thousands of young men and women taking training after they are discharged from the forces. As I read section 8, subsection 2, there is no protection against having the amount of their rehabilitation grants taken into consideration with the result that they may not be eligible for the family allowances. I suggest that that section be extended to cover returned men in respect of their rehabilitation grants and to cover any grants made for vocational training of men who are switching over from war to civilian industry. Has consideration been given to that particular type of case?

Mr. MACKENZIE KING: Broadly speaking, it is the intention of the government that members of the armed forces shall have all benefits granted to them met to the full, apart altogether from family allowances. That is the view taken in regard to the matter. There may be some possible exceptions, but, broadly speaking, the interpretation of this measure should be that so far as the members of the armed forces are concerned it is not going to take away any right which they have because they are members of the armed forces. It will add something to the rights which they have already by giving them what they are entitled to under the provisions of this family allowances measure.

Mr. GREEN: I suggest that the Prime Minister give some consideration to the last few lines of subsection 2 of section 8, which read:

Witholding shall not be made by reason of a pension under the Pension Act—

The CHAIRMAN: We discussed section 8 for some length of time and I do not believe the committee would like to revert to that section.

Mr. GREEN: I explained that and the Prime Minister raised a question in answering my question. He said that the intention is to protect those people. I would point out to him that they are no longer members of the military, naval or air forces of Canada when they are taking rehabilitation because they have been discharged. I think the subsection should be extended to cover them.

Section agreed to.

Sections 13 to 15 inclusive agreed to.

On section 16—Payment of expenses.

Mr. STIRLING: Does this imply that the vote will be placed before parliament in the supplementaries to take care of the necessary expenses of administration?

Mr. MACKENZIE KING: Yes.

Section agreed to.

Bill reported, read the third time and passed.

INCOME WAR TAX ACT

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance) moved for leave to introduce bill No. 180, to amend the Income War Tax Act.

Motion agreed to and bill read the first time.

EXPORT CREDITS INSURANCE

MEASURE TO FACILITATE AND DEVELOP TRADE BETWEEN CANADA AND OTHER COUNTRIES

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved the second reading of bill No. 178, to incorporate the Export Credits Insurance Corporation and to promote the revival of trade by the provision of dominion government guarantees to encourage exports from Canada.

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Speaker, this is an extremely important bill touching an important phase of our national and international life. Despite the fact that it is late in the session and that there is a desire on the part of some hon. members to hasten along with the business I feel that this measure should be given close attention and consideration by the house. The importance of international trade, on which this bill has a definite bearing, is recognized by almost all Canadians. It is of particular importance to us, and as we look forward to

the post-war period we cannot but be keenly interested in any measure that proposes to provide for the revival of export trade and the development of our international economic relations.

The purposes of the bill are set out in the preamble and, as I see it, those purposes are really two. The preamble reads:

Whereas it is desirable to promote the revival of trade by establishing a corporation to insure against loss caused by insolvency, delays in collection and transfer difficulties in connection with the export of Canadian-produced goods, and during the period of transition from war to peace by providing for loans or guarantees to governments of other countries or their agencies;

Therefore, His Majesty . . .

And so on.

The two important provisions referred to in that preamble are to be found by referring to sections 13 and 22 of the bill. Section 13 indicates that under the terms of this bill the government will have power to "enter into a contract of insurance with an exporter to insure against the risk of loss involved in a contract for the export of Canadian-produced goods." That is one phase of the machinery proposed under the terms of this bill, that the government shall have power to enter into contracts to assist exporters in the development of foreign trade.

The other important feature of this bill is found in section 22, where we learn that the government may make guarantees to other governments or their agencies to assist them in the purchase of Canadian-produced goods during the three years immediately after the coming into force of part II of the bill. This second feature of the bill is in a partial sense a continuation of the mutual aid principle which we have followed to a considerable extent during the war. That is a principle which has received support from almost all the members of this house, and we welcome the suggestion that that principle is to be carried over in part for at least three years into the post-war period.

The other feature of the bill is also commendable so far as its aim and objective are concerned, namely, the development of foreign trade, but I am not so sure that it is commendable as the best way of achieving that purpose.

I said a moment ago that the importance of international trade can hardly be overemphasized so far as Canada is concerned. I should like to place on the record a statement in this connection which was made by the Cooperative Commonwealth Federation at its first annual convention in Regina in 1933. At that time the C.C.F. drew up what is known as the Regina manifesto, clause 5 of which reads as follows:

External Trade

The regulation in accordance with the national plan of external trade through import and export boards.

Canada is dependent on external sources of supply for many of her essential requirements of raw materials and manufactured products. These she can obtain only by large exports of the goods she is best fitted to produce. The strangling of our export trade by insane protectionist policies must be brought to an end. But the old controversies between free traders and protectionists are now largely obsolete. In a world of nationally organized economies Canada must organize the buying and selling of her main imports and exports under public boards, and take steps to regulate the flow of less important commodities by a system of licences. By so doing she will be enabled to make the best trade agreements possible with foreign countries, put a stop to the exploitation of both primary producer and ultimate consumer, make possible the coordination of internal processing, transportation and marketing of farm products, and facilitate the establishment of stable prices for such export commodities.

I remind the house that that is not some statement which was prepared recently in the light of present conditions. That statement was issued by this party at its first national convention, eleven years ago, and I submit that every word of it still stands as a valid and basic statement so far as Canada's foreign trade is concerned.

When we talk about the importance of foreign trade, I think the question should be asked once in a while as to what it is that makes foreign trade so important. As a matter of fact the question has been answered in part during recent debates. The important thing about international commerce, if it is conducted on a basis of freedom of exchange, is that the people in various countries are enabled to produce the things which they are best capable of producing and, by trading those products, achieve mutual gain. That principle is the underlying idea so far as free trade is concerned, and there is no question that the principle itself is still sound. But there are some things which free traders—those who give us the theory behind it and claim that that is the essence of their gospel—seem to have forgotten. One is that it is quite possible even under free trade for cartels and monopolies to be set up and dictate world prices with the result that the advantages of free trade accrue, not as they should, to the people of the countries which enter into free trade, but rather to those who dictate the policy of trade throughout the world.

I should like to have the privilege of quoting briefly from an address which was delivered in

Yorkton, Saskatchewan, on May 29, 1944, by the hon. member for Rosetown-Biggar (Mr. Coldwell), who leads this group. During the course of that address he said this:

The liberal economists, still under the influence of the heady vintages of 1890, continue to debate the dead and varied issue of free trade versus tariff. That issue has long been superseded—

Mr. MacNICOL: Who said it was dead?

Mr. KNOWLES:

—and to-day the issue is planned trade through public agencies on the basis of national needs, or trade planned by the giant cartels for their private advantage.

There is no question about the soundness of the free trade principle. The trouble is that those in this house who claim that they are its only advocates have not thought it through, have not seen to it that along with free trade, policies were established to make sure that its advantages would accrue to the entire people of this country rather than to private monopolies.

Mr. MacNICOL: You only think so. You know nothing about it. How can you know anything about it? May I ask the hon. gentleman a question?

Mr. KNOWLES: That is the hon. member's favourite interjection.

Mr. MacNICOL: Does the hon. member know anything about free trade and protection, never having had any more to do with business than a sick cat?

Mr. MACKENZIE (Vancouver Centre): That is a good remark.

Mr. COLDWELL: The voice of John Bracken.

Mr. MacNICOL: I can make these remarks myself.

Mr. KNOWLES: I am glad, Mr. Speaker, that Your Honour did not succeed in preventing these interruptions. They were really quite enjoyable.

Mr. MacNICOL: You are a pretty good head, at that. I like you.

Mr. KNOWLES: If by free trade all you mean is the absence of tariffs you soon get into the situation which I have already described, wherein private cartels and monopolies are able to take advantage of free trade itself. We have had the experience in this country, for example, that when tariffs were lowered on farm machinery the prices of farm machinery went up, and the Conservatives—I think that was their name at the time—enjoyed taunting the Liberals with that fact. Well, it is a fact which should be faced, that if we are to get any advantage to the people as a whole out of free trade we have to go farther than that, and plan and organize our national purchases somewhat after the manner which we have followed during the course of the present war. I am going to take the liberty again to quote from my leader, even if he is right here in the house in front of me—which is more than some other hon. members can say about their leader.

Mr. CRERAR: May I ask my hon. friend a question with regard to a statement he made a moment ago? If I understood him aright, he stated that the high prices of farm machinery or the increases in the prices of farm machinery were due to international combinations and cartels. Is that what the hon. member said?

Mr. KNOWLES: Yes; they had that effect despite the lowering of tariffs.

Mr. CRERAR: Then how does my hon. friend explain this fact, that in the exhaustive inquiry which was carried on by a committee of this house several years ago into the price of farm machinery it was demonstrated, if my memory serves me aright, that the increased costs of farm machinery were due to increased labour costs, which, as I recall, comprised eighty per cent of those costs?

Mr. COLDWELL: No. I was on the committee. We found that the smaller companies all followed the price leadership of the International Harvester company. You will find that pretty well stated in the report.

Mr. CRERAR: Oh, no.

Mr. GRAHAM: Mr. Speaker, I—

Mr. KNOWLES: I do not mind a question or two, but if it is to be a free-for-all I think we should wait until we get into committee. As a matter of fact this question which the Minister of Mines and Resources (Mr. Crerar) has interjected has been debated a number of times in this chamber fairly recently, and the figures themselves have been put on the record from the committee's report to which the hon. member has referred. Those figures answer the minister.

But I want to get back to what I started to do a moment ago, namely quote further from the speech which the hon. member for Rosetown-Biggar made at Yorkton on May 29, 1944. He said this:

For years some of us were saying that the buying and selling of our main imports and exports should be organized under public boards. By so doing, we believed advantageous long-term agreements for bulk purchases and sale could

be concluded with foreign countries, and a stop could be put to the exploitation of both the primary producer and the ultimate consumer.

You will recognize a reference there to the language of the Regina manifesto of the C.C.F., from which I have already quoted.

For years these ideas were ridiculed and scorned.

Like a good many other ideas of the C.C.F.

But, under the iron compulsion of war, Canada has actually carried out these ideas—the very people who held them in ridicule and scorn are putting them into practice to-day. Because of the war, the government has had to resort to planned trade; it has been done half-heartedly, the planning is makeshift, but it has been done. The normal channels of trade, like business-as-usual, proved to be too inefficient, too tortuous, to meet the war emergency. Canada to-day has an external trade advisory committee, with wide powers to coordinate all trade activities, and to recommend policy. She has also to-day a Canadian export board with essential commodities under its jurisdiction. Incidentally, both of these important bodies were set up by order in council, in spite of the fact that parliament was in session. It is as though the government wanted to be as quiet as possible about the adoption of socialist measures. Canada has concluded long-term contracts for the bulk sale of commodities, such as bacon, dried eggs, cheese and grains. Are similar contracts to be concluded after the war, or are these vital matters to be handed back to the speculator? Canada has concluded long-term contracts for the bulk purchase of commodities, such as wool, silk, rubber, tea, coffee and grapefruit juice—she has done so for the sake of efficiency, and to protect the consumer in regard to both quality and price. Are these contracts to end with the termination of hostilities, regardless of the interests of the consumer?

Our contention is that following the war we should continue some of these very policies which have been found necessary, desirable and efficient during the period of the war years. In other words, we are still advocating the proposal that was set out in plank five of the Regina manifesto, namely, regulation in accordance with a national plan of external trade through import and export boards. It is quite often that we make the statement that I made a while ago to-night, that the issue of free trade versus protection as between Liberals and Progressive Conservatives—

Mr. SPEAKER: May I interrupt the hon. member. At the beginning of his speech he read the preamble of the bill:

Whereas, it is desirable to promote the revival of trade by establishing a corporation to insure against loss caused by insolvency, delays in collection and transfer difficulties in connection with the export of Canadian-produced goods, and during the period of transition from war to peace by providing for loans or guarantees to governments of other countries or their agencies.

I have been searching in my mind to discover wherein the relevancy of the hon. gentleman's argument with regard to the question of free trade as opposed to protection lies in relation to the bill, which is now under consideration. I would ask him to address himself to the bill, which is for the establishment of a corporation with respect to export credits.

Mr. KNOWLES: Mr. Speaker, if I may endeavour to answer your inquiry, I broke the preamble into two parts, one dealing with mutual aid and the other dealing with insurance contracts with exporters as a means of reviving trade in the post-war period. I expressed approval of the mutual aid section of the preamble; but I am suggesting that, so far as the other portion is concerned, an alternative is desirable, and the alternative that I suggest is the setting up of import and export boards. I am subject to your ruling, but I believe that it is in order on second reading to propose an alternative method for the achieving of the principle of a bill which is before the house.

Mr. SPEAKER: The hon. member will realize that if a discussion is allowed with regard either to free trade or to protection we shall open up a very broad field and the ensuing debate will not likely be relevant to the bill under consideration. If the hon. member can show the relevancy of his present argument to the bill before us I shall be glad to hear what he has to say, but I doubt that his remarks at the moment are relevant.

Mr. COLDWELL: May I say, Mr. Speaker, that the bill is very wide and deals with the loss that may accrue to an importer by reason of insolvency or otherwise. My hon. friend is arguing that instead of making these guarantees proposed under this bill it would be better to have the bill redrawn to give effect to a proposal for import and export boards. The unfortunate thing about it is that if we were debating this bill earlier in the session we would have moved that it be referred to the banking and commerce committee where all these points raised on the bill could have been discussed adequately. But since it is late in the session we do not wish to delay what may be a useful measure by suggesting a reference to that committee. My hon. friend is trying to place before the government a view that gives an alternative to what is proposed in the bill. That is why we submit that the discussion is in order.

Mr. SPEAKER: I appreciate the remarks of the leader of the Cooperative Commonwealth Federation, but I do not think he is addressing himself to the question of the relevancy of the observations which have been made by the hon. member for Winnipeg North Centre with regard to the bill before

the house. What may be discussed now is the principle of the bill, and if there were force in the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell) it would mean that the hon. member for Winnipeg North Centre would be opposing the principle of the bill. If he is not opposing the principle of the bill, then he is dealing with a matter that is extraneous to the bill and I would ask him to justify the relevancy of his remarks.

Mr. KNOWLES: If I may restate what I said a moment ago, I regard the aim and purpose of the bill as the revival of trade in the immediate post-war period. The preamble states that. To achieve that purpose the bill sets out two proposals. One is dealt with in section 22 along mutual aid lines, and so far as that part of the bill is concerned I express my wholehearted support of it. As a matter of fact, when the bill for mutual aid, and the bill in connection with UNRRA were before the house, I expressed the hope that the principle of mutual aid might be carried into the post-war period. I am glad to find that the principle, at least for three years, is woven in part into the text of the bill that is before us. But with respect to the other provision of the bill, namely, that trade might be revived in the post-war period by the method of insurance contracts with private exporters, under which the government would bear any loss, leaving the exporter the opportunity to enjoy any gains, I am not in agreement. As a matter of fact I do not see how anyone who argues the case for free enterprise and insists upon the fact that free enterprise must be given its rein because it takes the risk can really support this measure. Similarly I would point out that from our viewpoint it is against the best interests of the country as a whole, and because of the importance of trade to Canada I am not satisfied with a Liberal administration, which has had so much to say about the importance of international trade and the principle of free trade, coming in at this stage of the game and giving us only this as a means of reviving so important a phase of our life as international trade.

Your Honour has questioned my right to deal with the other matter and I take it that I must accept your ruling, but may I add this other sentence or two in conclusion to that phase of my remarks. It seems to me that free trade by itself is not enough. It is a good principle. It is as sound to-day as it ever was, but if the people of Canada are to have the things that accrue from free trade we have to take this further step of setting up import and export boards so that we can plan our foreign trade, plan our bulk purchases in such a way as will be to the best interests of the people of Canada as a whole. Along with that we must take steps to see to it that the purchasing power of our people at home is increased and that our people are put in a position to buy the things that can be brought into this country in return for the goods that we sell under the provisions of this bill.

If Your Honour had not restricted me somewhat I would have taken time to read some quotations along this line from the very interesting booklet that I have in my hand entitled, "The Mid-Continent and the Peace". This booklet, as some hon. members may know, was prepared at the request made in 1941 by the then Premier of Manitoba, Hon. John Bracken, and the then governor of Minnesota, the Hon. Harold Stassen, by economists of the universities of Manitoba and Minnesota. The economists who did this piece of research were Professor William J. Waines of the university of Manitoba and Professor Arthur L. Upgren of the university of Minnesota. I could have given half a dozen quotations from this booklet showing how they face the problem of foreign trade, and of western agriculture in particular, in the post-war period. It is their contention that tariffs must be lowered by all means, but it is also their contention that there must be planning of trade as between this country and other countries. First of all I should say that it is their contention that the United States and Canada should be more closely integrated as an economic unit, and that in addition to that there should be planning of trade between this north American economic unit and other countries. They also point out in a definite way that if we are to facilitate the economic rehabilitation of other sections of the world we must improve the standard of living of our industrial communities here at home. We must become an increasingly larger market for the goods that may be purchased from other communities. I notice you are restless, Mr. Speaker, therefore I think I had better not push your patience any farther. I have only continued because I really felt that what I have had to say was relevant to this very important matter of international trade. I am not satisfied that this bill, brought in by a Liberal administration goes far enough in recognizing its importance to Canada in the post-war period.

Hon. J. L. ILSLEY (Minister of Finance): May I say just a few words, Mr. Speaker, about some of the remarks made by the hon.

member after I came in. He undertook to analyse the bill as being divided into two parts and as embodying two principles. He took the second part of the bill, the substance of which is found in section 22, first, and he said that that embodied the mutual aid principle. Well, the mutual aid principle is somewhat different from the principle found in section 22 of the bill. Section 22 of the bill authorizes the government to guarantee the obligations of foreign governments which purchase goods in Canada, to make loans to foreign governments which purchase goods in Canada, and to purchase or acquire securities issued by foreign governments for the purchase of goods in Canada. The mutual aid legislation is based on a different principle. Under the mutual aid legislation there is no money obligation whatever on the part of foreign governments, and in that respect it is certainly inaccurate to characterize section 22 of the bill as being based on the mutual aid principle. But what I take particular exception to is his summary of the principle which he alleges is contained in part I of the bill. If I understood him correctly, he said that it contemplates the assumption of losses by the government of Canada, leaving profits, if such are made, to private exporters. That is not so.

The effective section of the bill is section 13. Section 13 provides for the setting up of insurance. It provides for the insuring by the Export Credits Insurance Corporation of private exporters, or, for that matter, it might be public exporters, it might be government boards, although perhaps that would not be entirely appropriate. The main purpose of the bill in part I is to insure private exporters against loss, but on a commercial basis. It is not an assumption by the government of losses, leaving profits to private exporters. May I refer to my colleague's speech made when he introduced the legislation on July 28, at page 5518 of *Hansard*. He said:

> The Export Credit Insurance Corporation that is to be set up in Canada is intended to develop for the assistance of Canadian exporters an insurance business of this kind, and it is the intention that it shall operate on a self-sustaining basis, but that it shall be essentially non-profit-making.

That is to say, it is not to incur a loss. The Export Credits Insurance Corporation is to be operated on a self-sustaining basis. The private exporter pays for the protection he gets. He does not load his loss on to the government. He pays a premium for the insurance which he is to obtain from this government corporation. I would not like the C.C.F. speakers to make the assertion that this is an instance of the government stepping in and taking the risk of losses away from persons engaged in the export business, leaving it to persons engaged in the export business to get a profit, if a profit is earned. I think it is very important that the point be made clear at the outset. The hon. member has made a study of the bill, but he has certainly misapprehended the essential features of both part I and part II if his remarks to-night are any indication.

Mr. M. J. COLDWELL (Rosetown-Biggar): May I just say a word? I think what my hon. friend (Mr. Knowles) said was that he was glad to see in part II of the bill the principle of mutual aid. The Minister of Finance (Mr. Ilsley) disagrees that the principle of mutual aid is here. If he is arguing that the principle of mutual aid only involves the making of gifts, then he is right, and that the mutual aid is in that way on a one-way basis.

Mr. ILSLEY: Mutual aid never entails a dollar of obligation.

Mr. COLDWELL: I know, but I am going to say that the principle of guaranteeing to the purchasing country the right to obtain goods by way of loans in this country, setting up credits in this country, while it is not mutual aid in the sense in which the Minister of Finance used the term, nevertheless is a principle which enables a country which otherwise has not a credit, to obtain a credit within Canada, or perhaps within some other country, and to that extent it is a method of aiding another nation to obtain the goods it requires.

Mr. ILSLEY: In that sense.

Mr. COLDWELL: And in that sense I think my hon. friend referred to the principle of mutual aid. It is a good principle, and I am thoroughly in agreement with it in this bill.

With regard to the other point raised by the Minister of Finance, of course I do not know the basis upon which the premiums for this insurance are to be worked out. We have not had experience in regard to insurance of this type; consequently we have no reliable figures which would enable us to fix premiums on an actuarial basis. It may be that in the post-war period the trading relationships of the nations will involve considerable losses, and that the premiums paid will not cover those losses. In that event I take it that under this bill such losses will be made good to the government corporation. The nation will have to meet those losses, and perhaps it was in that sense my hon. friend offered his criticism. I am not arguing that the government is bound to take a loss; I am arguing that the

government may take a loss. On the other hand, however, if a profit is made it will accrue to the company or corporation exporting the goods. To that extent, and that extent only, I suggest to the Minister of Finance that my hon. friend was correct in his statement. It is merely a matter of guesswork at the present time as to what premiums will be required and what will be our financial experience in regard to this government corporation.

Mr. ILSLEY: Does the hon. gentleman think there would be any more likelihood of a loss under this arrangement than there would be under export boards?

Mr. COLDWELL: I think the question the minister asks can be answered in this way. In the operation of import and export boards it is possible to relate the prices of the commodities imported to the returns from the commodities exported. In other words, experience has shown that the internal price of a commodity may not bear any relationship to the external price of that commodity in the country to which it is exported. On the other hand, imports from the country or group of countries into the country receiving the imports can be related, within the importing country, to its own internal price level. In that way you could even up the losses with the profits that may accrue as between various types of commodities. Consequently, under an import-export system it is possible to escape the kind of loss—although, of course, conceivably you may have another kind of loss—against which this bill is designed to give protection as far as the individual exporter is concerned.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Golding in the chair.

On section 1—Short title.

Mr. PERLEY: I was not present when the minister made his statement at the resolution stage, since I had to attend a committee meeting. However, from hurriedly looking over the bill this afternoon, noting that it is in two parts and contains a number of sections, I agree with the hon. member for Winnipeg North Centre that it is a very important measure, perhaps one of the most important to be introduced this session, since it covers the whole field of our export and import trade. I regret that a measure of this kind should be submitted to us at this late stage of the session, when we are trying to get through within the next five or ten days; I think it is hardly fair. This measure should have been brought in two or three months ago and referred either to a special committee or to the banking and commerce committee, as the hon. member suggested. I believe that would have been the proper procedure because, as I have said, it is very important legislation. I do not intend to delay the committee longer, but I wanted to express my view as to what should have been done.

Mr. ROSS (Souris): When the resolution preceding this bill was introduced there appeared to be some difference of opinion as between the Minister of Trade and Commerce, the Minister of Agriculture and the Minister of National Defence, who was then leading the house; certainly they expressed very different opinions on that occasion. As has been pointed out, this is a very important measure. I agree with the last speaker that it is unfortunate this bill should have been introduced so late in the session.

I wish to refer particularly to the definition of Canadian-produced goods, which are defined to mean goods wholly or partly produced or manufactured in Canada. We have had so many bills introduced in the last few days, which sometimes seem to overlap or conflict, that it is a little difficult to be sure one is strictly within the limits of the legislation under discussion. The other day we had the measure establishing floor prices for agricultural products; now we have this bill which the Minister of Agriculture said was closely associated with the measure he put through. There is one point I should like to raise here, because the Minister of Finance is also closely associated with this measure.

Mr. ILSLEY: If I may interrupt for a moment, what section are we on, Mr. Chairman?

The ACTING CHAIRMAN (Mr. Golding): On section 1.

Mr. ILSLEY: Then I think the hon. gentleman's remarks should be addressed to section 2, if he is talking about the definition of Canadian-produced goods.

Mr. GREEN: Will one of the ministers explain why the government has adopted this method instead of the method followed under the mutual aid legislation? Under that bill, as I understand it, a board was set up known as the Canadian mutual aid board. That board buys the goods from the Canadian producer or manufacturer and transfers those goods to other nations. At first blush one would think the new arrangement would be to have the mutual aid board buy the goods from the producer or manufacturer in just the same way, and then sell them to the foreign country. Instead of

that, the government makes a loan to the foreign country, or guarantees the purchase of the goods by that country from the Canadian producer. There may be some good reason why that has been done, but I should be glad if one of the ministers would explain the reason for approaching this problem in a different way.

Mr. ILSLEY: In time of peace we think it is best to allow business to be transacted through the usual channels. In time of war that is impossible with mutual aid, because under mutual aid the government of Canada, or a committee or board set up by the government of Canada, distributes munitions and other goods required for the prosecution of the war in accordance with strategic needs, for the most part, if not entirely, without remuneration. There are no sales made by the mutual aid board and there is no dollar obligation resulting from any transaction.

Mr. GREEN: There is no power under this bill for the government to sell to a foreign nation?

Mr. ILSLEY: No, because there seems to be no reason for interrupting trade through the usual channels.

Mr. GREEN: The difficulty is that trade is not going through the usual channels; the purchase is not being made by the importer in the foreign country; it is being made by the foreign government. That is as I read the bill.

Mr. ILSLEY: From the producer in Canada.

Mr. GREEN: The normal course of business would be for the Canadian exporter to sell to the Belgian importer.

Mr. ILSLEY: Not necessarily.

Mr. GREEN: This covers only a purchase by a government and not a purchase by an individual firm.

Mr. ILSLEY: It may not be a foreign government that actually obtains title to the goods. A foreign government may request the government of Canada to make it possible for somebody in the foreign country, either the government or a private importer, to buy goods in Canada. The ordinary trade channels are for a purchaser in the foreign country to go to the manufacturing industry, or to the Canadian wheat board, or to private interests in Canada having agricultural products for sale, or anyone else having things for sale and make his arrangements. It may not be possible in the unsettled conditions arising immediately after the war for the private Canadian exporter to run the risk of loss in the transaction without insuring himself against that loss by getting some kind of insurance.

Mr. JACKMAN: I do not entirely understand the bill partly because I have been so busy on other matters. It seems to me that this is taking the place of the London discount houses where you could take a bill of exchange on some importer in Brazil or Argentina, and they would give you cash in sterling or put their endorsement on it which would make it good at the Bank of England. Is that the principle behind the first part of this bill? Does it mean that you are giving the Canadian exporter immediate money and substituting the credit of the government for the credit of the importer in the foreign country?

Mr. ILSLEY: Not under part I of the bill.

Mr. GREEN: If I may follow up my question with regard to the transaction with a foreign country. There is no provision in part II of the bill for a loan to a foreign importer; the assistance is given to the governments of other countries. I do not understand why it is done in that way because that is not following the normal course of business. Why is not the assistance given to the foreign importer if the idea is to have the business carried on through the regular channels? We may find ourselves in this position under the second part of the bill. A loan may be made to the Belgian government—I use that government merely as an illustration—and purchases made in Canada from a Canadian firm, either by the Belgian government or by a Belgian firm. The purchase price may not be paid, and it seems to me that this does not protect the exporter in Canada. I do not see why the importer in Belgium should be forced to deal through his own government; yet under part II of the bill he must do so. Why is that done? The Canadian exporter does not do business through his government at all; there is no connection between the Canadian exporter and the Canadian government under part II of the bill. On the other hand, the foreign importer has to do business through the foreign government. All the Canadian government does under part II is to hand out money to the Belgian government.

Mr. ILSLEY: And take the indemnity of the foreign government against loss.

Mr. GREEN: Would it not be better during this three-year period to have the Canadian government buy from the Canadian producer and sell to the Belgian government? Then the Belgian government could deal with its own firm as it sees fit. That

would be merely carrying on the plan under the mutual aid bill and you could use the mutual aid board. You could transfer to the Belgian government. The only difference would be that, instead of getting back goods or making a gift, you would get back payment or securities for payment. I do not understand why you are trying to go about this thing in a new way during the three-year period after the war. I would like one of the ministers to explain why that has been done.

Mr. ILSLEY: I cannot see any advantage whatever in the dominion government buying and insisting on selling to a foreign government. No argument has been made by the hon. gentleman in favour of that.

Mr. GREEN: Why make the Belgian importer do business through the Belgian government? Actually you are dealing with the Belgian government.

Mr. ILSLEY: So that the dominion government will have the guarantee of the foreign government.

Mr. GREEN: You would have it anyway if you sold to the foreign government.

Mr. ILSLEY: What advantage is there in doing that?

Mr. GREEN: There is the advantage that the Canadian exporter would get paid and he might not get paid—under this plan, for the money would be turned over to the Belgian government and the order placed by the Belgian government with the Canadian exporter.

Mr. ILSLEY: Under part II the Canadian exporter will get paid.

Mr. GREEN: He will be paid only by the foreign country.

Mr. ILSLEY: No; the dominion government guarantees the obligations of the foreign government in respect of the price of the goods.

Mr. GREEN: Where is that in section 22?

Mr. ILSLEY: Under 22 (1) (a) he would be paid.

An hon. MEMBER: In Canadian funds?

Mr. ILSLEY: Yes.

Mr. PERLEY: In answering the hon. member the minister referred to the wheat board. Canadian wheat exporters are selling to foreign countries, to the cereal import committee in Britain, for instance. Will this bill guarantee the Canadian exporter against loss? Every day we see advertisements that Canadian wheat is being sold to other countries, and I should like to know if this bill will insure the Canadian exporter of wheat against loss?

Mr. ILSLEY: Under what part, I or II?

Mr. PERLEY: Under the part you have been speaking of when answering the hon. member.

Mr. ILSLEY: The exporter can take out a policy insuring himself against loss and he pays for it. If it were deemed advisable and if the foreign government would assume the obligation of indemnifying the Canadian government against loss, it would be possible under part II for the Canadian government to purchase securities of the foreign government or guarantee the obligations of the foreign government to the private exporter.

Mr. GREEN: Suppose the Canadian government makes a loan to the Belgian government under paragraph (b) of section 22, how is the Canadian exporter to be assured of getting his purchase price.

Mr. ILSLEY: It would be a loan to enable the Belgian government to purchase from the exporter and to pay the cost of the Canadian produced goods. It would be the simplest thing in the world to make sure.

Mr. GREEN: How would you make sure he gets his money?

Mr. ILSLEY: It would presumably credit the account of the Belgian government here, out of which account the exporter would be paid.

Mr. GREEN: Why could not some provision to that effect be put in the bill?

Mr. ILSLEY: Because you must assume that the government has some sense.

Mr. GREEN: We do not, very often.

Mr. PERLEY: Who is to be the final judge of whether there was a loss or not in the deal I mentioned a few minutes ago?

Mr. ILSLEY: "Loss" is defined. There will be an amendment to section 2 and an amendment to section 13 defining "loss".

Mr. GREEN: I take it that the government would prefer to see business develop under the first part of the bill; in other words, that they would prefer to see an individual exporting firm able to do business with an individual importing firm. That would leave nothing for the government to worry about. Yet the Minister of Trade and Commerce said the other day, when the resolution preceding this bill was under discussion, that it was not

intended to use part I of the bill in the meantime. I understood that it would not be used until the three-year period after the war had expired. He used these words, at page 5520 of *Hansard* of July 28 last:

Mr. MacKinnon (Edmonton West): It is anticipated that part I of the bill will not become operative to any great extent for the time being.

Mr. Green: That is the insurance feature?

Mr. MacKinnon (Edmonton West): Yes. Part II will be operative during the transition period. The first part of the bill is essentially peace-time legislation; the second is not.

I suggest that that is putting the cart before the horse. Certainly every encouragement should be given to private firms to develop their own export business, and the insurance provision of this bill should be put into effect right away and should be used just as much as possible. That would be preferable to using the second part of the bill. I would like to know whether the statement made by the Minister of Trade and Commerce on that point the other day is correct.

Mr. MacKINNON (Edmonton West): I have not those remarks before me at the moment. I do not think I said that part I of this bill would not be operative until after the three-year period had expired. What I really said was that part I would become operative by proclamation. The corporation has to be set up and organized. But it is the wish and intention of the government to have part I come into effect as soon as possible.

Mr. GREEN: Surely the government hopes that the bulk of the business will be done under part I rather than under part II, which involves the Canadian government making loans to foreign governments. Am I not right?

Mr. MacKINNON (Edmonton West): Not necessarily.

Mr. GREEN: What does the minister mean by that?

Mr. MacKINNON (Edmonton West): It is the intention of the government to have part I become operative as soon as possible. Part I is essentially looking toward the carrying on of this export business in time of peace. I do not think it is necessary to wait until then for it to begin to function, and in the meantime part II will operate. Conditions during the war and possibly immediately after the war will make it difficult for part I to become operative in a very large way during this particular period.

Mr. GREEN: Am I correct in saying that the basic policy of the government for increasing the export trade of Canada is to insure transactions between the Canadian exporter and the foreign importer?

Mr. MacKINNON (Edmonton West): Yes, that is correct.

Mr. COLDWELL: Transactions as between individuals?

Mr. MacKINNON (Edmonton West): Yes.

Mr. COLDWELL: But is that a realistic way of looking at our future trade relationships? I have been reading a number of reports of committees, even in Great Britain, which would seem to indicate that no major party there at the present time looks to a resumption of that kind of trading. You have a very large group even in the Conservative party in Great Britain which looks forward, as the Labour party does of course, to the buying of basic commodities such as foodstuffs and even basic raw materials through government agencies. It seems to me that it is rather unrealistic to expect that in the future we shall return to the old method of individual traders trading on the open market. That policy is not realistic. So far as the other nations are concerned, I do not know if Russia will set the pattern of trade among the European countries, but we know the type of trading that she was conducting before the war, and we know the type of trading in some of the principal commodities which the more democratic countries of the world were following—New Zealand, for example, with her control of trade through government agencies. It seems to me that it is not realistic to look forward in this bill to the resumption of the old method of individual traders trading on the open market. I do not think we are going to see that any more. We have it now only in part during the war.

Mr. MacKINNON (Edmonton West): I think I can tell the hon. member that this legislation is looked upon with great satisfaction by the exporters and manufacturers of Canada generally. It is exactly what they want to help them in their export business.

Mr. COLDWELL: I do not doubt that a bit.

Mr. MacKINNON (Edmonton West): And the policy is based exactly on what they have been and are doing in the United Kingdom.

Mr. HATFIELD: After I receive an order from an importer in South America, how long will it take before I can get permission and have my insurance adjusted with the board. The trouble to-day in trying to export is

that you have to go to two or three boards, to the Canadian export board, to Washington and to an international export board and get all kinds of priorities before you can take an order. All that takes months. How long will it tie up the whole system under this bill?

Mr. ILSLEY: It will not tie it up nearly as badly as the system of export and import boards would. I am going by what the hon. gentleman himself has just said.

Mr. HATFIELD: Before I can get insurance I shall have to get permission from this board. How long is that going to tie up the transaction?

Mr. ILSLEY: I assume that there will not be any undue delay. I should not think that there would be any difficulty about it at all.

Mr. HATFIELD: There are great difficulties to-day.

Mr. ILSLEY: Because, as the hon. gentleman himself says, we are in a time of war and the government is controlling so much of everything everywhere.

Mr. HATFIELD: It is not on account of the war but on account of the boards not knowing their business.

Mr. BLACKMORE: Are we correct in assuming that this is just a way of foreign lending on the part of Canada? It amounts to nothing more or less than foreign lending on the part of Canada, does it?

Mr. ILSLEY: Well, under part II foreign lending is contemplated.

Mr. BLACKMORE: Or it provides the means whereby the Canadian exporter will, by taking out an insurance policy, aid in the proceedings?

Mr. ILSLEY: Yes.

Mr. MacKINNON (Edmonton West): Part I of the act gives the exporter the power to insure his shipment to the foreign importer, and he participates himself in part of that risk.

Mr. HATFIELD: Would not the board have to look up the standing of the foreign importer? How long is it going to take them to get a deal through?

Mr. MacKINNON (Edmonton West): It is anticipated that the structure to be set up will become routine very shortly. There will be a head office, and it is expected that there will be branch offices so that Canada will be covered, which will make it easy for exporters to deal with an office where the insurance policy can be issued.

Mr. JACKMAN: I still fail to understand what the whole purpose of this bill is. At the present time, notwithstanding the various war regulations, there is a certain amount of exporting going on. Let us leave aside the United Kingdom and the United States, and let us take shipments going, say, to Brazil and South Africa, and newsprint, which is still being sold in small quantities to a number of different countries. That is being financed, I take it, through the foreign exchange control board getting the exchange in the first place. Then, if the newsprint companies want their money, a bill is drawn on the foreign importer and taken to the bank, which knows the credit rating of the importer in, say, Brazil, and gives them the money in Canada. What is the need just now for this type of incorporation? Furthermore, as one hon. member brought out a moment ago, how is any agency of government going to know the credit rating of these various foreign importers spread through all the countries of the world? I have always understood, regarding these great discount banks and corporations in London which do a world-wide business, that the partners in their houses learned their business at the breakfast table; they are brought up in the great banking families. How can you learn about the credit rating of these various importers all over the world overnight?

I should like to know more about, in the first place, the need for this type of transaction envisaged by the government, and second, where they are going to get the necessary experience to enable them to avoid serious losses in the carrying on of the business.

Would the minister first of all let us know exactly how the need of this is going to arise? I, of course, read his general remarks about the troubled situation after the war, but why —in answer to our hon. friend the leader of the C.C.F.—cannot the ordinary chartered banks carry on a great deal of this business? Is it intended that this corporation shall supplant some of the commercial activities of our banking system, or is it to step in only when ordinary commercial facilities fail?

Mr. MacKINNON (Edmonton West): I will answer that question by saying that the insurance scheme which is being proposed can be financed by reasonable premiums, and it will be operated along strictly commercial lines.

Mr. JACKMAN: Does insurance mean discount? An exporter wants his money so that he can pay his wage bills, carry on his business and manufacture more stuff. You take the obligation by bill of exchange which the exporter gets and discount it; you put the government of Canada's signature across the

back of it so that he can take it to the bank and get his cash, or you discount it yourself. That is what is understood by the ordinary term "discount". You are an endorser. Is that what is meant?

Mr. MacKINNON (Edmonton West): The statement I was just about to make, I think, covers the points raised by the hon. member.

It is intended that the premium income should be sufficient to cover all claims. The premiums will be set in accordance with the risks involved. Some loss may be incurred during the initial stages when experience is being gained, but it is intended that the scheme should stand on its own feet and require no permanent financial assistance from the government.

The insurance scheme will offer no new means of actually financing foreign trade, because it is proposed that the existing facilities of the banks will be used for financing and collecting bills of exchange. It is expected, however, that the insurance scheme will increase the willingness of these private institutions to finance export transactions and thereby place our exporters in a stronger competitive position. Moreover, it is expected that the banks will find it to be in their own interests to assist the administration of the scheme by providing information concerning the standing of foreign importers. This information will be augmented by reports from the various trade commissioners and commercial attaches, the Bank of Canada and other sources.

The risk to be insured is the risk of loss as defined in section 13 of the bill. The details of contracts will be worked out by the directors of the corporation, subject to the conditions imposed including *inter alia,* adequate premiums to cover probable losses and the acceptance by the exporter of some portion of the risk. The portion to be thus assumed by the exporter will depend upon the nature of the goods, the standing of the importer and other factors.

It is expected that until the corporation gains experience, it will restrict its contracts of insurance to only the better known forms of bills of exchange. The chief risks to be insured will pertain to solvency of the foreign importer, which is the exporter's principal risk, and the transfer of funds. In connection with the latter risk, it would be possible to have a situation where a foreign importer may have discharged his indebtedness to the Canadian exporter by meeting his bills in the local currency of the foreign country but, because of exchange controls or other unforeseen developments, it might not be possible to transfer the local funds to Canadian dollars. The corporation will insure against such risks but not against fluctuations in exchange rates. Except for these general considerations, it is believed to be desirable to leave leeway to the directors of the corporation in order that they may be in a position to relate insurance contracts to the particular risks involved.

Mr. HATFIELD: The insurance could be used the same as a letter of credit, so that the exporter could go to the bank and cash in his insurance policy and get the money to pay for the goods. Is that right?

Mr. ILSLEY: What did the hon. gentleman ask? I thought he had a wrong understanding of the matter altogether.

Mr. HATFIELD: I asked the question whether this insurance policy could be used the same as a letter of credit; an exporter could go to his bank and take his insurance policy and the bank would put up the money to finance the transaction. Is that correct?

Mr. ILSLEY: Well, the fact that he was insured against insolvency or loss owing to the insolvency of the foreign importer would certainly make the bank more willing to finance him.

Mr. BLACKMORE: I am endeavouring to get an accurate picture of the whole situation here, but the questions and answers are not indicating very much. I gathered from the remarks of the Minister of Trade and Commerce that one of the great difficulties we would have in our international trade after the war would arise from the probable inability of transforming into Canadian funds the money of the nation which may be buying from us.

Mr. ILSLEY: There might be that difficulty.

Mr. MacKINNON (Edmonton West): One difficulty.

Mr. BLACKMORE: That would be one of the main difficulties?

Mr. MacKINNON (Edmonton West): No; one of the possible difficulties.

Mr. BLACKMORE: Let us suppose we sell goods to Belgium. Let us imagine Belgium reestablished as it was before the war. Much will depend upon whether Belgium can send goods to Canada which Canada can accept of sufficient value to pay for the goods which Belgium buys from Canada.

Mr. COLDWELL: It may be a matter of multi-angular agreement.

Mr. ILSLEY: We hope to have a multi-angular agreement, not a set of bilateral agreements.

Mr. BLACKMORE: All right; I just gave a simple illustration so that we could get a picture of it. Suppose that Belgium is not able to deliver goods but needs our goods. Before the war we would lend Belgium credit with which she would buy our goods. The nation was doing that on a large scale before the war. Suppose a situation developed in which a nation buying from us could not pay us in goods that we were able to accept; what would be the function of the corporation? What would be the way in which the measure would function in order to expedite and facilitate trade?

Mr. ILSLEY: The corporation would turn the transaction down and the parties would apply to the government under part II of the bill. The government of Canada would then consider whether they would guarantee the obligations of the foreign government or lend money to the foreign government or purchase securities of the foreign government in order to enable exports to go forward.

Mr. BLACKMORE: Then it is not in effect a scheme of foreign lending?

Mr. ILSLEY: There are two parts to the bill and they are separate. Under part I there is no foreign lending.

Mr. BLACKMORE: Taking part I and part II together, do they constitute a scheme of facilitating foreign lending?

Mr. MacKINNON (Edmonton West): You cannot take them together; they are entirely different procedures. As a matter of fact, part I of the bill is a special technique for the purpose of encouraging foreign trade. A manufacturer in an Ontario town, let us say, wants to sell to somebody in Brazil or the Argentine or Peru or some other part of the world. He is a little hesitant about it for various reasons. He may not be sure about conditions; he does not know what they will be; there may be other reasons. Since it is advisable that trade be encouraged and that the producer in Canada be encouraged to export, this measure provides means whereby he can ensure payment of the merchandise he ships.

Mr. BLACKMORE: Where does part II fit into the picture?

Mr. ILSLEY: I have explained that several times. It authorizes lending to the foreign government or guaranteeing the obligations of the foreign government or purchasing the securities of the foreign government to enable the export of Canadian goods to the foreign government or to someone who is sponsored by the foreign government.

Mr. BLACKMORE: And therefore it constitutes purely and simply a scheme of foreign lending—that is, part II.

Mr. ILSLEY: Well, pretty much, yes.

Mr. SLAGHT: I have not made a close study of the bill, but I wonder whether the ministers have considered this aspect of it, which goes rather to the whole principle involved. We have new lending organizations coming into being this session very rapidly, involving the lending, as in part II of the bill, of government money. Under our industrial development bank we have set up as a board the governor of the Bank of Canada and his entire staff. They constitute the board of the new industrial development bank. While I have some reservations about the provisions with regard to that bank, I think that is an excellent idea, and in entrusting to the governor and his staff the duties under that measure they are being put in the proper place. Then we have the farm loan bank and that, as will be recalled, is to be administered solely by the Minister of Finance. He administers all the duties under the farm loan bank bill, and that requires the Department of Finance to keep close tab on loans the banks are making under the limited right to lend, and the Minister of Finance there is entrusted with the right of vetoing any class or type of loan which the chartered banks are about to engage in. So that there the Minister of Finance is the hand that controls that type of farm loan.

Now we come to the bill in question, and we are setting up under section 3 an entirely new type of organization to consist of the deputy minister of trade and commerce, the deputy minister of finance and the governor of the Bank of Canada. That is a third composite type of control to look after the banking business that is to be done with the taxpayers' money. I am not for the moment critical, but I am wondering whether the Minister of Finance and his colleague have given thought to whether or not we should spatter out three different types of banks—because this is in part II really a bank lending to foreign governments, a departure indeed—or whether we should not use in the matter of lending, where the taxpayers' money is to be lent, the entire facilities and personnel of the Bank of Canada, who are trained in lending money, taking security and all that. While the present Minister of Finance has displayed

great ability in connection with some of the factors that deal with banking and commercial banking, it does seem to me that the true function of the Department of Finance has been in the past, and ought to be maintained in the future, that of controlling perhaps the amount in his budget that we tax the people for, and the amount that we are to borrow, and the various types of loans which have been so successfully handled on the part of the present Minister of Finance—and that is a real man's job by itself. The Minister of Finance should, I think, have full time to spend on that branch of the nation's business, budgeting for taxation, budgeting for borrowing, and he should not begin to assume, as he has done entirely under the farm loan bank, the functions of controlling banking, as he is in part assuming through his deputy minister and bringing in the Department of Trade and Commerce and using as a third the governor of the Bank of Canada.

Glancing at section 22 of part II, which is the lending branch of this departure under this bill, I find that the draftsman has eliminated the governor of the Bank of Canada entirely. Under subsection 1 of section 22 it is provided that "during the three years next ensuing after the coming into force of this part of this act, the governor in council on the recommendation of the Minister of Finance and the Minister of Trade and Commerce may, if he deems it advisable" and so on, guarantee obligations in foreign countries. Why leave out of that very important task the one man in Canada who ought to be best equipped because of his necessary study of the financial systems of foreign countries? Why drop him?

Mr. JACKMAN: High politics.

Mr. GREEN: Section 24 enables them to use the new corporation as the agency for doing business under part II.

The ACTING CHAIRMAN (Mr. Golding): Order. We are on section 1.

Mr. SLAGHT: That is a query for the minister. It seems to me that we are taking on a great deal of banking business where we are risking the taxpayers' money in new forms of banking. I am not objecting at the moment, but are we not spattering out into these three different types of corporations the important business of the control of lending the money, and if we are should not the whole plan of the administration of this particular bill be reviewed?

Mr. ILSLEY: This is not a new form of banking business; it is not banking at all. Under part II of the bill loans are to be made by the government of Canada to governments of foreign countries, or obligations of foreign governments are to be guaranteed by the government of Canada, or securities of foreign governments are to be purchased by the government of Canada. It would appear to me that the appropriate body to pass upon the advisability or the desirability of entering into transactions of this kind is the body of persons who are responsible to parliament itself, the governor in council. It would be entirely inappropriate to delegate that most important function or set of duties to the Bank of Canada. The Bank of Canada is set up for an entirely different purpose. It was never contemplated for a moment that it should be passing upon the advisability of entering upon this important transaction. Where foreign governments are concerned, matters of the highest policy would be involved on many, many occasions.

Mr. SLAGHT: Would the minister permit an interruption for a moment?

Mr. ILSLEY: Yes?

Mr. SLAGHT: How does he differentiate what we are doing under the Industrial Development bank bill? We are placing the entire discretion for lending $250,000,000 under that bill with the governor and with the Bank of Canada.

Mr. ILSLEY: It is within the country. The Industrial Development bank bill will operate on ordinary lending principles, but that may not be the case at all with foreign governments.

Mr. HATFIELD: There will be all kinds of delays under this bill. I have had some experience in that line in the last month. We have an export board in New Brunswick that handles the export of potatoes. It operates under the Special Products Act. The prices board sets the price that we quote to a foreign country, and we have been trying to get the prices board for over a month to quote the Venezuelan government on an order they want shipped out of New York in September. As I understand it, the special products board has been held up here by the wartime prices and trade board. They are afraid, if they allow any potatoes out of the country, that there will not be enough to supply the people and they have held up this order for certified seed. The Venezuelan government is now threatening to go to the western part of the United States, to Minnesota and Idaho, to buy the potatoes and we are likely to lose the trade because of a lot of red tape in Ottawa. They cannot get the sanction of the board. The head office is to be Ottawa. I see all kinds of delay. Unless it is a big corporation

and has an agent in Ottawa all the time to deal with this board and get the insurance through, we are going to be tied up and this will delay business. The small exporter will not be in it at all.

Mr. JACKMAN: Before section 1 carries, may I say I still think there is enough doubt in the minds of various members of this committee as to exactly how this proposed corporation is to operate to ask the Minister of Trade and Commerce or the Minister of Finance to outline just what will happen if one of the paper companies, say the Consolidated Paper Corporation, had a contract to sell ten thousand tons of newsprint at $50 a ton to a publisher in Chile, as may well be the case. What would happen under this new set-up, and why could that transaction not be handled under present banking methods? If that is not the type of case that will come under the new set-up, what type will come under the new set-up? I should like to draw the attention of hon. members to the remarks of the Minister of Trade and Commerce that this bill will put Canadian exporters in a stronger competitive position. Well, if we are to export newsprint by giving some of our exporters the benefit, even though it be a financial benefit, through insuring credit of the customer, we are going to have Sweden, Norway and other countries doing the same thing.

Mr. MacKINNON (Edmonton West): They are already doing that.

Mr. JACKMAN: Then there is going to be a race, and who wins? The only person who wins out of this thing is the person who consumes our product and we are giving away our natural resources for nothing. I think this whole matter requires very careful examination and requires a statement on fundamental policy before we proceed further with the bill.

Mr. MacKINNON (Edmonton West): I have gone over this already. As far as part I of the bill is concerned, let us take the case cited by the hon. member. A firm in Canada is selling paper to an importer in Chile. The purchaser and the vendor in Canada will come together, make an agreement for the sale and for the purchase of this paper. Now that might be handled in the ordinary way through the banks if conditions are satisfactory and the export banker can handle that transaction at the present time. If for any reason he could not—and it is difficult to do it in a great many cases—it then becomes difficult for the exporter to make the shipment; I am not mentioning any particular country now. But in such transactions he can come to this corporation with his contract that he has already arranged, and for a reasonable premium he can get insurance on that contract. It is a simple matter of business. It is being done by all or nearly all exporting countries at the present time.

Mr. GREEN: How many countries have similar arrangements?

Mr. MacKINNON (Edmonton West): Some eighteen countries of which I know.

Section stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, August 2, 1944

The house met at eleven o'clock.

PRISONERS OF WAR

KILLING OF CANADIAN SOLDIERS AFTER CAPTURE BY GERMANS IN NORMANDY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I would ask for the attention of the house to a statement that I am about to make. It is my sad duty this morning to inform hon. members of the circumstances in which nineteen members of the Canadian forces were killed in Normandy. What I have to say is apart altogether from any other matter of a like nature to which I have previously made reference.

In the early days of the invasion it was reported to the supreme commander of the allied expeditionary force that some Canadian soldiers had been shot after capture by the enemy. At the request of the Canadian commander, a court of inquiry composed of officers of the British, United States and Canadian armies was promptly convened. That court has now reported, after most careful investigations, that one Canadian officer and eighteen Canadian other ranks who had been taken prisoner by and were in the custody of the German army were murdered by members of the 12th S.S. reconnaissance battalion of the 12th S.S. panzer division, under the direction of certain of their officers. These Canadian soldiers had the status of prisoners of war and as such were entitled to protection. There is no doubt that they met their deaths in a manner and under circumstances clearly in violation of the well recognized laws and usages of war and of the provisions of the international conventions

on the treatment of prisoners of war. In short, they were wilfully murdered by members of the enemy's forces.

The other governments of the commonwealth have joined with the Canadian government in a request to the Swiss government that the results of the inquiry by the court be brought to the attention of the German government, that a demand be made on the German government for an immediate and searching investigation and that the German officers and men responsible be punished. The governments of the commonwealth have also asked the Swiss government to demand that the German government promulgate strict orders to prevent, in future, a repetition of such an occurrence.

As I have said, we have put the findings of the court into the hands of the protecting power. We have asked them to take appropriate action. In the circumstances, this is all that I am able to say on this subject at the moment. There is nothing more that can usefully be said at this time and I hope hon. members will understand the desirability of avoiding unnecessary discussion. I shall conclude simply with the statement that this house humbly pays its sincere tribute to the valour and honour of the dead and expresses its deep and heartfelt sympathy to the families who have been so sadly bereaved. I may say that the next of kin have been notified but that no names are being published.

Mr. GORDON GRAYDON (Leader of the Opposition): I bow to the suggestion of the Prime Minister with respect to having no discussion on a matter of this kind. I think he is perfectly right on that, but I may say that it is pretty hard for me to keep quiet in circumstances such as these.

Mr. M. J. COLDWELL (Rosetown-Biggar): May I say just one word in case my silence may be misunderstood, as I believe it has been when some other matters have been brought to the attention of the house. We too join with all others in the house in demanding that when the war is over the people who committed these atrocities shall be suitably punished.

Mr. P. C. BLACK (Cumberland): May I ask the Postmaster General if there have been any—

Mr. SPEAKER: This question should not be asked on the orders of the day.

Mr. BLACK (Cumberland): I am just following up this matter about prisoners of war in Germany. I understand that for many months there has been an interruption in the mail coming from prisoners of war in Germany. I should like to ask the Prime Minister or the Postmaster General if there is any foundation for this report.

Mr. SPEAKER: That question cannot be asked on the orders of the day.

PRIVILEGE

MR. PICARD—REFERENCE TO REMARKS OF MR. BRUCE IN DEBATE ON JULY 31

Mr. L. PHILIPPE PICARD (Bellechasse): Mr. Speaker, I rise to a question of privilege. On July 31, the hon. member for Parkdale (Mr. Bruce) referred to me in such words that I feel I must correct the record. I will not repeat all that was said in committee yesterday when I first brought this matter up, but I should like to quote what the hon. member said as reported on page 5674 of *Hansard:*

> I know the hon. member for Bellechasse has a head of hair which is still black, but I venture to say that he cannot show any better record in this or the last war than the one to which I have just referred.

This, Mr. Speaker, is, in the hon. member for Parkdale's usual manner, an insinuation that I did not perform my duty either in the other war or in this one. I object to that insinuation. I should like to say a word as to my own record and exercise the same right as the hon. member and put it on *Hansard*. I wish to state, in the same place where the insinuation was made, that in the month of May, 1918, when I was only eighteen years and eight months of age, I enlisted. I have here in my mind a photostatic copy of my enlistment papers on which I find the signature of my father, which authorization was needed as I was still a minor. I have also photostatic copies of my medical papers dated May 20, 1918, on which, after the usual data, is written, "Declared unfit by medical board, mobilization centre M.D. 4—category C3." This photostatic evidence shows that in the last war I did what I thought I should do—I enlisted. I am sorry that systolic murmurs and a mitral lesion were such as to prevent me from joining the service.

At the outbreak of this war I was a few months past forty years of age. I submit that if at the age of eighteen years I was unfit for the reasons I have mentioned, the only contribution I could have made at forty years of age would have been in the nature of administrative work. Instead of that I did what the hon. member said he had done. In the words of the hon member, "my presence in this

house is due to the fact that I hope to contribute some war service by being here." The hon. member has put a part of his record on *Hansard* and I now have explained my own position in the last war. I will consider the incident as closed and forgive the hon. member for the use of such derogatory remarks against my compatriots and myself. "They may be ascribed to inexperience and lack of aptitude," to use the words of a great historian as applied to the hon. member for Parkdale.

EXPORT CREDITS INSURANCE

MEASURE TO FACILITATE AND DEVELOP TRADE BETWEEN CANADA AND OTHER COUNTRIES

The house resumed from Tuesday, August 1, consideration in committee of bill No. 178, to incorporate the Export Credits Insurance Corporation and to promote the revival of trade by the provision of dominion government guarantees to encourage exports from Canada—Mr. MacKinnon (Edmonton West)—Mr. Bradette in the chair.

On section 1—Short title.

Mr. JACKMAN: I think the minister was going to give us information as to how the need for this bill arose and some explanation as to the type of transaction which was envisaged by the legislation. Last night he had not finished his explanation, I think, when the eleven o'clock adjournment came.

Mr. MacKINNON (Edmonton West): I do not think that there is anything I can add to what I have already explained on several occasions as to the necessity of the legislation and what it envisages. Without going over the whole ground again, I may say briefly that the purpose of the legislation is to provide assistance to exporters and manufacturers of Canadian products by insuring agreements between the exporter and the importer under part 1.

Mr. JACKMAN: Has there been a demand by exporters for legislation of this type? I think the minister said that the chamber of commerce or some other official organization had approved the plan which had been submitted to them, and I presume that that is the plan which is embodied in this bill. Perhaps the minister would enlighten the committee in that regard so that we may know exactly where the demand has come from and what are the needs which this bill is designed to meet.

Mr. MacKINNON (Edmonton West): There has been a a very general demand on the part of Canadian producers and exporters and from members of the manufacturers' association for this legislation, and, as I said yesterday, there is a great deal of satisfaction in these quarters that this legislation is being introduced.

Mr. PERLEY: Speaking of the need for this type of legislation, is there similar legislation in Great Britain or the United States? Also I would like to know whether the policies of insurance that may be taken out under this legislation will run for a considerable period, say a year or more. Is there anything in the bill limiting the term of the insurance policy? I have discussed this matter with others and I believe that advantage will be taken of this legislation and that it will be of great assistance to an exporter if he can go to a banker and assure him that he has insurance protection under this legislation for a given period, not just for a month or two, but say six months.

Mr. MacKINNON (Edmonton West): Great Britain has had legislation of this nature—I am referring to part 1—in successful operation for some twenty-six years past and its legislation is still in effect. It is on that legislation that this bill is founded.

As to the length of time the policy will run, the agreements between the exporter and the importer for insurance will be submitted to the corporation. The agreements will be different in different cases, covering different commodities; some may be for a short term and others for a longer term. Every case will be dealt with on its own merits.

Mr. PERLEY: What is the term in Great Britain, and what is the name of their corporation?

Mr. MacKINNON (Edmonton West): The title of the legislation in the United Kingdom is the Overseas Trade Guarantees Act.

Mr. PERLEY: The minister stated that their act had been in operation for twenty-six years. Can he give us any information with respect to the losses which the insurance companies in Great Britain have had to pay?

Mr. MacKINNON (Edmonton West): There is no detailed information available on the losses on export credits, but any losses which have been suffered by the exceptional conditions of the war have been more than amply met by the reserves which have been built up under the British legislation prior to the war.

Mr. JACKMAN: The hon. member for Qu'Appelle I think had in mind whether there was going to be a contract of insurance issued to a firm covering not just a period of six months, let us say, but two or three years, and whether individual contracts between

Canadian exporters and foreign importers were to be guaranteed or whether particular firms would be able to get contracts of insurance that would cover a series of transactions instead of just an individual one, with the insurance running for an extended period. Or is it intended that the insurance will cover just an individual contract which may take three months or so to conclude itself?

Mr. MacKINNON (Edmonton West): It is anticipated that there will be two types of insurance, one covering an individual item of export, and another covering a series of exports which may be handled under one insurance policy. These matters will all be worked out between the exporter and the importer and then be brought to the corporation and be considered on their merits by the corporation.

Mr. WRIGHT: How are the rates on these insurance policies to be determined? It seems to me that there will be a tremendous variation in the risks as between contracts covering different commodities exported to various countries of the world. Is there any actuarial basis on which to assess these risks, or will the insurance cost so much that it will offset any advantage that may be derived from obtaining the insurance?

The CHAIRMAN: We are on the short title, clause 1, and questions are being asked which would more properly be asked under different clauses of the bill. I believe that it is the intention of the committee that we should keep within the ambit of the clause before the committee, so as to have the discussions more relevant. I have made a ruling, and I believe we have to abide by some principle. If we begin now a general discussion, and then go on to the various sections which are to come before the committee, we shall have all kinds of repetition. I do not believe it is the wish of hon. members to have a lot of repetition at the present time, or at any time while in committee on a certain bill.

Mr. PERLEY: We are just getting at the underlying principles of the bill, and this is the section under which that would come.

The CHAIRMAN: I have called section 1, which is "short title". There are times when a certain general discussion takes place; but I do not believe it is the intention of the rule that questions pertaining to different clauses should be asked under the "short title" section.

Mr. PERLEY: If we get a little information now it will facilitate getting through the discussion.

The CHAIRMAN: It will merely mean repetition.

[Mr. Jackman.]

Mr. GRAYDON: I believe there has been a disposition on the part of members of the committee and of the house to facilitate the passage of these measures as much as possible. But there is a minimum amount of discussion of matters of this kind which must be had either on the resolution stage, in committee on the second reading or it finally ends up on third reading. I think some latitude might properly be given by the Chair in this instance, because in this particular bill little discussion took place on the resolution and practically none on the second reading. Perhaps the matter might be left in the good judgment of the Chair.

Mr. WRIGHT: May I ask upon what section of the bill my question might properly be asked, if not on the short title?

Mr. MacKINNON (Edmonton West): I might give the answer now to the hon. member's question. It is the intention that the premium rates shall be adequate to cover the risks. They must be low enough to accomplish this purpose and to encourage exporters to avail themselves of the protection provided by the insurance scheme, but at the same time be not so low as to lay the scheme open to the accusation that it is in any way subsidizing Canada's export trade. Recent international agreements have emphasized the undesirable effects of export subsidies, and it is the intention that this insurance scheme will not depart from that principle. In other words, exporters must compete on the basis of price, quality, service and similar factors and use the insurance scheme merely as a means of protecting themselves from certain risks. To this extent it will place Canadian exporters in a position of competitive equality with the exporters of other countries who are offered similar insurance schemes or who have similar insurance schemes available to them now in successful operation.

Mr. COLDWELL: Can the minister give the committee any information as to the costs in other countries, the premiums, and so on, which would be a guide to the committee?

Mr. MacKINNON (Edmonton West): I have not that before me now. That is something which the corporation when set up will take in hand.

Mr. COLDWELL: What I had in mind was this. We are passing a bill which may involve the country in considerable expense, and while I am not opposing it at all I think the house should have information upon which to base a judgment. We have no information as to

the manner in which the costs will be arrived at, what they are likely to be, or what the experience of the corporation may be, and we might be able to get some idea from the experiences of countries which are using this method of export insurance.

Mr. MacKINNON (Edmonton West): The United Kingdom, on whose legislation this is largely based, does not publish any rates, does not give that information; rates are set for each contract. It is a matter which will have to be dealt with by the corporation when it is set up. The general manager of the corporation will have to be carefully selected, will have to be a man of experience in these lines, and his advisers will have to have these qualifications.

Mr. HATFIELD: Will an exporter be able to secure a blanket policy, say for a year, or will he have to take out a policy for each transaction?

Mr. MacKINNON (Edmonton West): I answered that question a moment ago. There may be an individual policy or there may be a blanket policy.

Mr. JACKMAN: What powers will the corporation have under section 1 particularly which the chartered banks do not possess at the present time to aid in the financing of foreign exports?

Mr. MacKINNON (Edmonton West): It is not the thought that the corporation will compete with the banks at all, and I am sure that the banks will welcome this legislation as an assistance to their customers. I cannot understand the attitude of my hon. friends, may I say particularly the hon. member who has just spoken, in connection with this legislation.

Mr. JACKMAN: We do not understand it; that is the only thing.

Mr. COLDWELL: One other point. If a premium is to be set, are all exporters to be brought under the scheme and compelled to pay the premium?

Mr. MacKINNON (Edmonton West): No.

Mr. COLDWELL: Well then, if not, you are only insuring the bad risks and therefore the premium will probably have to be very high. It confirms what was said by the hon. member for Winnipeg North Centre; we are running the risk of the good trades making a good profit for the individuals or corporations that make the trade, and the country is apt to take the loss on the poor risks, unless the premium is very high and perhaps almost prohibitive. I think we should have a clearer picture of what we are undertaking in this bill. I can see some circumstances under which this is a very good measure indeed. On the other hand, I think the committee is entitled to more information than we are getting, regarding the basis of premiums and the method of operation and so on.

Mr. MacKINNON (Edmonton West): I believe all that can be done now is to give in a general way the objectives of the legislation. Details to which my hon. friend has just referred must be worked out by the corporation. Although exporters will not be in any way compelled to come in under this legislation, it is hoped that the legislation will be largely used.

Mr. CRERAR: I think the purpose of this measure is clearly set out in the preamble; that is, that it is desirable to promote the revival of trade and particularly during a period of transition. Before the war Canada traded with a great many countries, including practically every European state. The war has brought about a condition in Europe of complete disorganization, and the problem so far as our external trade is concerned with these countries and their particular problem within their own boundaries is to get their economic life reorganized so that they can proceed on a more secure basis after the war terminates. Years ago I had a good deal of experience, if I may modestly say it, in export business. There were certain places where exporters would not sell grain because of the risk involved; there were other countries with which, by virtue of their reputation for paying their debts and meeting their obligations, business proceeded on a secure basis. Let us picture for a moment the conditions which will exist when the war is terminated and these countries, particularly in Europe and the far east, attempt to get their economic life reestablished. What shall we find? We shall probably find that the old firms, for instance in European countries, with whom Canadian exporters did business year by year, have disappeared.

But individuals of these firms may still be alive. They may endeavour to get their business reestablished and import goods that the people of their country need for the ordinary affairs of life. What will happen? Let me give an illustration: You may have a country like Norway, which has suffered tremendously during the war. Norway may want to import certain types of machines or machine tools or goods of another character to get her own economy reestablished. This

measure provides a method of giving encouragement, or getting the wheels going again. It is founded after all on two simple principles, the first principle that of insurance and the second, in part II of the act, the principle of direct government intervention. Let us suppose an exporter in Canada gets an inquiry from a firm in Norway for one hundred thousand dollars' worth of machine tools. He says, "Can I safely take that risk? I know these people; they are honourable, they are good people. But what assurance have I that when I ship the goods with a draft attached to them they will be able to meet the draft on the other side so that I shall be paid for my goods?" That is where this measure steps in, as I understand it. The exporter in this case can take out a policy of insurance that he will receive payment for his goods. A premium is charged to him on the insurance and he doubtless adds to the price of his goods the cost of the premium he pays to the corporation. Well, the goods are shipped. He receives payment. The premium remains in the insurance fund. You can duplicate that scores or hundreds of times with machine tools or grain or pulp and paper or any other commodity we may be selling from Canada.

Mr. SLAGHT: Suppose he does not get paid?

Mr. CRERAR: If he does not get paid, then it is charged against the insurance fund the same as if a man's house burns down the loss is charged against the insurance company to whom he has paid premiums. But in carrying out the transaction you have not only the care taken by the individual himself; it will be the duty and the responsibility of the corporation to see that at any rate the risk is a moderately reasonable one, and if it is, the insurance applies.

There may be other cases. There may be cases where a firm in France, say, wants to buy goods. They say, "We cannot pay cash; we cannot meet sight drafts against these goods because we have first to sell them and get paid for them." That was a common practice years ago in the shipment of grain particularly to southern European countries. This is a case where the insurance principle could apply and the exporter could go ahead with a reasonable sense of security that he would be paid for his goods. You have to depend largely after all, in the final analysis, on the reputation, the character and the integrity of a country and of the people of the country that you are doing business with. Business everywhere has been developed and built largely on that principle, and it is simple. In this way an effort is made to rebuild confidence, to restore an opportunity to these countries to secure things they need on a basis that is reasonably safe. That is what is being sought. It is quite possible that in the carrying out of the transactions envisaged under this bill occasions may arise where losses will occur, and in that case the insurance fund is intended to meet such losses.

The hon. member for Rosetown-Biggar raised a question about the rate of insurance premium. I would think the rates of insurance premiums would vary, perhaps in some cases greatly. It is a sound principle of insurance that the premium rate always bears a relationship to the risk involved, and you might have certain circumstances where the risk was very little, where the premium rate would be low, or other cases where the risk was greater and the premium rate would be higher. That is a sensible arrangement. I think the minister is entitled to a great deal of credit for working out a measure of this kind. There are in this country possibilities of supplying the devastated countries of Europe with much of what they will need. The whole UNRRA organization is based on the principle that in the early months at any rate, or in the early years, if you like, these countries will not be in a position to find exchange or means to pay for the things they require, and so in the UNRRA principle it is intended that they shall be given this help to get them reestablished; and it is good business for Canada to get Europe reestablished, because Europe was one of our best markets before the war. And so we come along with this.

I agree with the leader of the opposition that the discussion, particularly after the bill got into committee the other evening, was pretty much a discussion that should have taken place on the second reading. The discussion now is not dealing with any particular clause. That is why I crave a little freedom in wandering over a part of the bill, as I am doing now. I think you would have the same risks, perhaps in a greater degree, if, as the hon. member for Rosetown-Biggar said, this whole business were managed by an export board in Canada. After all, what you get under this bill and by this procedure is the collective judgment—not the collective judgment, perhaps, but the individual judgments of people scattered all over this country, people who have had experience in doing business of this kind. Speaking frankly, I do not think that it could be confined within the narrow compass of an export board and get the experience and judgment that you can by what is proposed here.

The second part of the bill is very simple in its operation. In this part the method of operation is set out clearly in section 22. Perhaps a country like China wishes to deal with us. Our Canadian exporters know nothing about China, and yet anyone who knows anything about the general situation in that country realizes that there is a tremendous work of reconstruction to be done there once peace comes. But suppose the Chinese government or a Chinese business firm should inquire of Canada whether they can buy five hundred thousand dollars' worth of electrical machinery or any kind of goods or equipment. The deal cannot go through because the Canadian exporter does not know a thing about China—or, at best he knows very little—and he does not know whether he will ever get paid for his goods. However the Chinese government comes to the Canadian government, and says, "Will you give us a loan of $100,000,000?", or, "Will you guarantee our bonds for $100,000,000?" And then the proceeds of that loan, or the proceeds of the sale of the bonds, perhaps to Canadian nationals, on a government guarantee, are placed in a bank in Canada, and the goods are delivered say to Vancouver for shipment. But before the goods leave Vancouver the firm supplying those goods is paid from the proceeds from the loan. That was precisely what happened at the time of the last war in connection with a loan negotiated with Roumania. It did not prove a very good risk, I may say. I recall however that at the time that loan was made—and I think it was one for $20,000,000—Roumanian securities were taken in exchange. Then the goods were shipped to Roumania, and the person shipping the goods from Canada was paid from the proceeds of the loan.

Mr. GRAYDON: Did we ever get that money back?

Mr. CRERAR: No, I do not think we did. And I have no hesitation in saying to my hon. friend that, so far as I was personally concerned at the time the loan was made, I thought it was a rotten risk. But countries with which we have done business in the past have not been like that. For instance, one might have in mind the Scandinavian countries, where the sense of business integrity and personal honour is high. The reputation of those countries for meeting their obligations has been good. Obviously the risks in dealing under this measure with nationals of countries of that kind are much less than when dealing with governments or peoples of countries, the standard of business integrity of which might not be nearly as high.

In my view this is a very constructive measure. It is true that in the end we may have some loss. In the meantime, however, it is a mechanism for getting much needed goods and supplies to these devastated countries, for purposes of their reconstruction. I say to the committee—and I am sure every member will agree—that it is of great importance to Canada that countries like Belgium, France, Norway, Denmark and Holland be reestablished and get going again in a normal fashion. Perhaps we are not so greatly concerned with selling goods in the next year or two; but if we have long vision, as we should have, we must be concerned with what our opportunities will be for trading with those countries, not two years from now, but possibly five years, ten years or twenty-five years from now. In my view this measure will help to bring about the desired end.

Mr. GRAYDON: Is there any parallel between the principle of mutual aid in war and the principle behind this measure, in peace?

Mr. CRERAR: As was pointed out last night by the Minister of Finance, this is not a mutual aid measure at all, in the sense in which we have been discussing mutual aid in the house in the past two or three years. Mutual aid was simply a provision of goods by the Canadian government to countries which could not otherwise pay for them, so that those countries might wage war more effectively. This measure is on a different basis. For instance, it contemplates, under part II—and reference was made to this last night—that if for example the government of China gets a loan of $100,000,000 from the Canadian government, either directly or through the guarantee of Chinese bonds which may be bought by Canadain nationals, the loan will be paid. That is expected on the part of both parties to the contract. But that is not the condition in connection with the mutual aid bills we have had under consideration. Under part I of this bill the goods are shipped, the insurance premium is paid, and all is done under the expectation that the draft against such goods will be paid. The insurance principle is to provide that if, in any event, something happens as a result of which a particular shipment is not paid for, these funds can be called upon. Precisely the same principle is applied in connection with the insurance of our homes. For instance, for the last forty years I have had my home insured, but I have never had to call upon any insurance fund. During that time however, I have had the protection. Perhaps someone else

who carried insurance suffered a fire loss, and collected from the insurance company. The same simple principle is found in this bill.

Mr. PERLEY: I think the minister has laid a pretty good foundation for a number of questions which I should like to ask before leaving to attend a committee sitting. I do not think what he has said will facilitate the passage of the bill, because he has spoken for the last twenty minutes—as a matter of fact I timed him at nineteen minutes. It would have been much better procedure to have let the minister in charge of the bill answer some of the questions which the minister who has just spoken tried to answer.

Mr. CRERAR: I should have kept quiet.

Mr. PERLEY: The minister said yesterday that there was a general request for this measure by exporters. What type of exporters will take advantage of the measure? Will they be exporters of natural products, or exporters of industrial products? To what extent does the minister expect grain exporters to take advantage of the measure?

Mr. MacKINNON (Edmonton West): I can say to the hon. member at the outset that it will be largely the smaller exporters of manufactured goods. But the legislation makes provision to cover any exporter of any line of goods.

Mr. HATFIELD: If all exporters do not come under the regulations set up by the board, then the small exporters will not have a chance in the world of gaining anything from this measure.

Mr. MacKINNON (Edmonton West): They all come under the board.

Mr. HATFIELD: I understood the minister to say a few moments ago that they did not have to come under the board.

Mr. MacKINNON (Edmonton West): They do not have to, but they all may come under it.

Mr. HATFIELD: They may; but if they do not all have to come under, the small exporters will not have a chance, because the large exporters, who have branches in foreign countries, will secure this business before the small exporters can get their applications through the board, and get into the business. We had the same experience when dealing with South America. We found that the governments of South American countries furnished so much exchange for the purchase of certain import goods. It was our experience that the automobile manufacturers and the paper manufacturers, with their branches in South American countries, took over all that exchange and got all the business before the small exporters had a chance to get any of the business. The same will happen in this instance. The small exporters will not have a chance.

Mr. MacKINNON (Edmonton West): I believe this corporation will assume the risk in connection with a situation such as my hon. friend has just described.

Mr. HATFIELD: Yes, but the large exporters with branches and salesmen on the ground will have the advantage over the small exporters and they will have all the business before the small exporter can get through all the red tape.

Mr. MacKINNON (Edmonton West): There is no attempt made to eliminate competition.

Mr. GREEN: It does seem to me that one point about the bill which is most important is the ability of the Canadian government to check the credit rating of the firms or governments abroad. Under part I of the bill the Canadian government, through the new corporation, is going to underwrite risks, is going to stand behind the credit of foreign importers. This means that the Canadian government has a very heavy responsibility for determining whether or not the foreign firm is solvent and likely to pay its bills. In pre-war years the obligation to determine the solvency of a foreign importing firm rested with the Canadian exporter and his bank. It was very much their business to find out whether or not they were likely to be paid. Now that responsibility is being partially shifted to the Canadian government, and I doubt very much whether the Canadian government or this new corporation will have the proper facilities for determining whether or not a firm abroad is apt to pay its bills. In any event it is of vital importance that the government and this corporation should have those facilities. It is even more important in connection with transactions under part II of the bill, because there we are talking about big money. We are not concerned about a deal for $100,000 between a Canadian exporting firm and a Belgian importing firm; we are talking about a loan of $100,000,000 to China. Is the Canadian government equipped at the present time, or will it be equipped in the post-war years, to determine whether or not there is a reasonable chance of a nation repaying the loan? The Minister of Mines and Resources spoke very glibly about the Canadian government lending $100,000,000 to the Chinese govern-

ment. We may very well find that what we are doing in effect is buying our own goods and giving them to China, just as we are doing at the present time under mutual aid.

The point I want to make is this. What facilities will the Canadian government have to determine whether or not any loans made under part II of the act, and the purchase price set out in the contracts under part I of the act, will be repaid? I should like to have some explanation on that point from one or other of the ministers.

Mr. CRERAR: My hon. friend says I spoke rather glibly about lending $100,000,000 to China. I used that only as an illustration. Then my hon. friend asked what steps the government will take to find out whether or not that $100,000,000 can be safely lent to China. Well, they will find out in the very same way my hon. friend would proceed if he had a factory and someone came along wanting to buy that factory, offering a ten per cent cash payment. My hon. friend would find a way to ascertain whether or not that was a good risk.

Mr. GREEN: What facilities has the Canadian government for getting that information?

Mr. CRERAR: It is true that at the moment we have not very many facilities, but we have had a long experience with China through our trade commissioners. All that organization will have to be rebuilt when peace comes. Probably the corporation will send its own representative to China to study the situation on the ground. The point I am making is that the corporation will take the same steps that would be taken by any ordinary business concern or individual to ascertain the value of the risk. If in this case the Chinese government approached the Canadian government for a loan, the Canadian government has means of finding out—

Mr. GREEN: What are they?

Mr. CRERAR: I will tell you one. We have an ambassador in China, and have had him there for several years.

Mr. GREEN: That is one means.

Mr. CRERAR: Does that not provide a very good basis on which to obtain information about China?

Mr. GREEN: That is a start.

Mr. JACKMAN: No.

Mr. GRAYDON: The external affairs department and the trade and commerce department are not properly linked together, to start with, in order to handle these matters in other countries.

Mr. CRERAR: I do not think that is really a very important criticism.

Mr. GRAYDON: I think you will find that it is pretty important.

Mr. CRERAR: Just a moment; I want to tell my hon. friend that the diplomatic service and our trade and commerce service, through their agents abroad, do work together closely.

Mr. GRAYDON: They do not have a very good chance, when the two departments are not very close together here.

Mr. GREEN: Is that the only means the Canadian government has to determine whether or not this $100,000,000 will be repaid? The minister has said we have an ambassador in China. That is very good; we have a good ambassador there, but it would be placing a very heavy responsibility upon him to say that we depend on him to make sure that this $100,000,000 will be repaid to Canada. I submit there must be some better method worked out for determining the question of repayment in connection with these loans. Otherwise two or three years from now we may wake up and find that we have lost the whole $300,000,000 that can be advanced to foreign governments under this bill, and I would point out to the minister that this amount is almost equal to the peace-time budget of this nation.

Mr. MacKINNON (Edmonton West): Is the hon. member referring particularly now to part II of the bill?

Mr. GREEN: In my original question I referred to both part I and part II. The Canadian government is now going into the credit business; it is going to have to acertain who can pay their bills and who cannot, something the Canadian government really has not had to do hitherto in respect to export trade. What facilities are to be set up for checking credits?

Mr. MacKINNON (Edmonton West): We are setting up a corporation which will develop the necessary procedure for obtaining credit information, as would be done by any ordinary business organization operating along the same lines.

Mr. MacNICOL: All business organizations did that.

Mr. MacKINNON (Edmonton West): To start with, from the very nature of this insurance of contracts as between the exporter and the importer, we will have access to the credit information held by the banks at the present time, and will have their close cooperation.

Mr. JACKMAN: Then why not use the banks for this business?

Mr. MacKINNON (Edmonton West): Because this proposal is going to operate in a much larger way than has been the case in the past, and in a way that is very satisfactory not only to the exporters but I am sure to the banks. Then in answer particularly to the comment of the hon. member for Vancouver South, may I say that quite a substantial portion of our mail in the Department of Trade and Commerce is from wholesalers asking for direct credit information on prospective customers in foreign countries. They write us because they know we have a very excellent trade commissioner service under the commercial intelligence branch, with staffs in all these countries, and even without this legislation we are continually obtaining for them credit information which they find most valuable in making shipments to these countries. That trade commissioner organization is being and will be extended, and will be used to secure credit information in connection with these guaranteed risks. Then the corporation itself, as time goes on, will build up its own credit organization in its own ways.

Mr. GREEN: What are some of them?

Mr. MacKINNON (Edmonton West): I just told you some of them.

Mr. GREEN: The minister has mentioned using the credit facilities of the banks in order to obtain information, and he has mentioned the commercial intelligence service of the Department of Trade and Commerce, both of which I agree will be very helpful. What else has the government in mind? Surely it has given some consideration to this question. The minister says the corporation will be set up and will work this all out. There is too much of a tendency to leave everything to the corporation and not work out any of the details beforehand. Surely the government gave this question some consideration before bringing in this bill.

Mr. MacKINNON (Edmonton West): Credit information will be built up on a large scale, just as any business house would build it up. It comes from a variety of sources, and many of these sources develop as the business of the corporation develops. I think anyone who has had direct contact with business of this nature will readily understand what I mean. I am not in position to specify particularly at the present time the type of information that will be required to enable them to handle this.

[Mr. J. A. MacKinnon.]

Mr. GREEN: Is it not a fact that the great bulk of Canadian exports before, during and after the war have been and will be to the United States, Great Britain and other members of the British commonwealth? I presume that there will not be many government loans to those particular countries, nor will there be a need for insuring the transactions between Canadian exporters and importers in those countries. If I am correct, then the countries that will be helped will be foreign countries such as France, Belgium and China.

Mr. MacKINNON (Edmonton West): What part of the bill is the hon. member dealing with ?

Mr. GREEN: Both parts. It seems to me that there will have to be quite an expansion of the commercial intelligence service in countries such as France, Belgium and China. Perhaps some other means could be found to check more closely the credit of firms in those particular countries that would be importing from Canada. Could the minister answer my question as to whether there will be a need of either part I or part II in connection with business with the United States, Great Britain and commonwealth countries?

The CHAIRMAN: I know it will not be popular to say this, but I believe a lot of the discussion that has taken place would have been better carried on under part II of the bill. A lot of the present discussion is germane to that section. There is bound to be repetition when we come to part II, and I believe we should avoid that as much as possible.

Mr. GREEN: The Minister of Mines and Resources took up about twenty minutes wandering all over the bill. He gave a very interesting speech and I was glad to hear it. I do not think it is fair now that we should be checked up when the minister was allowed to get away with murder, as it were.

The CHAIRMAN: I am in the hands of the committee, but I am bound to see that the rules are followed. I think the hon. member for Vancouver South will readily realize that when we come to part II there is bound to be a repetition of the discussion we are having at the present time, and surely it is not the intention of members of the committee that that should occur.

Mr. GREEN: Perhaps I could have an answer to my question and then I will not ask any more.

Mr. MacKINNON (Edmonton West): While it is true that Canada's export trade will be confined largely to the countries mentioned by the hon. member for Vancouver South, a portion of the total which is very important to the producers of Canada will be done with the smaller countries on this hemisphere and in other parts of the world.

Mr. GREEN: What percentage of our export trade would that be?

Mr. MacKINNON (Edmonton West): I do not want to make a guess at it, but relatively it would not be over twenty per cent. Anything that will encourage that trade is most important.

Mr. GREEN: Will this measure be needed in connection with trade between Canada, the United States and Great Britain?

Mr. MacKINNON (Edmonton West): Part I will be needed.

Mr. HATFIELD: Is the government going to carry this insurance or will it reinsure with Lloyds?

Mr. MacKINNON (Edmonton West): Oh, no; certainly not with Lloyds. The government will carry it.

Mr. HATFIELD: If I sold a bill of goods on 90 or 120 days time, would this insurance apply?

Mr. MacKINNON (Edmonton West): Yes, if the risk is acceptable. The corporation will have the right of selection on these risks. Our intention is that the corporation shall operate in a proper and sound business way, charging sufficient premiums to take care of the cost of the operation. The corporation will not be expected to assume all risk, it will have the power of selection. I think that is a very important point.

Mr. HATFIELD: What time is it going to take to find out whether the risk is sound? How long is it going to delay the transaction?

Mr. MacKINNON (Edmonton West): I do not know whether we can get very far with that question. It may take a little longer with some cases than with others, but it is hoped that the operations of the corporation will be brought to a point at the earliest possible date where quick and rapid service can be given to exporters.

Mr. MacNICOL: I should like to ask a hypothetical question. If the road machinery corporation received an order for half a million dollars' worth of road machinery from a purchaser in South Africa, could they not sell direct if they wanted to?

Mr. MacKINNON (Edmonton West): Oh, yes.

Mr. MacNICOL: They would not have to go through all this tommyrot that has been talked about this morning. What the XX machinery corporation would do would be to send its own man to South Africa to satisfy itself if the credit of the purchaser was good. If they found that the credit was good they would ship the road machinery to South Africa. If we had to go through all this stuff we have listened to lately there would not be any business carried on between this and any other country.

Mr. WRIGHT: The Minister of Mines and Resources raised an interesting point when he said that where an exporter was shipping to a foreign country which did not have cash available he might accept the bonds of that country in payment for his goods and under this bill the government would guarantee those bonds.

Mr. ILSLEY: I do not think my colleague said that; I do not think he envisaged the possibility of an exporter taking bonds. There is power given to the government to guarantee securities.

Mr. WRIGHT: If there is power in the bill to do that it raises the possibility of the government guaranteeing bonds of a foreign country which bear a much higher rate of interest than the bonds of this country. In guaranteeing those bonds the government would be providing an investment to the exporter which he could not get in this country.

Mr. ILSLEY: The government certainly would be foolish to guarantee bonds bearing ten per cent interest in payment of goods sold. Something must be left to the judgment of the government. My hon. friend seems to assume that where the bonds of a foreign country are carrying a high rate because they are risky the government of this country would guarantee them and place them in the hands of an exporter to cover the purchase price of goods sold. The bonds would bear a high rate of interest because they are dangerous to hold, and the dominion government would not do that. The object of this bill is to see that the exporter of Canada gets his money, not that he gets a high return on an investment.

Mr. JACKMAN: I wish to confine my remarks to part I of the bill because I think part II has to do with politics and government considerations rather than with strictly business considerations. If the government will admit that under this measure they are endeavouring to stimulate employment or, as

the hon. member for Rosetown-Biggar says, create great profits for our people; if the government foresees the possibility of losing a substantial amount of money in carrying out that purpose, then I would understand this bill a little more clearly. However, the Minister of Trade and Commerce has stated that the rates to be charged for the insurance policies issued on these foreign credits will be adequate. That means that taken over the balance there will be a sufficient measure of gain to offset those credit risks which prove faulty. If it is true that this new enterprise is going to run without loss to the taxpayers of Canada, then I see nothing about the nature of the business which cannot be undertaken by the chartered banks under their present set-up.

They have been engaged in foreign trade for a great many years. We have become the fourth or fifth largest trading nation of the world in peace time and we have no such institution as is contemplated by this bill. But the chartered banks were able to carry on their financing with complete satisfaction not only to the country but to the business men and industrial companies and natural products companies, who were able to carry on and meet their bills successfully. If there is to be any substantial loss I do not see what the purpose of the legislation is, and yet, if it is going to be of help to business or in job creation, I want to be among the first to be numbered among the supporters of this measure. We should have more information as to what is contemplated. My own feeling is that some of these measures that are brought down by the government are nothing more than brain waves of civil servants or deputies who think they see a way to be helpful, and they, having the confidence of their ministers, propose a bill and the first thing we know it is brought down, all under the guise of something that is going to be helpful in the post-war period. I characterize the Industrial Development bank as being in that class to some extent, and for all I know this measure may be somewhat the same.

I have no doubt that a good deal of the mail of the Department of Trade and Commerce is from small manufacturers and business men in Canada who would like to get into foreign trade. Everybody is not suited for that trade, even though he may think he would like to get in it and get some gain from it. So that many of these letters have to be discounted as being an impossible situation. One of my friends who is working for the government at the present time told me that a large number of small companies in Canada were thinking of getting together to form an export association in order to take advantage of some of the possibilities which one firm in itself was too small to take advantage of and could not make the necessary contacts, but they felt that if they had an organization in their particular trade or industry they would be able to get somewhere. I dare say that there are many small companies that could better their interests along these lines.

I should like to say a word about the ideas put forward by the Minister of Mines and Resources when he said, and he was backed up by the Minister of Trade and Commerce, that this new government corporation would set up facilities for checking the credit risk of these foreign importers. The minister as he pursued his explanation admitted that they would have to use the banks in the foreign countries. All those banks have correspondent relations with our own chartered banks. The managers know each other, and it is not unusual for them to do business together over the telephone because they have complete trust in one another. You have that system already set up and there is no need, as I see it, to set up a duplicatory system. It is quite true that our trade representatives whom we maintain in various countries can be helpful. but their information is also available to the banks. Our trade representatives have a multitude of duties to perform and I do not see how it would be possible for them to have the same intimate contact which the banker in a foreign country can have in regard to the credit standing of a particular importer. The confidential relationship which exists between banks gives to our bankers, and through them to our own exporters, an intimate and accurate knowledge which is not possible under any other system. Certainly we have had no indication to the contrary.

There is also the point about how much staff is going to be required in carrying out the functioning of this corporation, particularly as set forth by the minister, and also what the cost of that will be. May I point out that every time that we set up one of these government corporations or committees we withdraw from productive employment anywhere from one hundred to a thousand people, as we are doing under the family allowance measure. The nation will be that much the poorer. We must economize in the use of our man-power in the post-war period.

Is it the intention of the government to establish the head office of this corporation in Ottawa? If department officials have to be

consulted by exporters it would seem to me that Ottawa would be the last possible place where one could get efficiency and promptness of action, and as the hon. member for Victoria-Carleton says, time is of the essence of these contracts. I do not see how any civil servant, even though he be the deputy of a department, could say to an exporter when he comes to see him and lay his plan before him: Yes, that is all right; go ahead—because the deputy has to think of a lot of things, of an opposition that is going to criticize if something goes wrong, and so forth. You just cannot bring business into politics or politics into business and have efficiency and have business function satisfactorily to the people. So that I feel that if we could possibly use the chartered banks we would be much better off than if we were to try to set up this system, which will lead to a lot of duplication. Certainly I would hope that the head office of the corporation would be in Montreal, where most of the exports take place, with branch offices in Vancouver and some other large cities.

Mr. ILSLEY: Assume that there is a risk of insolvency in connection with this trade; in what way would the chartered banks collect anything to cover that risk, their interest rate being limited?

Mr. JACKMAN: If there are any services which this corporation can perform that are outside the scope of the banks there may be some justification for it, but the Minister of Trade and Commerce said that the premiums charged for this insurance would be adequate, and if they are adequate for the government why would they not be adequate for private enterprise?

Mr. ILSLEY: The banks have no power to charge such premiums.

Mr. JACKMAN: We have not passed the Bank Act and we could put through the necessary amendment. It is a little difficult to understand how this house can be asked to allow the government to charge a rate which it will not allow the banks to charge. I think that the suggestion of the minister, while no doubt based on facts, is preposterous. It means that the government is going to be allowed to take more out of the individual, because it is needed, not because they want a profit, than the bankers can charge under the Bank Act, which has the imprimatur of the government. The answer to the whole thing is that the government is hamstringing the banking system of this country so that it cannot engage in the export business because its rate is limited to five per cent, and that is not sufficient, and the minister has just admitted it. The minister has clearly admitted that there should be another amendment to the Bank Act whereby the banks should be allowed to charge an adequate rate for foreign credits.

I should like to know how much staff will be necessary under this measure. There is another small point. If some of these risks go bad, as the Minister of Finance has just suggested they may, the government will no doubt take over the rights of the exporters and sue the importer in a foreign country. Once again we are in danger of getting into international complications. There is another difficulty. No international complications are likely to arise when a private firm in this country sues a private firm in another country. But once you get governments mixed into the thing you have rights and wrongs being decided, and matters of opinion, and of course nationals will always side with their own people; so that while I would not like to go so far as to say that this would be a fruitful source of international discord, I believe that if business can be carried on by private enterprise in one country with private enterprise in another country you are likely to save yourself a great deal of trouble.

I do not think there are any other points which I wish to raise at the present time. If this measure were going to be helpful at all to industry and would assist in creating jobs I should be whole-heartedly for it, but I still feel that the government has made out no case for it, and I suspect that it is the brain-wave of some person who has not had a great deal of practical experience.

Mr. CRERAR: Is my hon. friend opposed to the measure?

Mr. JACKMAN: I believe my position should be very clear to the committee and to the minister, if he was listening.

Mr. GRAHAM: Listening to the hon. member for Rosedale, the hon. member for Vancouver South and other hon. members opposite, one would think that we were living in a perfectly normal world, one which had not been engaged in a war of unprecedented destructiveness for four and a half years, and in which war had not produced chaos both in the form and in the character of government and in the economy of a great many countries engaged in or directly affected by the war.

The present legislation is to assist in recreating a healthy world out of a sick world. When the international household is such that all

its members are sick in varying degrees, one must call in doctors, submit to the ministration of nurses, and follow many regulations as to conduct, nutrition and so forth, and if the household submits to the dictates of the doctor and the nurses who are in charge, recovery may come fairly quickly, with the result that normal channels of intercourse between nations can be reestablished. The most desirable state is, of course, a condition of affairs wherein the Canadian exporter can seek the importer in the foreign country who wishes to purchase and pay for the goods which the Canadian has for export. But I would point out something which is occasionally forgotten, that any measure which has for its purpose the encouragement of exports is of necessity also a bill for the encouragement of imports, because the one is a corollary of the other. When one mentions exports and imports it is something like raising the question which came first, the egg or the hen. No one can answer that. But of necessity, when we encourage the export of Canadian goods we—quite properly and in the best interests of this country—are encouraging imports.

Take this bill and consider it. I realize it is a measure which is forced upon this country because of the practical difficulties which Canada and other countries will face in the post-war period.

Mr. JACKMAN: The scheme of the bill is supposed to be self-supporting. What are the difficulties? Anything which is self-supporting does not need to get help of any kind from the government.

Mr. POTTIER: Order.

Mr. GRAHAM: Has the hon. member for Rosedale considered the position of Germany? For instance, what type of government will be in power in Germany after the war?

Mr. JACKMAN: I don't know, and we won't trade unless they are all right.

Mr. GRAHAM: How much reliance shall we be able to place in that government? Who will know the financial position of any German importer after the ravages of four and a half years of war?

Mr. JACKMAN: Well, an exporter will know as much as a government will know.

Mr. GRAHAM: I can name country after country which to the same or a lesser extent will be facing similar problems. Austria, France, Roumania and many other states will have the same difficulties to meet; and, as the Minister of Mines and Resources pointed out, this measure is a sensible recognition by Canada of the need to encourage the recreation of world trade, both exports and imports. The bill will permit the small exporter to export without assuming a risk which, because he has so little knowledge of conditions in the country with which he hopes to trade, might result in his ruin. The large corporations, with their ability to spread the risk because of the volume of their business, can more easily assume in the post-war world the risks in carrying on export business. It seems to me therefor that this bill will enable the small exporter to carry on business with the aid of an agency which for a certain premium and under certain conditions will assume the risk. On the other hand, realizing that in the post-war world it may be quite impossible for the exporter or the corporation under this bill to assume the risk of dealing with some individual importers in foreign countries—

Mr. JACKMAN: He pays for it. He does not get it for nothing.

Mr. GRAHAM: —we set up other remedies. If we have confidence in the integrity of the government in power in the foreign country we ask it to place its guarantee on the standing and financial ability of its importer to pay, and the matter is arranged between governments. But I do urge that the committee consider the purpose and the necessity of the measure in the world in which we are living and in which we shall continue to live for an uncertain number of years. The bill has merit and should be supported if we are sincere in desiring to get export trade back into normal channels, not only in this country but in the other countries with which we hope to trade.

Let me remind hon. members of the opposition that while this measure may present problems as regards accepting the guarantee of a foreign government, we should put ourselves in the position of that foreign government when it in turn is called upon to guarantee on behalf of some private importer in that country payment for the goods which he proposes to import. In my opinion other governments will not continue longer than necessary to pursue that method of doing business, because countries do not like to assume that type of obligation. So that this measure is a stop-gap, based upon realization of the conditions in which we are living and the practical difficulties which Canadian trade will face in the post-war years, and is a very sensible and practical attempt to help solve that problem.

Mr. HATFIELD: I should like to point out that no one who has spoken on this bill has declined to support it; what we want to do is to try to make it better. I would ask the

minister if the board which is to be set up will have the power to exchange goods. Suppose an importer in a foreign country has a thousand tons of raw sugar which he wishes to exchange for a thousand tons of Canadian goods; will this board have the power to exchange goods?

Mr. MacKINNON (Edmonton West): If I understand correctly the hon. member's question, the answer is no. This is an insurance corporation.

Mr. HATFIELD: It cannot be done under the second part of the bill?

The CHAIRMAN: Shall the clause carry?

Mr. ADAMSON: No. Before it carries I should like to ask a question of the Minister of Mines and Resources.

The CHAIRMAN: I must point out to the hon. member for York West that the Department of Trade and Commerce is dealing with this particular bill and the remarks of the hon. gentleman should be applied to the bill.

Mr. ADAMSON: What I desire to say has a definite bearing on the bill. But, I submit, so did the remarks of the Minister of Mines and Resources and of the Minister of Finance. What I want to know is this. While this is an insurance corporation, what liaison is there, what machinery is it proposed to set up between this corporation and the international bank or the organization that will eventually come out of the Bretton Woods conference? No matter what you do in any trade, particularly in international trade, the most important thing you have to make sure of is what you are to be paid in. It is all very well to say that you will be paid in something; but you have to be paid in something that is translatable into something else with which you can pay your costs of operation in Canada. Whether that will be gold or some other currency, I do not know; but it is vitally important that before we can reestablish any degree of international trade some idea of a basis of currency has to be decided upon, and this bill, while I appreciate that it is an insurance measure solely, has as far as I can see no clause in it which effects a liaison with the international bank. I think this is very important, because there will be two sections of the world after the war is over, apart from the north American continent, which will probably be able to pay in a currency that is valid to us, namely gold. South America is building up considerable gold resources, and so is the orient. Now we are going to have to deal in a different way with the oriental and the South American countries from the way in which we shall deal with the European countries, where the ravages of the war have been if anything more thorough than in the orient.

That is one question. The second is this. The Canadian exporter, I think, with all due respect, does know his business. Canadian export trade before the war was built up to such a degree that we had a greater per capita export trade than any other country in the world, and I venture to say that the government will find, and find amazingly soon, that despite the terrific ravages of war, the Canadian exporter will be able to pick up the threads of his business if he gets the support of the government—and I approve the bill. I do not think however that under the bill as I have read it sufficient recognition is taken of the innate ability of the Canadian manufacturer and exporter. I do not think that is sufficiently considered. In my own riding before this major war broke out I was told by several manufacturers that the incident on the Marco Polo bridge, which led to the Sino-Japanese conflict, was eventually the cause of unemployment to nearly 200 persons in that district. I mention that because foreign and external trade is one of the most vital things we have to encourage in Canada. We must oil the wheels and get the machinery working again. That is of prime importance. But we must realize that the men who are in this business will probably be able to pick up the threads of their business again with the support of the government, and we do not want to court the danger of having the individual importer or trader abroad feeling that he is dealing with the Canadian government. We have to make sure that the Canadian exporter believes he has the government behind him, but we must take care that the trader abroad does not feel that he is dealing with the government of Canada, because if he does, then I submit that when the trader feels he is dealing with the government he will take a different attitude, particularly in external trade, than if he felt he was dealing with another trader with whom his good will counts more than anything else.

This bill also appears to overlook the tremendously important work that was done by the Canadian insurance companies, particularly in the orient. They knew the conditions, and while the greater part of the insurance was life, nevertheless our insurance companies carried more business than the insurance companies of both the United Kingdom and the United States combined. Here are these companies who do know the conditions of trade in the orient and of financing in that part of the world, and the orient will be one of our big spheres of trade in the future. A

close liaison should be made in this bill between our private insurance companies and this corporation, because if we are to get back to international trade on anything like the scale we had before the war and anything like the scale necessary to maintain our economy on a high level we have to make use of our people who have built up this external trade and use them to the fullest extent possible. This bill omits certain clauses that should be inserted and I have some doubts as to whether it really appreciates the difficulty that lies ahead.

The CHAIRMAN: Shall the clause carry?

Mr. ADAMSON: Will the minister give an answer with regard to a liaison in this bill between the corporation and the international bank?

Mr. ILSLEY: I would assume that this corporation would take into account any factors that might make a foreign importer either less or more solvent. I assume they would do that. It may be that the existence of an international monetary fund, if one is set up, and an international reconstruction bank, if one is established, may have a bearing on the credit-worthiness of either foreign governments or foreign importers. All these factors will be taken into consideration as far as private importers abroad are concerned. It can be assumed, I think, that the corporation would take steps to possess themselves of all knowledge helpful to them in assessing risks.

Mr. JACKMAN: I do not suppose the minister knows how much it will cost to make the corporation function or what staff it will have.

Mr. MacKINNON (Edmonton West): From the way the hon. member worded his question it is clear that he understands the difficulty in connection with making an exact answer. It is impossible to say how many will be required, or what the additional expense will be. However we are anxious to proceed as soon as possible with the setting up of the organization.

Mr. GREEN: That is not an answer at all. What is the estimated number to be added to the civil service?

Mr. JACKMAN: An approximation?

Mr. GREEN: And what is the estimated cost? The department must have had some estimates made.

Mr. MacKINNON (Edmonton West): It is difficult to give a definite answer. I would suggest it would require a minimum of sixty

Mr. GREEN: And at what cost?

[Mr. Adamson.]

Mr. MacKINNON (Edmonton West): I have not those figures.

Mr. GREEN: Has not the department estimated the cost?

Mr. JACKMAN: It is the people's money.

Some hon. MEMBERS: Carried.

Mr. GREEN: No, it is not. Has not the department estimated the cost?

Mr. MacKINNON (Edmonton West): I am advised that it is impossible to give an exact figure on that. It might run up to $100,000 to get the corporation established and under way.

Mr. JACKMAN: It will cost more than that, probably.

Mr. HATFIELD: What is being done to increase trade with Central American and South American countries? In my opinion we are not going to have much European trade after the war. Our trade will be with South America, Central America and the islands of the West Indies.

Mr. ILSLEY: On a point of order, I submit that question is not in order.

Mr. HATFIELD: This is a bill having to do with exports, is it not?

The CHAIRMAN: It is an insurance bill.

Section agreed to.

On section 2—Definitions.

The CHAIRMAN: Shall I call the paragraphs?

Mr. GREEN: Yes, I suggest it be called by paragraphs.

On section 2, paragraph (a)—"advisory council."

Mr. GREEN: What is the intention with regard to this advisory council? Are there to be representatives from each of the provinces?

Mr. MacKINNON (Edmonton West): The purpose in setting up this advisory council is to do exactly what was suggested by the opposition, namely, to get the cooperation and assistance of exporters and producers.

Mr. GREEN: Oh, I agree with all that; but the question I asked was whether there will be representatives from the different provinces. We are always very particular about that so far as the Pacific coast is concerned. I think the maritimes feel much the same way too. Are we to have our fair share of members on the advisory council?

Mr. HATFIELD: That is a very important question.

Mr. MacKINNON (Edmonton West): The figure of fifteen has been set for the advisory council, so that the membership can be distributed across the country, particularly in those parts where advantage would be taken of this legislation. It is the intention to have men on the advisory council from the Pacific coast, as well as from other industrial centres in Canada.

Mr. GREEN: How many will there be from British Columbia and how many from the maritime provinces?

Mr. MacKINNON (Edmonton West): I cannot give that information yet.

Mr. HATFIELD: Will they represent different lines of business?

Mr. MacKINNON (Edmonton West): They will represent different lines of business, certainly.

Paragraph agreed to.

Paragraphs (b) and (c) agreed to.

On section 2, paragraph (d)—"Canadian-produced goods."

Mr. GREEN: Is it certain that this paragraph is broad enough to cover primary products?

Mr. MacKINNON (Edmonton West): Yes.

Mr. GREEN: Might it not be worth while to add the word "grown"? I only offer that as a suggestion.

Mr. MacKINNON (Edmonton West): I think "Canadian-produced goods" is wide enough.

Paragraph agreed to.

Paragraphs (e) and (f) agreed to.

On section 2, paragraph (g)—"cost of Canadian-produced goods."

Mr. ILSLEY: I move:

That section two be amended by striking out paragraph (g) and replacing it by a new paragraph as follows:

"(g) 'Cost of Canadian produced goods' includes the cost of such services or supplementary work done or to be done in connection with the design, inspection, delivery, erection, installation or testing of goods purchased or to be purchased from an exporter, as may be determined by regulation."

and by striking out paragraph (l) and renumbering paragraphs (m), (n) and (o) respectively as paragraphs (l), (m), and (n) respectively.

Mr. GREEN: What is the effect of this amendment?

Mr. ILSLEY: It would take some time to explain it fully. As paragraph (g) was drawn before, the amount to be paid in connection with design, inspection, delivery, erection and installation or testing of goods had to be payable under the contract for the purchase of the goods. Now it might not be payable under that contract. It might be payable as a matter of separate arrangement. It would be payable in connection with a contract, but not under the contract. This new definition broadens the arrangement a little bit. Under the new definition the cost of Canadian-produced goods includes the cost of such services or supplementary work done or to be done in connection with the design, inspection, delivery, erection, installation or testing of goods purchased or to be purchased from an exporter, as may be determined by regulation.

Mr. GREEN: It really strikes out "under a contract of purchase", and substitutes "purchased"?

Mr. ILSLEY: Yes. Then, there are two or three further slight changes in wording such as "work done or to be done"; but those are small and technical changes.

An hon. member asked whether the cost of shipping was to be included in the services. It may be included. It is included, as a matter of fact, but it would depend upon the contract as to whether or not the exporter would be protected in respect of shipping.

Mr. GREEN: Why is paragraph (l) struck out?

Mr. ILSLEY: Because it is to come back in under section 13. The reason for doing it is that the word "loss" appears in the bill at another place with a different meaning.

Mr. JACKMAN: Section 13 is being amended to explain what "loss" means.

Mr. ILSLEY: Yes.

Mr. JACKMAN: While I am not critical in respect of paragraph (g) determining what are Canadian-produced goods, still I am thinking of a condition which might arise, for instance, in connection with a pipeline. We might make the pipes in Canada. Those pipes could be laid in a foreign country, and the cost of installation would be much greater than the cost of the original pipeline. I am not suggesting that good faith will not be exercised, but the definition is very broad. The cost of installation is often higher than the cost of

the material, as for example in connection with a pipeline, and if the government wishes to tighten it up it might do so.

Mr. ILSLEY: Why would we want to do that?

Mr. JACKMAN: I do not know whether we want to have something like the total cost of installing a pipeline, where the cost of the pipe would be only about ten or fifteen per cent of the total cost, brought under this export credits insurance. In that case ninety per cent of the money would go to pay labour in Arabia, or some place like that. I am only pointing out that this paragraph is very wide.

Mr. ILSLEY: It would apply to a case where Canadian labour was used abroad in connection with the installation. That would be a case where the foreign exporter would be collecting the money, though of course it would not be confined to such cases.

Mr. JACKMAN: It is very wide.

Amendment agreed to.

Paragraph (g) as amended agreed to.

On section 2, paragraph (h)—"export."

Mr. HATFIELD: This says that "export" means export from Canada. Would that have any effect on goods exported through United States ports?

Mr. MacKINNON (Edmonton West): No; they are being exported from Canada.

Paragraph agreed to.

On section 2, paragraph (i)—"exporter."

Mr. MAYHEW: As I understand it the exporter might be a producer as well. I am thinking particularly of newsprint, because the newsprint people like to do their own exporting.

Mr. ILSLEY: He might be both a producer and an exporter.

Paragraph agreed to.

On section 2, paragraph (j)—"insolvency."

Mr. GREEN: This paragraph says that insolvency means the state or condition of being unable to pay in full when due the purchase price of exported Canadian-produced goods. Would it not be better to make that wider and simply say, "unable to pay in full."

Mr. MacKINNON (Edmonton West): That would narrow it.

Mr. GREEN: No, that extends it, that is the ordinary test of insolvency. In this case it is only when the importer cannot pay for the Canadian goods.

Mr. ILSLEY: Are we not only concerned with his ability to pay for the Canadian goods in full when payment is due? If he is unable to do that he is insolvent for our purposes, and that is the risk that should be insured against.

Mr. GREEN: He may be actually insolvent and still able to pay for one shipment of Canadian goods, but what about the next one?

Mr. ILSLEY: If he is able to pay us I do not think we should worry.

Mr. GREEN: Where is that word used in the act?

Mr. ILSLEY: In the definition of "loss" which will come in section 13.

Paragraph agreed to.

Paragraph (k) agreed to.

On section 2, paragraph (l)—"minister."

Mr. ILSLEY: The old paragraph was struck out, so that the following paragraphs will have to be given different letters. Instead of paragraphs (l) (m) (n) and (o), we now have paragraphs (l), (m) and (n).

Paragraph agreed to.

On section 2, paragraph (m)—"person".

Mr. GREEN: Why does not this definition include a corporation?

Mr. ILSLEY: Because corporations are included under the Interpretation Act.

Mr. GREEN: So are associations and partnerships, are they not?

Mr. ILSLEY: I do not think so; I would doubt it.

Mr. GREEN: I suggest that this should be checked up.

Mr. ILSLEY: An association is not a person unless you say so, but I think a corporation is, by the general Interpretation Act.

Mr. WRIGHT: Does "association or partnership" include a corporation?

Mr. ILSLEY: Yes.

Paragraph agreed to.

Paragraph (n) agreed to.

Section as amended agreed to.

On section 3—Export Credits Insurance Corporation.

Mr. ADAMSON: This section states, "There shall be a corporation". I should like to move an amendment, that after the words "Bank of Canada" the words be inserted, "and a

nominee of the Canadian insurance companies". I do that for this reason. Here we have a corporation dealing wholly and solely with the business of insurance. I think it would be a great help to the three officers named in this section if they could have the advice and assistance of an officer of the Canadian insurance companies which, as I have said, more than any other insurance companies in the world have made a specialty of international risks and international trade. I do not say their volume of business is as great as that of the large insurance companies in the United States and Great Britain, but they are peculiarly equipped to understand this type of business. I believe it would be of considerable help to the minister and to the corporation to have the assistance of a nominee of the Canadian insurance companies.

Mr. ILSLEY: I am informed that when a corporation is set up its members must be named or described with definiteness; that an unknown person such as the nominee of the Canadian insurance companies could not become a member of a corporation set up by statute. You would not have your corporation; you would not know who were the members of it; you would not know who the nominee was to be. That is on the legal end of it. On the other aspect, I do not see how a knowledge of life insurance would assist any man in making a determination as to commercial risks.

Mr. MACKENZIE (Vancouver Centre): Could I hear the amendment read by the Chair, please?

The CHAIRMAN: It is moved that after "Bank of Canada" the following words be added: "and a nominee of the Canadian insurance companies".

Mr. MACKENZIE (Vancouver Centre): Then I direct your attention particularly to section 5, subsection 3 at the top of page 3, where you will find the words, "such fees as may be fixed by the by-laws of the corporation". This amendment would impose an additional burden of taxation upon the people, and therefore I suggest it is out of order.

The CHAIRMAN: The amendment would involve more directors and more fees, and the expenditure of more public funds. Therefore I rule it out of order.

Section stands.

Progress reported.

At one o'clock the house took recess.

The house resumed at three o'clock.

CITY OF OTTAWA

TABLING OF REPORT OF JOINT COMMITTEE

Mr. J. A. GREGORY (The Battlefords): Mr. Speaker, by leave of the house I wish to lay on the table the report of the joint committee of the Senate and House of Commons appointed to review the special problems arising out of the location of the seat of government in the city of Ottawa.

Mr. SPEAKER: A similar report is being laid on the table of the Senate at this time.

EXPORT CREDITS INSURANCE

MEASURE TO FACILITATE AND DEVELOP TRADE BETWEEN CANADA AND OTHER COUNTRIES

The house resumed consideration in committee of bill No. 178, to incorporate the Export Credits Insurance Corporation and to promote the revival of trade by the provision of dominion government guarantees to encourage exports from Canada—Mr. MacKinnon (Edmonton West)—Mr. Bradette in the chair.

Section 3 agreed to.

On section 4—Head office.

Mr. JACKMAN: I suggest to the minister that if this corporation is going to operate as a bank and it is necessary for industrialists and farmers who wish to have export credits insured, they will have to have ready access to the offices of the corporation and Ottawa is about the worst possible place to have those offices.

Mr. McILRAITH: I would not say that.

Mr. JACKMAN: While it may be all right for the head office to be located here if it is to be only a nominal head office, I hope that that will not include the chief place of business, which should be located at one of our large export centres. I suggested previously that it should be in Montreal, not Toronto as some might think, or one of the cities on the western coast. I should like to ask the minister once again whether the head office will be simply the place where the books of record will be kept and high policy decided, or is it to be the chief place of business. I suggest it should be located some place more accessible to the taxpayers.

Mr. MacKINNON (Edmonton West): The chief place of business of the corporation may be in any place, but the head office for the records will be in Ottawa. There will be branches in necessary places throughout the country.

Mr. GREEN: How many branches are planned?

Mr. MacKINNON (Edmonton West): I would say at the moment that there will certainly be one at Toronto, Montreal, Vancouver, Halifax, Saint John and Winnipeg.

Mr. JACKMAN: That does not really answer my question. Are those to be branch offices with a few clerks? Will the branch managers be limited in the amount of insurance they can issue to $5,000 or $25,000, as is the case with the chartered banks? If that is so, they may be of no use at all. How much authority is likely to be vested in the manager, say at the port of Montreal? If sufficient authority is not delegated it will mean that the head office will be at Ottawa, which is the most inconvenient place for business men to come to.

Mr. MacKINNON (Edmonton West): The branch offices will have the power to carry on the normal operations of the corporation. These may never have to come to the head office of the corporation at all as long as the operations are in accordance with the by-laws.

Mr. JACKMAN: If an exporter wants to get $100,000 worth of grain insured where would he go?

Mr. MacKINNON (Edmonton West): To his branch office.

Section agreed to.

On section 5—Board of directors.

Mr. GREEN: This section provides for the board of directors which is to be made up of the deputy minister of trade and commerce, the deputy minister of finance, the governor of the Bank of Canada and four others. I should like to know if these four other directors are to be chosen from the business world or from the civil service.

Mr. MacKINNON (Edmonton West): Of the other four directors, one would be the general manager of the corporation and the other three may be chosen from either the civil service or the business world. A decision has not been made on that as yet. It is conceivable that the deputy minister of fisheries, the deputy minister of agriculture or some outsider who is prominent and experienced in a particular line would be appointed, or perhaps it would be someone from some other business source.

Mr. GREEN: Will these four other directors be on a full-time basis, or will they just be called in for directors' meetings?

[Mr. J. A. MacKinnon.]

Mr. MacKINNON (Edmonton West): One would be on a full-time basis and the others would be called in when required.

Mr. ADAMSON: There would be an opportunity under this section to appoint such persons as I mentioned this morning in the amendment?

Mr. MacKINNON (Edmonton West): Yes.

Mr. JACKMAN: Subsection 3 provides that the aggregate amount to be paid to directors shall not exceed $3,000. If they are all civil servants, and I trust they will not be, I presume the $3,000 would be adequate, but it would not be if you are going to take directors from the business world. If men of that type are going to be called in they will have to be given more adequate remuneration. Business executives are willing to come down to Ottawa to spend all their time for a dollar a year because of the war emergency, but a different set of circumstances will obtain after the war. Many of these men will have to return to their private businesses in order to recoup themselves and get reinstated in their own industry. If the government hopes to get men who will be of some real assistance to this corporation there should not be this limit of $3,000. The amount should be large enough to compensate them, because there is not the same honour in serving on a board like this in ordinary times as there is serving the government in war time.

Mr. MacKINNON (Edmonton West): If a director is a member of the civil service of course he gets no fees. Provision is made for the payment to directors of their expenses; that is specifically set out. The $3,000 might be paid to directors who were not civil servants.

Section agreed to.

Section 6 agreed to.

On section 7—Officers, advisers, employees.

Mr. GREEN: Why is this provision inserted that the Civil Service Act may be overridden? It is another case of weakening the merit system in the civil service. As I read it, this clause gives the corporation power to hire employees without going through the civil service commission.

Mr. MacKINNON (Edmonton West): This section gives the civil servant protection so far as superannuation is concerned.

Mr. GREEN: The minister is referring to subsection 2, but I am referring to subsection 1, which clearly gives the corporation power to by-pass the civil service commission. In other words, appointments may be made

not on the basis of merit at all, without examinations, and they might even be made on a patronage basis. Why is it necessary in setting up this corporation to take this power? Why not get the employees through the civil service commission?

Mr. MacKINNON (Edmonton West): The corporation is being set up as a government corporation separate from the civil service. I quite appreciate the point my hon. friend is making, but in the selection of the personnel it is not proposed to go through the civil service commission. It is proposed that we shall be able to pick the most capable men available, and many of them will be required for only temporary service.

Mr. GREEN: Subsection 4 gives the corporation power to:

> establish offices or employ agents in any part of Canada, and if necessary may employ agents elsewhere than in Canada for purposes of enforcing any right which as a result of a contract of insurance may be vested in the corporation.

I do not understand what type of agency is in contemplation. What type of agency is to be engaged beyond Canada?

Mr. MacKINNON (Edmonton West): This is to enable the corporation to engage the services of a bank, for instance, outside this country in connection with collections.

Mr. JACKMAN: Subsection 2 requires each officer, adviser or employee to take an oath of fidelity and secrecy. Is it usual in this type of crown corporation to insist upon an oath being taken?

Mr. MacKINNON (Edmonton West): I am told that it is the usual custom.

Mr. JACKMAN: I am wondering whether it is, because private business does not find it necessary to swear its officer to secrecy. I have the idea that this is one of the novelties imported by the Minister of Munitions and Supply, who requires of certain dollar-a-year men a vow of secrecy—that without the permission of their superior officer that they will never reveal anything they observed or heard while in the government service. I doubt very much whether this provision, if it is a new idea, should be included.

At line 37 of subsection 2 on page 3 it says "and in the event of his being retired from his office or position with the corporation for any reason other than that of misconduct, he shall be eligible for reappointment". Why is inefficiency left out? Is it a fact that a person once appointed to the civil service can never on earth be removed except for misconduct, and misconduct I presume of a grave nature, no matter how inefficient his work may be. I think you should have "inefficiency" in there as well as misconduct.

Mr. MacKINNON (Edmonton West): This is the standard clause. An individual might be quite capable of carrying on other work. As to the oath of secrecy, the corporation may receive information from purely confidential sources which it might not be able to secure if an oath of secrecy were not required.

Mr. GREEN: Does not the minister think that he is restricting the powers of the corporation too much by putting in subsection 4 these words, "for purposes of enforcing any right"? Surely this agency abroad will be able to do other things than enforcing rights. For example, the corporation may want to employ an agency abroad to make investigations or to carry on negotiations. I suggest that the minister would be giving the corporation more power, a power which they will probably need, if he struck out those restricting words in the last three lines of subsection 4. I think that they unduly restrict the powers of the corporation.

Mr. MacKINNON (Edmonton West): It is not the intention to establish agencies abroad generally. We do not anticipate using these agents, except in special cases, outside of enforcing collections.

Mr. GREEN: Would they not be useful for other purposes?

Mr. MacKINNON (Edmonton West): They might be, but that is the purpose.

Mr. GREEN: I made my suggestion to help the minister out; I thought it might help the corporation.

Mr. ADAMSON: Will agents have power to sue in the right of the crown?

Mr. MacKINNON (Edmonton West): Yes.

Section agreed to.

Section 8 agreed to.

On section 9—Advisory council.

Mr. SENN: When this bill was in the committee stage the question arose whether the legislation included farm products, processed or unprocessed, and finally the minister said that it did.

Mr. MacKINNON (Edmonton West): Yes.

Mr. SENN: Then certainly the producer should have a representative on the board, or at least on the advisory council. Will the

minister give the assurance that when this advisory council is set up the producers of farm products will be represented on it.

Mr. MacKINNON (Edmonton West): That question was dealt with this morning and that assurance was given.

Section agreed to.

On section 10—Capital shares.

Mr. JACKMAN: What is the purpose of the provision that whenever the Minister of Finance pays any part of the authorized capital of five million dollars he shall in addition pay an equal amount to capital surplus account? I could understand such a provision in the case of a private bank where you wanted some window dressing, a big show of a strong reserve, but I do not see any necessity of it in the case of a government corporation.

Mr. ILSLEY: It provides a surplus at the beginning out of which amounts can be paid without impairing the capital.

Mr. JACKMAN: What is the difference?

Mr. ILSLEY: Well, it may be—

Mr. JACKMAN: You could not pay a dividend if you had a capital impairment; is that the idea?

Mr. ILSLEY: It is not desirable to impair the capital.

Section agreed to.

On section 11—Sell bonds and debentures.

Mr. ADAMSON: Surely this is a precedent in all government corporations—setting up a corporation with power to issue, presumably in the name of the government, bonds or shares or debentures.

Mr. ILSLEY: No—in the name of the corporation.

Mr. ADAMSON: Well, in the name of the corporation: the corporation is a creature of the government, therefore it is tantamount to the same thing. I should like some explanation of this. Surely it is a radical departure from all previous government practice in financing.

Mr. ILSLEY: It is a protection against very serious losses, that is all.

Mr. ADAMSON: But how can the right of a corporation to issue bonds be a provision against serious losses? How are they going to issue and sell bonds and debentures? Presumably to the general public or to corporations.

Mr. ILSLEY: It will be to the government.

[Mr. Senn.]

Mr. ADAMSON: Only to the government?

Mr. ILSLEY: That is the intention.

Mr. ADAMSON: I think that should be included in the clause. It might be redrafted. As it reads now there is the possibility of being able to sell bonds to the public.

Mr. ILSLEY: I do not think there would be any advantage in putting it in. The public will not buy the bonds under these conditions.

Mr. ADAMSON: No, but under the bill this clause would still give the corporation the right to sell bonds to the public if it so desired. I think that is a very radical change in government practice.

Mr. ILSLEY: As a matter of practice the only buyer would be the government, not the public. I should think that could be left to the corporation.

Mr. ADAMSON: If that is clearly understood, yes.

Mr. ILSLEY: Yes.

Mr. GREEN: Should there not be some limit placed on the amount to which bonds and debentures may be issued? There is no limit at all.

Mr. ILSLEY: Yes; section 15 limits the amount the government can lend the corporation.

Mr. GREEN: I see. But there is no limit to the amount of the bonds and debentures of the corporation itself.

Mr. ILSLEY: The whole assumption is that they will sell only to the government, and the limit is contained in the loan section, which is 15.

Mr. JACKMAN: In corporations of this type in the United States we find that in many cases the bonds or debentures are sold direct to the public although they may bear a government guarantee. There is nothing in section 11 to proscribe such a course of action, and I think the contention of the hon. member for York West is well taken, and that this section should be more restrictive in its terms. It does not say that the bonds shall be purchased only by the government, and the corporation might be able to dress up its bonds so that they would be marketable. I realize that there may be certain practical difficulties; nevertheless the terms of the section are much too wide to pass without at least strong comment.

Mr. ILSLEY: I do not think that the fear that the government will—

Mr. JACKMAN: Technically it is out of the hands of the government.

Mr. ILSLEY: Oh, well, it is, but it is a government corporation. I do not think that the fear that the corporation will sell the public a bad or a dangerous type of security is justified. I do not think it is worth while guarding against.

Mr. JACKMAN: It is not the public alone we are worrying about; it is the fact that the corporation may issue a substantial amount of these bonds.

Mr. ILSLEY: The amount they can borrow from the government is limited in section 15, and there is no intention that they shall borrow from anyone but the government. There is no power in the government to guarantee the bonds with the idea that they will be sold to the public. This is just a simple power to issue bonds, and provision as to where they can get their money is made in section 15. I suppose that technically under this section they might get out a public issue, but I do not know who would buy them.

Mr. JACKMAN: It is not a type of draftsmanship one likes to see in a public statute.

Mr. ADAMSON: Under subsection 2 "the corporation may invest moneys of the corporation"—there is another very wide clause —"in such manner as the board may from time to time determine." If the corporation has money, surely under this provision it can go out and invest it in common stocks. A very wide interpretation can be given to this clause.

Mr. ILSLEY: Legally they would have that power; there is no express safeguard against it; but there is abundant power of regulation in the statute. For instance, section 27 provides for regulations by the governor in council, and the government can pretty well protect itself, I think, in its investing policy.

Mr. ADAMSON: I assume it would, but as the section is written it leaves a large loophole.

Mr. ILSLEY: Well, that is right. The safeguarding clauses which we find through the statutes are safeguards against certain types of investments by private corporations or private individuals where parliament must be very careful to prevent trust money from being badly invested, or something of the kind. But here it would be a safeguard against investments by the government corporation, which could hurt nobody but the government itself, and I think it could safely be left to the corporation and to the sense of responsibility which any government would have to parliament and the people.

Section agreed to.

Section 12 agreed to.

On section 13—Contract of insurance.

Mr. ILSLEY: I move that section 13 be amended by adding a subsection 3 thereto to read as follows:

(3) In this section "loss" means a loss accruing to an exporter upon non-payment when due of the purchase price of the goods exported by reason of insolvency or delay of the importer or his inability to secure the currency with which the purchase price is to be paid.

It is exactly the same definition as is found in paragraph 1 of the bill as originally printed.

Amendment agreed to.

Mr. KNOWLES: Speaking for a moment to the section as a whole, it is the important clause, I believe, in part I of the bill. The comment I wish to make I can make very briefly, because it is along the lines of what I said when I was speaking on the second reading last night. My principal quarrel with the clause, indeed with part I of the bill, is that it does not go far enough. I agree with hon. members supporting the government, in fact I think I go further than they do, as to the importance of international trade to our Canadian economy in the post-war period. But I emphasize again the importance of our seeing to it that the advantages of our trade really accrue to the people of Canada. I would remind the government that they have found it necessary and desirable during the course of the war to go in for bulk sales and purchases. I would remind the government also that there have been announced already some post-war bulk contracts. They were announced by the Minister of Agriculture and they will extend into the post-war period. I urge that if the advantages of freedom of exchange are to be enjoyed by the people as a whole, rather than by private monopolists, we have to take the further steps involved in the planning of world trade through import and export boards. My contention is that section 13 of part I does not go far enough in that direction to meet the needs of this country in the years immediately ahead.

Section as amended agreed to.

On section 14—Liability under contracts outstanding.

Mr. GREEN: As I understand it, this clause would limit the amount of insurance that may be undertaken by the corporation to a total of $100 million. Is that correct?

Mr. MacKINNON (Edmonton West): That is correct, unless there have been accumulated profits which would be added to the surplus.

Mr. GREEN: It is unlikely that the profits will be extensive.

Mr. MacKINNON (Edmonton West): It is possible.

Mr. GREEN: More likely there will be losses. Does the minister believe that $100 million worth of insurance is sufficient to meet the situation?

Mr. MacKINNON (Edmonton West): We do think so. I am informed that £60 million handles the United Kingdom business under similar legislation.

Mr. GREEN: Before the war?

Mr. MacKINNON (Edmonton West): Before and during the war.

Section agreed to.

Sections 15 to 20 inclusive agreed to.

On section 21—Part I coming into force by proclamation.

Mr. GREEN: When is it intended to proclaim this part of the act? I pointed out last night that the Minister of Trade and Commerce had stated during the discussion on the resolution that it was not the intention of the government to use this part extensively during the war years or during the post-war period. From what the Minister of Finance said last night, the reply which the Minister of Trade and Commerce gave me did not seem to set out the policy of the government. I suggest that this part should be proclaimed as soon as possible and every attempt should be made to get it into operation at an early date.

Mr. MacKINNON (Edmonton West): I believe that in my answer last night or this morning I had in mind the extent of the use that would be made of part I of the bill immediately. It is the wish to have the corporation organized and doing business as soon as possible.

Mr. GREEN: The bill will be proclaimed as quickly as possible?

Mr. MacKINNON (Edmonton West): As soon as the necessary organization can be completed.

Section agreed to.

On section 22—Assistance to governments of other countries.

Mr. ILSLEY: I move that the section be amended by striking out the word "in" at the end of line 26 and substituting therefor the word "for".

Amendment agreed to.

Mr. ADAMSON: Paragraph (c) of subsection 1 gives power to the corporation to purchase and guarantee the bonds or the government securities of another country.

Mr. ILSLEY: It does not give the corporation any power at all.

Mr. ADAMSON: It says "purchase, acquire or guarantee any security issued by the government or by the agency of the government of any such other country to any person in Canada for payment of the cost of Canadian-produced goods exported or to be exported to such other country". Surely that is a guarantee. We are putting ourselves in the position of guaranteeing the security of another country for the payment of Canadian goods. Let us say a south American country has a bond issue and in order to purchase Canadian goods a portion of that bond issue is guaranteed by the Canadian government. We shall find ourselves in this position, that part of a foreign bond issue is guaranteed by the Dominion of Canada and part of it not guaranteed by the Dominion of Canada, and I think we shall be in a very dangerous position in consequence of this clause. I would rather see it simplified, because I can foresee the danger of doing it as proposed; or else we shall have to have the foreign government issue special debentures for goods purchased in Canada, which will be guaranteed by the dominion government. Let us say there is to be a major development in China. Very well. The Chinese government issue a debenture or bond issue in order to pay for the rolling stock, the locomotives, the rails and other equipment for the railway. We as the Canadian government and people guarantee that loan by guaranteeing that bond, and if the Chinese government defaults then it virtually comes under the principle of lend-lease. I do not say it is a bad principle, but very definitely under this clause that is what we are opening ourselves to. Does not the minister agree with me?

Mr. ILSLEY: It is very much like guaranteeing obligations under 1 (a): "guarantee the obligations of the government or an agency of the government of any such other country". It is not the intention to take part of a bond issue of a foreign country and guarantee it. The term "security" is defined in the interpretation section: "Security includes bills, promissory notes, bonds, debentures, and any

other evidences of indebtedness and shares." The ordinary case would be a special debenture issued for that particular purchase.

Mr. GREEN: By the other government.

Mr. ILSLEY: Yes, by the other government. The Canadian government guarantees payment of that obligation so that the exporter will be sure of his money.

Mr. WRIGHT: I raised a point this morning with respect to the guarantee of these bonds. Supposing an exporter takes, in payment for his goods, bonds of a foreign country, and those bonds are guaranteed through this board. He may take bonds which, on the day the goods are exported, would be selling on the market at $90 instead of $100. If he takes them at $90, he is guaranteed that he will get $90 for them at some future date.

Mr. ILSLEY: These bonds will not be on the market at all.

Mr. WRIGHT: The bonds of the foreign country?

Mr. ILSLEY: No, they will not be on the market at all. These are securities. They are not necessarily bonds; they may be promissory notes. They must be issued for this specific purpose, namely for the payment of the cost of Canadian-produced goods to be exported to such other country. They relate to this specific transaction. They will not be traded in the market, and they will not be previously existing securities. The guarantee is on such terms as the governor in council may determine. The object of the guarantee would be to make sure that the exporter got the purchase price of the goods. And if he has to wait for the purchase price, a further object would be to see that he got a reasonable rate of interest on the purchase price, for the time he had to wait.

Mr. ADAMSON: We are to presume that the foreign country pays the interest.

Mr. ILSLEY: Yes.

Mr. ADAMSON: I saw this same thing happen in connection with a railway in South America. In that instance there was a special bond issue, and the money was not properly appropriated. Perhaps the Minister of Trade and Commerce will know the case I have in mind. I shall not mention any names, because a friendly country was involved. The bond issue there was specifically for the electrification of a railway, and the goods were supposed to be shipped from the United States. Actually the money was used for something else. There was a bond issue issued by a foreign country for a specific purpose, but it was not used for that purpose. I can see a danger under this paragraph (c) that the same might happen here. It is a dangerous principle. In this instance the bond issue is guaranteed by this government; in the instance to which I referred the bond issue was not guaranteed, and the people who bought the bonds were just out of luck; that is the difference.

Mr. GREEN: This section, in effect, gives the government power to advance $300,000,000 —or it may be $400,000,000, I am not quite clear as to which is the proper amount. In any event it gives power to advance at least $300,000,000 to foreign governments about to purchase goods in Canada. Could one or other of the ministers tell us what the previous experience of the Canadian government has been in making advances to foreign governments? This morning the Minister of Mines and Resources mentioned an advance to Roumania, during the last war, which apparently never was repaid. What has been the experience in the making of advances to foreign governments?

Mr. ILSLEY: I cannot give the experience. There was some experience in 1919 when some of the loans did not turn out well—and I think some did.

Mr. HOMUTH: Some of them never paid back any of it.

Mr. ILSLEY: One of the countries did not pay back anything.

Mr. GREEN: Under this section will advances be made to Great Britain and other commonwealth governments, and to the United States, or is it the intention that advances are to be made only to such nations as France, Belgium, China and Russia?

Mr. ILSLEY: Advances could be made to Great Britain, but I should think it most unlikely that they would ever be required by the United States.

Mr. GREEN: The thought is that there will be no advances under this part of the bill to Great Britain or the United States, or to one of the commonwealth nations?

Mr. ILSLEY: Oh, no; there may be advances to Great Britain. As I say, however, I can hardly envisage a situation in which there would be any to the United States.

Mr. GREEN: And what about enemy countries? There is no provision in this measure which states that money shall not be advanced by the Canadian government to enemy governments—at least, to governments of countries

with which we are now at war. This power to advance moneys to foreign governments is to last for three years after the war. If it is the intention to make any advances to governments of countries with which we are now at war, I think the committee should be told that now.

Mr. ILSLEY: If there is an intention, did you say?

Mr. GREEN: Yes; if it is the intention that the power should be that broad, we should be told.

Mr. ILSLEY: It is not the intention to make such loans, but I take it the powers do go that far. The three years, by the way, are to run after the passage of the measure—not after the end of the war.

Mr. GREEN: Does not the minister think it would be well to insert a provision under which none of these funds could be used for the making of advances to enemy countries?

Mr. ILSLEY: Does my hon. friend mean former enemy countries?

Mr. GREEN: Yes. We had a very sad experience after the last war. Advances which were of great help to Germany were made by British empire firms, and I think we should take precautions now against anything like that being done in the years immediately following this war.

The CHAIRMAN: Shall the clause carry?

Mr. GREEN: No, it is not carried.

Mr. ILSLEY: I do not think there is any necessity for a provision of that kind. I cannot put myself into a situation such as my hon. friend might have in mind. It might be that some different type of government altogether would take office in a country which is now an enemy country, and we might want to assist the people of that country—which we would be doing, by guaranteeing their loans, and exporting to them. The term of the power is to be effective for three years after the passage of this measure, and a situation might arise where the authorities in this country might wish to exercise that power. Because at the present time I do not know that that is just the test to apply as to the propriety or impropriety of the exercise of the power.

Mr. GREEN: Before any step of that kind is taken by any Canadian government, or before any advances are made to the government of a country which is now an enemy country, I think opportunity should be given to the Canadian parliament to approve or otherwise. As the bill reads now, the government could go ahead at any time and make an advance to an enemy country. I do not think such a step should be taken without first securing the approval of the Canadian parliament. That is why I say there should be some provision inserted in the bill prohibiting the making of advances to enemy countries. If the time comes when it is thought desirable to make such advances, then at such time let the government of that day bring forward an amendment to the measure. But it would be wrong to leave open to the government of Canada the power to make advances to the government of a country with which we are now at war.

Mr. ILSLEY: Does my hon. friend expect some further answer?

Mr. GREEN: What would the minister say about it? Does he not think that before such a policy is adopted it should be brought before parliament?

Mr. ILSLEY: I think the government could be safely trusted to exercise its judgment in a case of that kind. I do not think that is a proper basis upon which to make a selection. Perhaps it could be provided that no loan could be made to any German government, which would be more defensible than to adopt the wider suggestion.

Mr. GREEN: Or any Japanese government.

Mr. ILSLEY: Well, what about Finland? What about Italy? What about Hungary, Bulgaria, Roumania. What about countries that have two governments, one outside and one inside, one friendly and one unfriendly?

Mr. KNOWLES: France, for example.

Mr. ILSLEY: Yes, France.

Mr. GREEN: I had in mind Germany and Japan.

Mr. ILSLEY: I do not think there is any necessity for writing the names of any nations into this bill.

Mr. KNOWLES: It seems to me the point being discussed just now indicates a failure to grasp one of the purposes of part II of this bill. As I see it the purpose is not only to provide some assistance to other countries, but also to help ourselves. To the extent that we can rehabilitate some of the countries now torn by war, even some of the countries with which we are at war, we may help to improve our own position, and particularly the position of Canadian agriculture.

I should like to reply to the criticism of my remarks advanced by the Minister of Finance

last evening after I had spoken along this line by repeating that I feel there is a strong element of the mutual aid principle in this section. The minister suggested that I was wrong, because in this section of the bill there is not the kind of mutual aid that we have had during the war period. I would point out that it is still mutuality, only of a different kind. During the war period we have aided each other mutually in this respect, that from Canada we have sent goods and materials in return for the greater cost in terms of suffering that some of our allies were paying. In mutual aid during the war we are helping each other by contributing to the common cause things that may be different in kind. As I see it, under part II of this bill in the post-war period we are still going to try to help each other, by contributing to the common cause of rebuilding the world. We in Canada are going to help rehabilitate some of the war-torn countries; in return for the help we give them in that way they are automatically going to help us by providing markets for some of our surplus products; and to the extent they become rehabilitated they will also help us by being able to pay for those products in sending us some of the goods they produce, which will improve the lot of our people. In other words, an element of planning is being injected into world trade under the terms of this section. The government have said, and I congratulate them on it, that it is not their intention simply to sit down and wait for the years to roll by in the hope that things will somehow readjust themselves. The government have said that they are going right to work in an effort to revive our trade with these war-torn countries by lending them money and helping them get rehabilitated, so that we may get affairs back on a more satisfactory basis. Thus I feel there is a strong element of mutuality in this measure, and in what I had to say on that point last evening I was really congratulating the government. I was surprised that the minister was not prepared to accept the compliment.

Mr. ILSLEY: I just wanted my hon. friend to be accurate in his compliment; that was all.

Mr. KNOWLES: It may be that the minister did not interpret my tone of voice as complimentary. I want to say, too—I tried in vain to find an opportunity to do so this morning—that I still have not got over the annoyance I felt at the attitude displayed by the hon. member for Rosedale in connection with this whole matter. It seemed to me that he almost overlooked the fact that we have been at war for four or five years; that the world has been torn to bits and that we really must take very far-reaching measures to move in the direction of the better world that we hope will come out of this sacrifice. His complaint was that the government was going in for this kind of activity. If I understood him aright his feeling was that the government should stay out of the picture and let private exporters try to rehabilitate the world for us. Well, as I say, annoyance is the only word I can use with respect to my feelings, and I was glad the hon. member for Swift Current made the reply he did at that time. I am also amazed at the attitude adopted by hon. gentlemen to my right, in view of the booklet to which I referred last night entitled, "The Mid Continent and the Peace". This booklet was prepared in 1941 at the request of the then governor of the state of Minnesota, a Republican, and Hon. John Bracken, who was then a Liberal Progressive but who is now a Progressive Conservative—there is not a great deal of difference, of course. At any rate it was at the suggestion of these two men that this research was carried on into what might be desirable trade policies in the post-war period particularly with respect to agriculture in the northwest states and the prairie provinces.

Mr. GRAYDON: I did not want to interrupt my hon. friend in the middle of a sentence, but through the conversation that was going on about me I thought I heard the hon. gentleman make a very serious accusation; that is, that the national leader of our party was a Liberal.

Mr. MACKENZIE (Vancouver Centre): That is the greatest compliment you could pay him.

Mr. GRAYDON: That is not what the electors think.

Mr. KNOWLES: If you want to call it an accusation, all right. I was simply stating what was the case until one night in December of 1942, when in the Winnipeg auditorium I saw him turn over. Until then he was known as a Liberal Progressive.

Mr. GRAYDON: He was a Progressive in a Liberal-Progressive coalition.

Mr. KNOWLES: He was a supporter of the government opposite.

The CHAIRMAN: Order. If I may be allowed—

Mr. KNOWLES: You are quite right, Mr. Chairman; this is out of order.

The CHAIRMAN: We have been long enough on this discussion. We should come down to the section before the committee.

Mr. KNOWLES: Thank you, Mr. Chairman; I will get back to the section.

Mr. GRAYDON: I do not want you to slander our leader, that is all.

Mr. KNOWLES: I want to speak in support of the principle of part II, which is contained primarily in section 22, by quoting a paragraph or two, directly on the point, from the booklet to which I have referred. I quote from page 22:

> What is proposed is that Canada, the United States, and Britain, with the cooperation of Russia and in concert with the countries of western Europe, shall make arrangements whereby all of the western European countries, including Britain, will undertake within a specified period, perhaps fifteen years, to receive certain agricultural products, wheat, pork, and lard, for example, from producing countries in specified maximum amounts, thus releasing agricultural resources of western Europe for other more profitable uses. The producing countries will assist—

This is the specific recommendation of these economists:

> —in the reorganization of European agriculture to permit import into Europe of larger than pre-war imports of such agricultural products. The producing countries—

That includes Canada.

> —will also undertake to encourage necessary reductions in their own tariffs to permit the countries of western Europe to pay for the larger quantities of agricultural products which they shall undertake to accept.

Then on page 33 these two economists, Professor Waines and Professor Upgren, say this:

> The question is rightfully asked, how can Europe make repayment for the enlarged purchases it is expected to undertake? The answer on the part of the prairie provinces and the central northwest states is that the prospect of securing such enlarged markets for the farmers of the northwest will win from them their support to assist in the reorganization of European agriculture and, what is certainly more important, will secure from them agreement to help bring about such changes in the trade position of their own countries as will permit increased sale by European countries of their goods to the United States and Canada. In this way European countries can secure the means to pay for products purchased. It will be clearly seen that tariff reduction is a necessary step to secure payment for our exports and can lead to enlarging trade.

In other words these economists who went thoroughly into this matter from the viewpoint of western agriculture have recommended in their worth-while little booklet that steps should be taken by countries such as Canada to do everything possible to help rehabilitate war-torn countries, both for their own good, and also so that there will be a market for our surplus agricultural products. We must also lower our tariffs so that it will be possible for those countries to pay for the goods we ship to them with goods they are able to produce. They point out also—and it is at this point that I turn from addressing my hon. friends to my right and speak to the members on the government benches:

> But it should be reiterated that only by keeping economically strong at home is a foundation provided for building a strong and productive international world.

And they say again:

> But even though a high import volume of such dutiable goods may be prevented by such high tariffs—

The CHAIRMAN: I do not believe this is a debate in which we should discuss policies of tariff reduction and so on; I believe we have passed that stage. We are on a particular section and I do not think that what the hon. member is saying is relevant to that section.

Mr. KNOWLES: Mr. Chairman, I think if I were to give you this book and you were to read it you would realize that the entire work is relevant to this section, but I shall accept your ruling and close with just a brief remark. I am glad the government have seen fit, whether they ever saw this book or not, to implement the recommendations of these economists to the extent of bringing in a measure which makes it possible for Canada to help rehabilitate war-torn countries. I hope the government will realize also the importance of the other side of the picture. We must have a high purchasing power and strong industrial communities in our land if we are going to be able to absorb the increased imports that will be necessary to complete the picture. In any case I support the principle of part II of the measure and I deplore some of the unrealistic criticisms that have been made in connection with this section of the bill.

Section as amended agreed to.

Section 23—Enforcement.

Mr. GREEN: What steps is it proposed to take to enforce the undertaking of indemnities and so on? The burden for taking this step is placed upon the Minister of Finance and I should like to know in what way he is to go about making collections.

Mr. ILSLEY: It would be through diplomatic channels. I do not just envisage making war in order to collect.

Mr. GREEN: Why not leave it to the Department of External Affairs instead of making the Minister of Finance responsible?

Mr. ILSLEY: It would be the government that would authorize the collections, and they are above the Department of External Affairs.

Mr. ADAMSON: Your representative in the foreign country would have the right to sue.

Mr. MacKINNON (Edmonton West): Yes.

Section agreed to.

Section 24 agreed to.

On section 25—Moneys out of consolidated revenue fund.

Mr. BLACK (Cumberland): I have not been able to attend all the discussion on this bill because of committee meetings, will the minister state the total maximum amount that may be provided or guaranteed under this bill?

Mr. ILSLEY: The capital of the coporation is to be $10,000,000 and the government may lend the corporation $50,000,000. That would make $60,000,000 which if everything went by the government would be out. Then the government under part II may enter into obligations or guarantees aggregating $200,000,000, and the aggregate of the amount of loans made and outstanding at any time and the value of securities purchased or acquired and held at any one time shall not exceed $100,000,000.

Mr. BLACK (Cumberland): That totals $360,000,000.

Section agreed to.

Section 26 agreed to.

On section 27—Regulations.

Mr. GREEN: I suggest that there should be some provision for the tabling of the regulations, probably along the lines of that put in to the family allowances bill. There is a great deal of money involved in this bill and there will be quite a few regulations issued. They should be tabled.

Mr. ILSLEY: The provision in connection with the family allowances bill will be found on page 5756 of *Hansard*, and it reads:

No regulation shall be effective until published in the *Canada Gazette* and upon such publication shall be effective and shall have the same force and effect as if it had been enacted in this act.

Mr. GREEN: Subsection 1 of section 12 of bill No. 161 reads:

Regulations made under this act shall forthwith after approval by the governor in council be published in the *Canada Gazette* and shall be laid before parliament within fifteen days after they are made if parliament is then sitting, and, if not, then within fifteen days after the commencement of the next ensuing section.

Then subsection 2 provides:

No regulation shall be effective until published in the *Canada Gazette* and, upon such publication, shall be effective and shall have the same force and effect as if it had been enacted in this act.

I suggest that a similar section should be provided in this bill.

Mr. ILSLEY: I like subsection 1 better than subsection 2.

The CHAIRMAN: It is moved by Mr. Ilsley that the following be added to section 27:

No regulation shall be effective until published in the *Canada Gazette* and upon such publication shall be effective and shall have the same force and effect as if it had been enacted in this act.

Mr. ILSLEY: I did not intend to move that, Mr. Chairman; I was just reading it to the committee. I would like the committee to consider whether the first provision read by the hon. gentleman would not be sufficient. I think that some care has to be exercised in holding up the effective date of regulations until publication. In some cases it is desirable, and in some cases it is not.

Mr. GREEN: I am not asking that.

Mr. ILSLEY: But the provision originally placed in the Family Allowances Act, which is section 12, is one that I think is suitable. It provides:

Regulations made under this act shall forthwith after approval by the governor in council be published in the *Canada Gazette* and shall be laid before parliament within fifteen days after they are made if parliament is then sitting, and, if not, then within fifteen days after the commencement of the next ensuing session.

Mr. GREEN: That is all I am asking.

Mr. ILSLEY: That gives the information to parliament. That is the amendment I wish to move, Mr. Chairman.

Mr. ROWE: It is subsection 1 of section 12 of bill No. 161.

Mr. ILSLEY: Yes, before the bill was amended.

Mr. ADAMSON: Clause 15 of the same bill deals with expenditures under the act and provides that a report shall be submitted to parliament within fifteen days of the commencement of the first session of parliament in each year.

The CHAIRMAN: It is moved by Mr. Ilsley to add to clause 27 as subclause 2 the following:

Regulations made under this act shall forthwith after approval by the governor in council

be published in the *Canada Gazette* and shall be laid before parliament within fifteen days after they are made if parliament is then sitting, and, if not, then within fifteen days after the commencement of the next ensuing session.

Amendment agreed to.

Mr. KNOWLES: Mr. Chairman, I wonder if you would give me the privilege of completing the sentence in the midst of which you interrupted me a minute ago? I accepted your ruling but I should like, if I may, to complete what I thought was a significant sentence from the book to which I was referring. It is as follows:

> But even though a high import volume of such dutiable goods may be prevented by such high tariffs, it is equally important to remember that imports of such goods are also much larger in years of high activity and high incomes, even though the tariff rates continue to remain high. . . .
>
> Thus it is that the domestic economic policies of Canada and the United States can have international effects of the utmost importance.

Thank you, Mr. Chairman.

Section as amended agreed to.

Bill reported, read the third time and passed.

QUEBEC SAVINGS BANKS

DECENNIAL REVISION

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee on bill No. 131, to amend the Quebec Savings Banks Act.

Motion agreed to and the house went into committee, Mr. Bradette in the chair.

Sections 1 to 21 inclusive agreed to.

Bill reported, read the third time and passed.

FISHERIES PRICES

PROVISION FOR STABILIZATION, PURCHASE OF STAPLE PRODUCTS AT APPROVED PRICES, ETC.

Hon. ERNEST BERTRAND (Minister of Fisheries) moved the second reading of bill No. 169, for the support of the prices of fisheries products during the transition from war to peace.

Mr. NEILL: Perhaps the minister wishes to speak first?

Mr. BERTRAND (Laurier): Yes. Mr. Speaker, this is a similar bill to the one passed by this house a few days ago with reference to agricultural products. It differs only in that the word "agricultural" is replaced by the word "fisheries" in all sections of the bill, and there

[The Chairman.]

are minor changes in section 9 which are necessary to cope with the fisheries trade as against the agricultural industry. Of course there is also a difference in the amount appropriated, which is $25 million, instead of $200 million for agricultural products.

This legislation is to provide the government with powers to meet a situation which has not yet developed but which may have to be faced later on. Whether the necessity arises will depend upon many factors. First, there are the external trade relationships, which may be very different; there are the international monetary stabilization arrangements, and the level of food requirements throughout the world in the immediate post-war period, as well as other factors which may arise and which I cannot foresee. At the present time we are not in a position to say exactly what trade relationships are going to prevail, nor can we yet foretell what will be agreed upon among the nations as to monetary stabilization, nor do we know what fisheries products will be affected and where the pinch is going to be first felt.

But, Mr. Speaker, although we do not know exactly all that we are going to do, we know exactly what we are not going to do; that is, we are not going to let the prices fall to the low levels to which they fell in 1920, and again in 1932, 1933, 1934 and a few other years.

It follows, then, that it will be impossible to describe the mechanism which will be employed in the application of this measure in any but very general terms. It is important that the underlying principles be elastic enough to cope with the situations as they may arise. Knowing that certain degrees of elasticity are necessary in order to meet the complex situation which may arise, we have been careful to place the significant powers in the hands of the governor in council, so that we may have the benefit of close coordination and cooperation with all the ministers of the government.

Now I come to the bill itself. The main section is, of course, section 9. The devices used to support fisheries in this bill are of two kinds. First there is, under section 9, subsection 1(a) and (b), provision that the fisheries prices support board may prescribe prices at which they will be prepared to purchase such commodities as may be named by the governor general in council. This, while not being exactly a floor price, will have the effect of ensuring to the primary producer the prices which the government is going to set for certain commodities, because if we are ready to pay more than the merchants are going to pay of course we will get the products.

The second device, under section 9, subsection 1(c), is what we call a deficiency payment. The deficiency payment has already been in use under the salt fish board in 1939 and 1940 and was found to be workable. The feature of the deficiency payment is that under this scheme there is no interference with the natural fluctuations of price brought about by the laws of supply and demand. At the end of the year or of the season the board determines what the average price is to the producer of the fish on which a price has been set. If that average price is deemed to be too low to support and reasonably maintain production, the board, with the approval of the governor in council, sets a value on the unit commodity which in its judgment will bring sufficient return at this price to the producer, the difference between the average price and the value which it has set.

Mr. SENN: In other words, it is just a new way of paying a subsidy.

Mr. BERTRAND (Laurier): It is not a subsidy, and later on I want to say why it is not, because there is a danger in paying a subsidy. This relates to exactly the policy of this bill. Section 9, subsection 2 is as follows:

(2) In prescribing prices under paragraphs (a) and (c) of subsection one of this section, the board shall endeavour to ensure adequate and stable returns for fisheries by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from fisheries and those from other occupations.

This is the policy of the bill. At the end of the year, as I said, there would be a calculation made as to the average price, and if the unit commodity has been sold below that average price the difference is paid between the average price and the price at which it should have been to give a fair return to all those who have sold this commodity.

I will give an instance. If A lands fine fresh cod and gets $3 per hundred and B lands stale cod and gets only $1, while C lands medium quality cod for which he receives $2 per hundred, the average price will be $2 per hundred pounds. If the board finds that it takes a price of $3.50 per hundred pounds to support the fishermen properly and to keep them in the fisheries it will pay the difference between the average price, which is $2, and the prescribed value, which is $3.50, which difference would be $1.50, which would go to every individual who had been fishing. This would give an incentive to the fishermen to sell at as high a price as possible and it would deter fishermen or processors or wholesalers, I will not say from cheating but from trying to get more money from the government than they should. This would result in A, who has looked after quality, receiving $4.50 per hundred, B receiving $3.50, which would be the price stipulated by the board, and C, who did not pay any attention to the quality of his fish, receiving $1 plus $1.50, or $2.50. As I say, this would provide an incentive, and, basically this method did work very well. It worked in 1939-40 with the salt fish board. Of course, these two methods cannot be applied at the same time with respect to the same commodity; one or the other will have to operate.

We are told that half the world is underfed to-day and half the world was underfed even in the years preceding the war. If the war brings a new world order, I do not think prices will fluctuate as they did between 1920 and 1939. There is no reason why people should starve in one country while commodities are burned or otherwise destroyed in other countries in order to keep up prices. Through international bodies, such as combined food boards, UNRRA or others which might be established, food could be distributed in the world so as to raise the level of nutrition almost everywhere to a reasonable standard. I do not think we have been producing too much of any kind of food, but I do believe the distribution has been altogether wrong. If it had been done through international arrangements as we are doing to-day, the present war might have lacked one of its pretexts and might even have been avoided. I could give instances of writings which were published a few years before the war but I do not wish to prolong the discussion. However, just to mention one, the French author Claude Farrère, an academician, wrote a book on "The Tragedy of Asia," in which he said that the country which has no commodities necessary for the life of its citizens has the absolute international right to go and take those commodities elsewhere by force if they are not being developed by the nation in whose country they exist. This is quite different from our conception of honesty between nations. The world had reached the stage where great writers were expressing sentiments like this.

I repeat what I said when the resolution was before the house. It is my hope that this legislation may never be necessary. Perhaps I am too optimistic; if so, at any rate the legislation will be a good tool in the hands of the government. The expansion of fisheries has not been great during the years of the war in comparison with agricultural production. Fisheries were handicapped by lack of labour and boats. However, I must pay this compliment to our fishermen. They have done marvelously well with the instrument they had.

I desire to put on *Hansard*, with the consent of the house, for the information of members, a few statements showing quantities of fish caught between 1939 and 1943, giving both dollar value and quantity.

Mr. SPEAKER: With the consent of the house.

Mr. BERTRAND (Laurier): I will now give the tables to *Hansard*.

TOTAL MARKETED VALUE—ALL FISHERIES PRODUCTS

	1939	1940	1941	1942
P.E.I.	$ 950,412	$ 714,870	$ 952,026	$ 1,639,539
N.B.	5,082,393	4,965,618	6,484,831	7,088,302
N.S.	8,753,548	9,843,456	12,634,954	15,297,446
Que.	2,010,953	2,002,053	2,842,041	4,194,092
Eastern Canada	16,797,306	17,525,997	22,913,855	28,219,379
Inland Canada	5,579,627	5,882,723	7,613,105	8,761,981
West Coast Canada	17,698,989	21,710,167	31,732,037	38,059,559
Grand Total	$40,075,922	$45,118,887	$62,258,997	$75,040,919

QUANTITIES LANDED
(in cwts.)

EAST COAST

	1939	1940	1941	1942	1943
Cod	1,619,183	1,916,331	1,947,541	1,935,567	2,115,241
Other groundfish	690,270	684,360	556,980	595,046	675,737
Flatfish	113,064	91,993	89,664	80,350	60,353
Pelagic	2,293,210	2,053,017	2,271,032	2,200,885	2,509,446
Estuarial	254,609	198,595	199,107	180,090	205,826
Lobsters	314,665	267,991	278,023	280,250	295,623
Other shellfish	114,175	133,671	186,438	203,479	253,671
Miscellaneous	176,648	76,638	78,785	53,834	57,703
Total	5,575,824	5,422,596	5,607,570	5,529,501	6,173,600

WEST COAST

	1939	1940	1941	1942	1943
Groundfish	75,127	80,571	70,540	66,363	121,172
Halibut	133,967	126,936	129,289	110,282	128,926
Other flatfish	8,822	14,776	9,358	13,171	21,215
Pelagic	2,294,585	4,044,847	3,044,791	3,722,400	3,545,898
Salmon	1,476,372	1,431,905	1,900,349	1,621,980	1,344,037
Shellfish	63,802	63,924	118,764	73,999	40,329
Miscellaneous	116,949	143,936	145,800	104,930	98,744
Total	4,169,624	5,906,895	5,418,891	5,713,125	5,300,321

INLAND

	1939	1940	1941	1942	1943
Whitefish	164,619	168,179	178,659	167,062	.....
Pickerel	120,509	105,800	126,304	128,041	.....
Sauger	113,972	115,065	143,951	141,419	.....
Miscellaneous	493,987	398,372	444,127	519,897	.....
Total	893,087	787,416	893,041	956,419	900,000 (estimated)

	1939	1940	1941	1942	1943
GRAND TOTAL—all Canada	10,638,535	12,116,907	11,919,502	12,199,045	12,373,921 (estimated)

I have here the total market value of all fish products both east and west and I will give a few figures for 1939 and 1942 respectively.

Mr. SENN: Does that include fresh water fish from the great lakes?

Mr. BERTRAND (Laurier): Yes; it includes eastern Canada, inland and west coast. In 1939 eastern Canada produced in value $16,797,306; in 1942 it produced $28,219,379. There is a great difference in prices, which in 1942 were much above those of 1939; but as

to volume, the quantities landed, there is not that big difference. For example, on the east coast in 1939 the total volume landed was, in hundredweights, 5,575,824; in 1943 it was 6,173,600. It will be seen that although the value is almost three-quarters above the value of 1939, in volume there is not the same difference. On the west coast in 1939, taking salmon, the volume in hundredweights was 1,476,372 and in 1943, 1,344,037. In other words, there had been a reduction by almost 100,000, although the value of the fisheries was almost twice in 1943 what it was in 1939. I have not the value for all the fish but I will give totals. The west coast total in hundredweights in 1939 was 4,169,624 and in 1943 it was 5,300,321. The value in 1939 was $17,698,989. In 1942 the volume was 5,713,125 hundredweight. The total value for 1942 was $38,059,559. It will be seen that the price increased to such an extent that it reached more than twice the amount in value, between 1939 and 1942. But there was not a difference of 100 per cent between those years, so far as volume was concerned.

I wish now to refer to the inland fisheries, because many people may think they are not as important as they actually are. I know the hon. member for Davenport believes in their importance, and I must admit he is absolutely right. The quantities of fish caught in the last few years in inland fisheries amounts to seven per cent of the total production of fish. The value of fish caught amounts to eleven per cent of the total, which shows that the fishermen and the producers and the merchants are certainly right up to their business. The figures show that with only seven per cent in quantity the value amounts to eleven per cent.

In 1939 the total marketed value of fish from inland fisheries was $5,579,627, whereas in 1942 it was $8,761,981. The catch in 1939 for the whole of Canada amounted to 10,638,535 hundredweight, and in 1943 amounted to 12,373,921 hundredweight. This latter figure is an estimated amount; we have not the exact figure. These figures prove that there is no danger of the markets being glutted, because it has not increased in proportion to the increase in agricultural production—and I am not suggesting at all that the production of agricultural products is sufficient to flood the market. They will certainly dispose of what they produce.

May I also, with the permission of the house, place on *Hansard* a table showing the prices of fish as landed, for the east coast, west coast and inland fisheries. This table gives prices for east coast cod, lobster, herring and mackerel between 1926 and 1943. All hon. members will know that during that time there was, at the beginning, a very serious decline in the price of fish. For example, in 1926 the price of cod was $1.96 per hundredweight. In 1932 it was $1.01, and in 1942, $2.88. I believe in 1943 it was about $3, although I have not the exact figure.

Mr. SENN: I understand the minister is quoting prices to the producer.

Mr. BERTRAND (Laurier): Yes, prices to the primary producer. In 1926 the price of lobster was $12.24. That price went down to as low as $6.12 in 1933. Then it increased to $12.19 in 1936. In 1938 it fell to $9.11, and went up again to $10.47 in 1941 and $13.88 in 1942.

The herring prices have not fallen to as great an extent as have other fish prices. The price went from 54 cents in 1926 to 45 cents in 1936—that is the lowest figure—and 70 cents in 1942.

Mr. BLACK (Cumberland): What unit is the minister using?

Mr. BERTRAND (Laurier): Hundredweights.

Mr. BLACK (Cumberland): Seventy cents per hundredweight.

Mr. BERTRAND (Laurier): Yes.

Mr. BLACK (Cumberland): What was the lowest figure?

Mr. BERTRAND (Laurier): The low figure was 45 cents in 1936.

Mr. BLACK (Cumberland): Per hundred pounds?

Mr. BERTRAND (Laurier): Yes. Salmon, on the west coast, went from $4.03 in 1926 to $2.67 in 1932. Then it went back to $7.89 in 1942. The price of herring remained reasonably constant. It was 77 cents per hundredweight in 1926. Then the price went down to 18 cents in 1932, although in the previous year of 1931 it had been 43 cents, and in 1933 it came back to 44 cents. So that that price of 18 cents is much lower than the price in either the preceding or the following year. In 1942 the price was 54 cents. The price of halibut went from $12.05 in 1926 down to $4.07 in 1933 and $3.17 in 1932. It went up again to $14.44 in 1942.

With respect to inland fisheries, the price of whitefish in 1926 was $8.06. It went down to

$5.37 in 1933, and up to $13.99 in 1942. The price of pickerel went from $9.06 in 1926 to $4.11 in 1933, and up to $8.70 in 1942.

The complete table showing the average prices of fish as landed on the east coast and west coast, and from inland fisheries, is as follows:

PRICES[1] OF FISH AS LANDED EAST COAST

Selected Species (per cwt.)

Year	Lobster	Cod	Herring[2]	Mackerel
	$	$	$	$
1920	11 39	2 64	1 19	5 50
1926	12 24	1 96	0 54	2 38
1927	12 50	1 74	0 73	2 52
1928	11 20	1 91	0 68	2 80
1929	10 30	2 04	0 78	2 38
1930	9 03	1 95	0 63	2 48
1931	7 47	1 40	0 56	1 55
1932	6 43	1 01	0 50	0 92
1933	6 12	1 09	0 46	0 81
1934	8 87	1 30	0 47	1 15
1935	9 91	1 21	0 51	1 17
1936	12 19	1 28	0 45	1 19
1937	12 10	1 36	0 49	1 61
1938	9 11	1 25	0 49	1 21
1939	9 32	1 26	0 49	0 97
1940	9 22	1 59	0 46	1 00
1941	10 47	2 08	0 55	1 80
1942	13 88	2 88	0 70	2 43
1943		3 00		

[1]Unit values.
[2]Not including "sardine" herring.

PRICES OF FISH AS LANDED WEST COAST[1]

Selected Species (per cwt.)

Year	Salmon	Herring	Halibut
	$	$	$
1920	6 19	0 87	13 34
1926	4 03	0 77	12 05
1927	5 50	0 78	11 41
1928	3 61	0 92	8 90
1929	4 83	0 73	10 80
1930	3 56	0 59	8 54
1931	2 56	0 43	5 58
1932	2 67	0 18	3 17
1933	3 16	0 44	4 07
1934	3 49	0 24	5 91
1935	3 45	0 28	6 44
1936	2 58	0 24	7 58
1937	3 12	0 23	7 88
1938	3 65	0 24	6 89
1939	3 95	0 23	7 20
1940	3 84	0 35	8 70
1941	6 01	0 39	9 66
1942	7 89	0 54	14 44
1943	....	....	.....

[1] Unit values.

PRICES* OF FISH AS LANDED INLAND

Selected Species (per cwt.)

Year	Whitefish	Pickerel
1920	$ 7 24	$ 7 58
1926	8 06	9 06
1927	8 00	7 61
1928	9 15	9 04
1929	9 09	8 94
1930	8 31	6 79
1931	6 62	6 57
1932	6 01	6 12
1933	5 37	4 11
1934	7 01	4 89
1935	7 25	5 63
1936	8 19	5 96
1937	8 18	5 56
1938	7 66	5 54
1939	7 37	5 31
1940	8 70	7 44
1941	10 65	7 70
1942	13 99	8 70
1943	....	....

* Unit values.

I believe these figures show that we are wise to set up this machinery, which would become necessary if we were to go through another depression. It is to be hoped, however, that we may escape a condition of that kind.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, in the discussion of this bill, which the minister has so ably explained, we are handicapped because we have not before us—except from memory—the data the minister has placed on the record. We cannot very well work out a reply based upon figures at which we have had only a fleeting glance.

When this matter was before the house on an earlier occasion I expressed some criticism with respect to the conditions under which the bill might operate. At that time it was presented in a somewhat vague form. Now, however, when it is in the shape of a concrete bill, there will probably be no opposition to the passing of it, any more than there was to the passing of the bill dealing with agricultural products. But there probably will be considerable criticism of the method by which it is proposed to carry out the provisions contained in the bill.

No one could reasonably object to the theory—if I may be pardoned for calling it a theory—of putting up the sum of $25,000,000 to help correct a condition of low prices in the fishing industry. Perhaps my calling it a theory could hardly be justified, when the proposal is one of spending $25,000,000 to boost an industry. What I am anxious about is—if, when and how it can be made to work.

At this stage I should like to make a few remarks following what the minister said in connection with the bill itself, because of course I could not anticipate what he was going to tell us. He suggested, and I hope correctly, that we were coming to the beginning of a new era, a new world. I am sorry to have to say so, but experience and history tell us not to be too optimistic. We thought these great thoughts about a brave new world after the last war. Until the millennium comes; until the doctrines laid down by Christ come into practical operation, I am afraid human nature will remain as it is, and human nature has a disposition to endeavour to get ahead t the expense of the other fellow.

The minister made allusion to the way in which a small fish board worked in the east in 1939 and 1940, and said that that legislation had worked well. Quite so; and this bill will work well if we continue on a rising market, or, in other words, if we do not need this measure. But there is a world of difference between setting floor prices on a rising market, which any one can do, and dealing with these prices in a time of depression such as we had in the early thirties. Unless I am grossly mistaken I believe the minister is basing his policy on a wrong premise, although perhaps that is the only one available to him. He uses the word "average," and says that at the end of the year he is going to average prices and find out what has been paid. Then, as I understood, although of course I may be wrong, in some way he is going to pay something additional to those producers who have not received the average price, and in that way make up the difference to them. That word "average" goes to the root and ruination of the whole situation. It is a word beloved of governments. When you are dealing with the government you must almost always do things on an average, but you cannot do them in that way in real life. We cannot all live up to the same ideals; we cannot all live on the same income, and we cannot all produce fish or potatoes or anything else at an average cost. That is humanly impossible. At the end of the year the minister can tell us the average price obtained for cod or salmon or potatoes, but that does not solve the difficulty that one man can produce potatoes at $40 a ton, while another man, working no harder, can produce them for half that cost. The same applies in connection with various fish markets. It might be the wrong average, but let us suppose the average was correct. The average of anything is an exact medium between the highest price or higher prices and the lowest price or lower prices; but you cannot live on an average. You have to live on what you can get. The demand would immediately arise: "You fixed an average on salmon of ten cents," we will say for the sake of argument, "and you cannot produce it in the east or the west for less than fifteen cents." But the government says that the average price was ten cents. Then the fishermen of one district say, "We sold below the average and lost money. We were nearly ruined; we had to scrape very close." I cannot see any virtue at all in dealing with things on an average basis. I would suggest, rather, that you use the best statistics available and say that a certain class of fish is worth perhaps ten cents a pound, that you will keep the price up to that figure and let the man who has been selling for less than that simply drop out. But that makes it pretty tough on him, and the whole purpose of the bill is to protect him.

Then the minister made another point. In dealing with the returns from the fish he said that for various reasons, particularly lack of labour, the production of fish had gone down. It is a little difficult to figure out the relative production when it is expressed in such a low unit as hundredweights, but I woud suggest that there is very little complaint on the score of decreased production. In the east, if I took down the minister's figures correctly, there was actually an increase in quantity. There was a slight reduction in the west, but I suggest that it was not due to lack of labour, because the people out there made a special effort to increase production and in most cases succeeded in doing so. The fact that there was a comparatively small reduction in the quantity of fish caught does not arise at all from lack of labour. People who are familiar with the fishing industry in the west know that the quantity caught depends very largely upon the size of the runs. You might put out a million fishermen and if the run was not there they would not catch any more fish than a couple of hundred fishermen. The famous big run in the Fraser river every four years used to be four and five times the size of the run in other years. No one knew why, but that was the fact; the sockeye run in the Fraser river was enormous every fourth year. Then there is the run of pink salmon. In the majority of places in British Columbia the pink run, which is the second biggest run, occurs only every second year, and as yet no man has discovered the reason for it. So that it would not matter whether you put out a million fishermen; in the off year you would not get any more pinks than what comparatively a few fishermen could handle.

That applies right down the line. I have seen a large fleet go out to catch pilchards,

which they use in the reduction plants. Owing to the current, the heat of the water, or some other reason, the catch might be only a fraction of the catch the year before with fewer boats. Sometimes the pilchards will come within gunshot of the refinery door, almost begging to be taken in; at other times you will have to go two or three hundred miles away and then have difficulty in finding them. I remember that on one occasion the government hired an aeroplane to hunt for them, and they were discovered away down the Pacific coast near California, far from where they are ordinarily found. So that the slightly smaller production of fish on the west coast is not due to any lack of fishermen. I emphasize that particularly, because perhaps in months to come this will be trotted forward as a reason for putting the Japs back in the fisheries. I assure the minister that more fishermen took out licences last year, after the Japs were eliminated, than previously. That is a positive statement; more fishing licences were issued in British Columbia after the Japs were eliminated than before, so that any slight decrease in production was not due to the absence of our yellow brethren.

This bill was brought in very hurriedly, as is only natural at the end of the session, and before we had time to consult the people most concerned. In order that I might get the views of those people, immediately the bill appeared I sent copies of it to the three largest unions of fishermen on the west coast, asking their opinion. Yesterday I had a letter from two of the unions; I have not heard from the third. I should like to quote from the joint reply. They wrote sensibly and at some length, and I should like to mention some of the salient points. They said:

> While Minister of Fisheries Bertrand undertook that when the time came to appoint the board, he would recommend that one of the three members of the board would be a fisherman, he refused to commit himself that such would be the case.
>
> Ignoring for the moment the merits of the bill to meet the situation which it is designed to remedy, it is clear that the contemplated composition of the board is hardly adequate.
>
> The stated purpose being to assure the fisherman an adequate return for his labour, surely there can be no reasonable objection to stating in the act that some members of the board shall be directly chosen by the fishermen themselves. And since there are so many differences in conditions between the Atlantic and Pacific fisheries it would seem, too, that either there should be two boards—eastern and western—or a larger board to provide adequate representation for both coasts.
>
> A board of five members, consisting of representatives of fishermen and the trade from each coast with a chairman representing the Department of Fisheries would seem the most practical solution. A quorum could consist of three meeting at either coast, and we hope that the bill will be amended along these lines in committee before it is passed.

And later on:

> We see no harm, in the principle of the bill. It represents at any rate a recognition that some protection must be provided the fisherman against the vagaries of unregulated economic conditions. We share the hope expressed by the minister that it will not be needed but we would emphasize that hopes alone are insufficient. . . .
>
> Legislation to meet post-war conditions in the fishing industry will need to include measures for conservation of fisheries, marketing of products and regulation of fishing including licence limitation, on all of which matters the fishermen's organizations are now in the process of preparing a considered programme.

That is a very moderate presentation. I wish to make some comments of my own. I do not see why there should not be some provision in this bill for something like the participation certificates in the wheat business. If the government is to take over large quantities of fish and there is a change in the market conditions or what-not and they reap a substantial profit, I think the fishermen would be entitled to participate by means of participation certificates.

The second matter which I should like to mention has not been referred to by the fishermen. The government is not going to fix a price for fish; it is going to fix a minimum price, and I am afraid that there will be a dangerous trend on the part of the trade to accept the minimum price as the basic price. They will say, "You want ten cents but the minimum is five cents a pound; I tell you what we will do; we will give you five cents, the government price." I am afraid an attempt will be made, unfairly I grant, by those in the market to buy fish cheaply. They will say, "Well, the government have put a price of five cents on fish which is equivalent to saying that you can produce it at that; we will give you that and no more." I think the government should take cognizance of that fact. It is not as though they were fixing the price of fish right on up the line; they are simply fixing a minimum, and the trade may say, "The government experts have said that you can produce fish at five cents a pound, and we will pay no more."

My idea would be not to have a minimum but to fix a price for each grade of fish. That could be fixed according to what experience and statistics showed was a reasonable level. Then the government could supplement it by subsidies. It could subsidize, as my hon. friend said, up to that amount. You would then get away from the danger of having the minimum price regarded as the basic price.

Mr. BERTRAND (Laurier): A subsidy would only make things more difficult.

Mr. NEILL: That would be the minister's funeral; not his funeral, but his problem. I am a great believer in letting people run their own affairs. When it is necessary to finance them, do it in such a way that they will not be interfered with. We should not set, say $100 as a reasonable wage for a fisherman because some are liable to sit down and not do anything. I would not let the government run anything. I would not let them run even a funeral because they would be liable to bury the wrong man. Let the people run their own business because they are familiar with it. The greatest incentive in the mind of man is the profit motive. If I hustle out at two o'clock in the morning and attend to my job of fishing, I will make a success of it. But if I can sit down and whistle and say that the government has to take care of me, the whole thing will be a complete failure. Why should the industrious, hard-working fisherman be penalized directly or indirectly because the other fellow is willing to take advantage of these provisions and have the government take care of him? If you are going to pay a man an income he will not get out and hustle, but if you say that pilchards are guaranteed worth $4 a ton at the wharf he will be encouraged to go out and get all the pilchards he can.

It will be noticed that in this brief of the fishermen's union their primary criticism is that there is to be a board of only three men. I raised this point when the resolution was before the house. This board is to control and set prices in connection with an industry huge in volume and with utterly divergent conditions on the east and west coasts. On the east coast there are fish of which we do not even know the names of. A man named one to me the other day and asked me what I thought it was. I told him I thought it was some kind of a flat fish, but it turned out to be a shell-fish.

The minister has said that it is his intention to recommend that one of these men shall be, not a fisherman but a man representing the fishermen. That recommendation will be subject to the governor in council; they may turn him down. I know of one man who was selected to represent the fishermen whose financial interests were absolutely opposed to the interests of the fishermen. However, he was said to represent the fishermen because he knew of their situation.

Men should be appointed who are practical fishermen. They should be appointed by the government, but selected by the fishermen. The fishermen's unions are well organized and they are in position to be responsible for these appointments. The man selected by the government may be a funeral director. He will be appointed because the government thinks he is a suitable man to represent the fishermen. He may have the brains of a Churchill, but how can he deal with such different conditions as exist on the east and west coasts. Not only are conditions different, but the seasons, the runs and the fish themselves are different.

I think the suggestion put forward by the fishermen is a reasonable one, that the board should consist of five members. There would be one man from the trade and one from the fishermen on each coast, and then the chairman could represent the Department of Fisheries, making a total of five. I think that is a moderate request and one which I hope the government will heed. The last day this matter was being discussed the minister said that he would recommend that one of these three members should represent the fishermen. But he did not say that it would be a man nominated by the fishermen; he said that it would be a man to represent them. That man might be a college professor, and in any event the provision would have to be put into the bill before it would count.

I can remember a former Minister of Mines and Resources telling me that a certain thing meant so-and-so when I asked about it in the house. But six months afterwards when I went to the officials and told them they were not carrying out the promise made to me by the minister, they replied that he was not bound by what he said in the house, that he was bound only by the act.

A further criticism I have to make is in connection with section 9 (i), which gives the board power to appoint commodity boards or other agents to undertake the purchase and the disposition of fisheries products. That is a large order. There is no restriction. A tailor may be sent out to handle crabs or lobsters. God help him and God help the people who will be under his control. Who are these men to be and how are they to be appointed? They are to have unrestricted powers. There should be some restriction or at least some qualification for the men who are to run these boards. They should know something about what they are doing.

Mr. BERTRAND (Laurier): It is going to be our responsibility; we are going to see they are good men, otherwise it will be our funeral as the hon. member has said. We do not expect to die this year.

Mr. GRAYDON: You may die politically.

Mr. BERTRAND (Laurier): I have my doubts. I am an optimist.

Mr. NEILL: If this private conversation is finished I can go on. If the minister can guarantee that he will be running this bill, then I shall be perfectly satisfied because I know he will run it wisely and well. But there are always doubts about human actions. A man may die, or he passes on, and it is possible that this might be enforced by somebody who had not his policy or his determination to look into everything.

Paragraphs (a), (b) and (c) of section 9 give the board very wide powers to prescribe prices, to purchase directly by means of agents, to pay to the producer the difference between the price prescribed by the board and the average price. Prescribed by the board? Who is going to prescribe it? The board consists of three men, only one potentially a fisherman. Who is going to fix the prices and give the difference to the fishermen? The board have also power to purchase the fish directly. What are they going to do with it when they purchase it? You have to store it somewhere. Suppose somebody wires to Ottawa, "We have two thousand tons of pilchards on the Pacific coast and the reduction plant will not take in any more." What are you going to do? The government cannot store them in the fisheries offices. Yet you have to do something about it and you have to act quick, or the industry will come to a deadlock while people are sending wires back and forth between Ottawa and the Pacific coast.

Section 11 gives the governor in council power to make regulations. That means this three-man board, which includes a representative of the processors and a representative of the government, who by and large is generally more or less favourable to the processors. Anyway those two would be a majority of the board and they would have power to make the regulations. I submit that this is absolutely unfair. We are not passing a bill if we do that, but an enabling bill to allow these two men to make an act to suit themselves because the regulations will be the whole crux of the bill. This bill does not even contain a clause that has been put in several other bills, notably the one we passed yesterday about agriculture, providing that the regulations must be advertised. No publication of these regulations is provided for, and the consequence is that no man will know the regulations until they are applied. Then you ask, what about it? And the answer you will get is: It is done by regulation. It will take two weeks to find out who passed the regulations, what they mean and where they are. It is hard to get copies of regulations. The regulations which are to be made under bill No. 168, for the support of the prices of agricultural products, provided by section 12, under pressure from farm members in the house, would not become law until published in the *Canada Gazette*. If you cannot handle things in a democratic way but must handle them in a bureaucratic way, at least we must have publicity so that we can know what the conditions are. Eventually we do get the *Canada Gazette* out there, but if the regulations are not published we would have to trust to some typewritten document or to something we saw in the newspapers which does not give a correct picture of the facts. But if the regulations are advertised in the *Canada Gazette,* at least we shall know where we are at.

It comes back to what I said before and to what the unions advocate, that the board should consist of five members, and I would add on my own that the regulations should be advertised in the *Canada Gazette* as soon as they are arrived at.

Then as to the title of this bill, on the outside page these words appear: "An Act for the support of the prices of fisheries products during the transition from war to peace." But those words are not put in the title of the bill on the inside page, where it says, "This act may be cited as the Fisheries Prices Support Act, 1944". Which is to govern? Perhaps what is printed on the outside of the bill may govern; I do not know. But the words outside most certainly do not appear in the title. This measure might be terminated overnight by order in council. Most of the other bills of this kind that we have been passing, under which regulations are to be made, have said that they should continue in force during the conduct of the war and for six months thereafter, or something of that kind. Here is a man, we will say, who has spent a lot of money equipping himself for some phase of the fish business. He has bought nets, and you cannot get a net for much less than a thousand dollars. Perhaps he has bought a reduction plant. He has been benefited by these subsidies, for that is what the payments under this bill amount to, and perhaps he has been kept alive by them, for sometimes they make the whole difference between a man staying in business or going out. Then all of a sudden he gets a notice, not even by air mail, saying, "This thing ends next Monday and you can do what you think best." He is left to do what he thinks best about his

investment. There should be some protection given. They should get at least a season's notice, perhaps one year's notice from the time that that decision is made. You cannot expect men to spend a lot of money on equipment when there is no certainty that they will ever get their money back again. At the beginning of this war we know how manufacturers were reluctant to invest capital in new plants to produce munitions so long as their profits were limited to five per cent. They would not spend a couple of million dollars to get the machinery that was required to make guns unless they had some protection, because at any moment the war might come to an end when they had turned out only one gun, and they would be ruined with all their money tied up in this machinery and plant which was left on their hands. Accordingly provision was made for them.

One other point on which I hope the minister will elaborate is this. The success of the bill will depend in part upon what is done with regard to the export trade. That is a very important element. He does not mention that in the bill. But I do not see how you can coordinate prices suitable for Canadians and possible outside markets which may disappear at any time. That is why I suggested the use of participation certificates. There might be a boom in prices in Europe or elsewhere and the government might come out and say: We will take over this product, and afterwards make good money. Some cognizance ought to be given to the export trade.

It does not seem clear to me from section 9 whether the government will allow the fishermen to run their own business or whether the government in order to keep prices up to a reasonable level will decide to take over the business and run it themselves. That opens up possibilities of enormous expense and losses. Suppose somebody at Ottawa says to these so-called ignorant fishermen on the Pacific coast, "I know your business better than you do and I will take over and run the whole thing. I will take over the whole salmon run." The first thing he would need would be a cannery. Would he build more canneries, or would he buy out existing canneries? The cost of that would be enormous. The same is true of reduction plants. They cost a lot of money and you have to have, not one, but half a dozen. If you go into that business it opens up possibilities of enormous loss, and I warn the government against it because the local people, the men in the business, are the ones best able to handle it. Someone at Ottawa may decide that he will go into the whaling business. Does anybody in Ottawa know how to catch whales off the Pacific coast? He may know something about catching a whale on the Labrador coast, but not on the Pacific coast, where I have seen a large fishing boat come in towing five and six whales. You have no time to write to Ottawa for instructions how to handle them because they have to be handled right away. Similarly, if you get a man from the Pacific coast, his knowledge of lobsters, for instance, would not be very great.

Suppose this three-man board took the notion to take over the whole salmon run, what would it mean? It might be done for a year or two, and with apparent—I say "apparent"—profit; and then the government, having found they had made a complete mess, and that they could not run it so competently with government officials as it could be run by the experience and incentive of personal ownership, would do—what? They would hand it back to these people. Whether they rented the premises or put up competing establishments, they would hand the business back to the people from whom they took it and say "go to it", possibly with the market gone and with the reputation of the product also gone. Of course the government says, "The department won't do foolish things like that." But I know a department not a hundred miles from here that allowed processors to put up a product marked "canned finnan haddie" and put in it hake and pollock and another inferior fish called cusk, and it has ruined the market for canned finnan haddie. If they are capable of doing that they are liable to put up something marked "canned salmon" and have cusk in that as well. Do not let the government go into large business of which they are ignorant. The government's job is to regulate and control; let the people who know best, run their business. If I were a member of one of these fishermen's unions—one branch of them is the cooperatives, and it is the very finest type of organization—I would certainly hate to see the whole control and organization of markets, perhaps in the United States and elsewhere, taken over by the government and handled, possibly by a gentleman of the highest intelligence and honesty, but whose whole experience may have arisen from running some other branch of industry, perhaps fishing in the Atlantic. It would be the greatest mistake to put in such a man to run this business on the Pacific coast, and remember there is not only one; there are eight or nine different phases of the industry.

I said, when we were discussing the resolution on this subject, that it seemed a rather poor reason why we should endorse the legis-

lation when it was hoped it would never be used. Now I understand from what the minister said that perhaps it would never be necessary to use it, and I quite agree; but if it should be necessary I submit that this bill is not definite enough in its proposals, and above all it is just asking for trouble when you appoint a board to run an industry with about ten different branches, duplicated sometimes on each coast, and sometimes not, and it is problematical whether the board will include even one practical fisherman. There is no question about this, because the minister is on record in *Hansard* of July 25, at page 5315, as saying that he would not commit himself to it, but that his intentions were to recommend that one member should represent the fishermen. The government will pick out men—it might be one of us—and say, "You are competent to represent the fishermen." But he does not guarantee even that.

Mr. BERTRAND (Laurier): Officials of the government are appointed by the government. These officials are going to be on full time.

Mr. NEILL: Did I understand the minister to say he was going to appoint five?

Mr. BERTRAND (Laurier): "By the government."

Mr. NEILL: Five of a board?

Mr. CHEVRIER: No; "full time", he said.

Mr. NEILL: I contend that three men are not enough. What is the total output of the industry? I do not know what it is in money, but it is a very big business, and three men are not competent to run an industry so diverse as this is and located so far apart. I beg the minister to consider this point, that the board should have a membership of at least five, with not less than two nominated by the working fishermen on the Pacific and, of course, the same on the Atlantic.

I should like to take the opportunity here, which I did not get when the minister's estimates were before us, of complimenting him upon the attention he has paid to the duties of his position. He has been out to the Pacific coast twice in less than three years; when he was out there the fishermen—and he got in touch with them, that is the working fishermen—and the business men with whom he came into contact, at least those whom I have had anything to do with, appreciated his businesslike grasp of everything he handled, and he took a keen interest in every proposal put before him. If he wants to wind up his political or his fisheries career by putting himself on a pedestal for all times among the fishermen of the Pacific coast, an action which perhaps might do the fishermen more good than this bill, with all its potential trouble and expense, would be for him to use his influence with his colleagues to prohibit the return of the Japanese to the fishing industry on the Pacific coast. If his colleagues prove obdurate he may then do it himself, by a very simple regulation, not requiring any appeal to the senate or anybody else. I assure him that it can be done by a stroke of the pen.

Mr. BERTRAND (Laurier): Might I say that if the Japs were fish I could do it right away; but they are not.

Mr. NEILL: Well, at any rate they are queer fish. I saw only this morning in the newspaper—and I hope you like it—that 2,000 Japanese will vote in Alberta at this provincial election. Every man Jap and woman Jap will vote for their friends of the C.C.F. I repeat, I hope you like it.

Some hon. MEMBERS: Order.

Mr. NEILL: However, I have got off my line, of course, and I apologize.

In the meantime I hope the minister will correct or amend this bill to provide a membership of five. The fishermen feel keenly on this. They do not ask a great deal. They have expressed their views clearly and temperately, and it is my conviction that the government should appoint five men and also that they should gazette the regulations before those regulations are given the force of law.

Mr. J. J. KINLEY (Queens-Lunenburg): I want to express first a word of commendation to the minister for bringing forward this bill. I should also like to congratulate him on the concise and brief way in which he explained it to the house. It was very clear, and I believe we all agree that it is a step forward for the security of the fishing industry. The hon. member who has just taken his seat (Mr. Neill), in his inimitable way, and rather facetiously, criticized the bill. Perhaps some of his criticisms will have a salutary effect, but I have come to the conclusion from the numerous criticisms he has made that he is "seeing ghosts." However, it is a matter of providing for the future, and there is always some uncertainty about that.

This bill is similar to the farmers' bill which was put through this house a few days ago. That measure was not intended to interfere with free enterprise. One hon. member, I believe, referred to it as the "if, as and when" bill. I believe that that is a good description of both measures. It means that if the occasion arises we shall have legislation which we can invoke for the purpose of keeping up the standard of living of the fishermen, so that

they will not suffer as they did in the past, owing to depressions and absence of markets. It will put the resources of the nation behind the fishing industry in times of peril.

The fishermen are doing very well now. I do not think there was ever a time when our fishermen received better returns than they do at present. I might add that in so far as the run of fish is concerned, of which mention was made by the hon. member for Comox-Alberni, fish are extraordinarily plentiful on the Atlantic coast, and this, added to the price, means that fishing is now in a really buoyant state.

I do not think we should interfere with the fisheries so long as the prices are fair. We must realize that fish is a very perishable product; it must be handled quickly, and marketing organizations, transportation and equipment are essential in this industry. The firms who are handling the business on the Atlantic coast, at least in some of the centres, are well equipped for these purposes. I must say, however, that there are parts of Nova Scotia where equipment is not so good and transportation is slow, where entrance to the markets is such that there is danger of deterioration in the quality of the fish before they can be put into the proper storage. This organization is wanting in many parts of the coast. In my county it is well developed, especially in the towns of Lunenburg, Liverpool, also in Halifax and some parts of Cape Breton. I know it will be difficult to put a floor price under fish. Seventy per cent of the fish is exported to foreign countries, and anyone who is acquainted with foreign trade knows that the price in the foreign market will largely determine the price of fish, so that a floor price is something that might not work to the advantage of the fishermen. But this bill does not fix a floor price. In effect the government says, "We stand by, and if the price received is not sufficient to give the fishermen a decent living we will supplement that price. Furthermore, if there is not a sufficient market we will buy the fish ourselves and use the resources of the country in order to stabilize the situation and sell the fish to the best advantage of the industry."

It will be recalled that some years ago we had a price spreads committee, which developed afterwards into a royal commission, and that commission investigated price spreads in Canada. Fish was in the forefront, from the point of view of the price paid by the consumer and the price paid to the primary producer. There was a wide spread, and people expressed concern in many places over the difference between what they paid for the fish that appeared on their tables and what the fishermen received on the coasts of Canada. That is something that is not well understood by the uninformed. The price paid the primary producers is paid for an article that is different from that for which the price is paid by the person using the fish. For instance, fish must be processed, and in the processing a great deal of it becomes offal; also, in the drying of fish a great deal of the weight is lost by the elimination of water. To the uninformed a picture is presented which is not quite intelligible, so that a wrong impression may be created.

However, one thing that this board might do, and in my opinion can do, is to see to it that this vexed question of price as between producer and consumer shall receive its attention, and the board can deal with it in a definite way and for a specific situation. This feature will always be a factor and, in my opinion, one of the factors that will operate not only for the benefit of the fishermen, and the industry generally, but also in the interests of the country. It will create an intelligent idea of what price spreads mean in connection with fishery products. When you set a floor price the dealer might go to the fisherman and say, "I will give you so much for your fish." The fisherman says that the fish is worth more than he is offered, and the other replies, "That is the government price and I am giving you the government price." A floor price is, therefore, apt to be regarded as the price that should be paid. That, I think, is something that is carefully guarded against in this bill because it is not intended to set a floor price. What is said to the fisherman is this: "If you do not get enough we will buy the product or make up the loss to you, and in that way we will see that your price is brought up to the level at which it should be in a fair economy." That shows a scientific approach to the question and in my opinion it is an admirable feature of the bill. For that reason I think it should receive the enthusiastic support of all elements in the industry and of people generally.

There will be difficulties of course. I suggested to the Minister of Agriculture (Mr. Gardiner) the other day that he might anticipate embarrassment from other countries dumping products into Canada if we had this sustained price. There has been considerable criticism in Nova Scotia about the dumping of fish from Newfoundland. Fish comes from Newfoundland into Nova Scotia, and they have a lower standard of living there in Newfoundland than we have. One of the difficulties of the fishing industry in our province is that we are in competition with countries where there

are lower economic standards—such countries as Iceland, Norway and Newfoundland. All these countries, the European countries especially, are economical in their living and in their work, and they seem to be able to enter these foreign markets and in the past have done so perhaps more advantageously than Canada was able to do.

There is another thing to be considered. In our reciprocity agreements there is a paragraph that provides that if you stimulate industries in certain ways so as to disarrange the exchange, or if you try to stimulate your business in an artificial way, the result may be a cancellation of the agreement. But there is also a clause that provides that anything that is done for the social or physical welfare of the people in the way of social security or health shall not be regarded as a subsidy. For this reason I was enthusiastic about family allowances, because I can see among the fishermen along the coast of Nova Scotia that the man with a large family who has been unsuccessful in his industry will have something coming from his country to sustain his family. It will not become a part of any countervailing trouble with another country so far as trade arrangements are concerned. Family allowances will be especially good for the fisherman because they will make him more secure and place him in a better position with regard to export trade. Suppose some year world prices fall very low—and we must remember that we market our fish in the world market. The fisherman has his backlog of family allowances, and he will be in a much better position to stand the strain of some of those prices than he otherwise would be. And so, above everything I can see, there is nothing to compare with family allowances, so far as the fishermen along the coast of Nova Scotia are concerned. It is a floor under the family.

There is another feature of the bill which I think is important. It does not fix things in a static way. It is flexible, so that it can be used if, as and when it is needed, in order to stimulate the trade in the country. In my view this is a step forward.

The fishing industry in my county has been cooperative for many years. I believe the success of the fishing industry in the county of Lunenburg, which I have the honour to represent, has been for years a romance in industry. I say that because it has been outstanding in its success, it has been outstanding in the community it has built up, and it has been outstanding in that it has survived the depression of other years. To-day it is growing in a way which bids well for the future.

[Mr. Kinley.]

I do not quite agree with the minister in his statement of the production theory. There was a time when it was hard to find a market for fish, and I think that day will come again. I do not believe in immense production, just for production's sake. Industry is for a purpose, that purpose being to sustain the people of one's country. In so far as it sustains the people of the country it should be promoted. And, so far as I can, I wish to keep it that way.

Many Lunenburg fishermen, operating in a cooperative industry, own shares in vessels. That was done in this way: The vessel is divided into sixty-four shares. A young man might want to have a vessel. He might consider himself equipped to be a skipper of a schooner, and if he felt that way he would go around to get people to take shares with him. If they had confidence they would take shares; he would then go to his crew, and his crew would take shares. And if one man did not have the money he would say to another man, "Let us join notes in the bank; you take part and I will take part and we will put it into the vessel."

I attribute the success of the Lunenburg fisheries to that cooperative effort. That was cooperation between capital and labour; it was not a class movement. It was a movement where each shared in the industry, where each had an incentive to work, and where each and everyone had a stake in the success of what was going on.

This went on until the depression. Then, when the depression came along, the fisherman who did not have very big resources, did not as a rule retain his share in the vessel. He took an opportunity to sell. When the vessel lost money he was even more anxious to sell, because he could not afford to bear the loss. As a result, the merchants got control of most of the vessels. I think that was to the detriment of the fishing industry, and I hope that the industry will be developed in the future so that, so far as possible, the men will have a stake not only in the production, but in the venture as well. In that way we would have the cooperation in a healthy form, and one which gives the best results.

In connection with the production of fish let me remind the house that in the last three years we have tried to build fishing vessels. However, the navy, the air force or the army have come along and said, "We would like to have this vessel"—and they would simply say, "We will simply change her over, to suit our requirements." For that reason there has been no opportunity to build vessels for fishing purposes along the coast of Nova Scotia,

because to a great extent the shipyards were engaged in the war effort. That, of course, is the way it should be. Furthermore, if one looks up the records he will find that men along our coast are either in the army, the navy, the air force or the merchant marine. There are very few men left—certainly there are no young men. It is nothing short of phenomenal that we have kept up our production, in view of the conditions we have had to face.

Mr. NEILL: We have exceeded it.

Mr. KINLEY: Yes, production has really increased. As my hon. friend has pointed out, there are some years when there are no fish, and in those years you cannot get production. That is true on the Atlantic coast, as well as on the Pacific coast. Some years there are lots of fish, and other years the fishermen have to go further to sea to get their catch.

Taking it by and large, the activities of fishermen in the last few years have been most commendable. And let us remember this, that the fishermen who go out along the coast of my province are fishing in dangerous waters. While the merchant marine and other vessels sailing the Atlantic are subjected to the dangers of submarines, and that sort of thing, the fishermen must be there like sitting ducks, fearing at any time to be destroyed. While I am pleased to say that none of them has been destroyed by submarines, at least two of our vessels were run down by convoys on their way to Europe, resulting in a loss of a number of men from my home town.

I cannot let this opportunity pass without adding a few words about the beam trawler. The beam trawler is an efficient machine; there is no doubt about it. But do not forget it is centralized control. Fishermen cannot own beam trawlers. Beam trawlers will be controlled and managed by the big fish corporations, and we have facilities in both Lunenburg and Halifax. And on the score of beam trawlers, so far as my county is concerned, I can say that we will be in the vanguard of progress at any time.

But there is the human element to consider, and I think one of the great purposes of the beam trawler is to get clear of that human element. While there is a scarcity of fishermen at the present time, it is a war condition I have been in public life and associated with fisheries and fishermen all my life, and my chief concern has been to get a place at the table where those fishermen can get food and employment. For that reason I do not want anything to happen that would make less labour in the fisheries along the coasts of Nova Scotia, or otherwise be a detriment to supply and demand.

Another matter Mr. Speaker.

It seems to me we have arrived at a time in Canada where we will have to make a decision. The fishing schooners along our coast are paying enormous amounts in income tax to the exchequer of this country. The fishing industry in Lunenburg is a cooperative industry. The set-up, however, is not quite in conformity with the act of parliament which permits cooperatives to function without taxation, and also allows the setting up of reserves so that they by statute pay nothing to the war-time exchequer. Government ownership also is in this class.

In Ontario they have their hydro system, which pays no federal tax—and naturally so. It is a provincial concern. The other day we heard that Quebec was to take over a power company—and I am not complaining about or criticizing that. But about $8,000,000 in taxation which formerly came to the federal treasury will not now be paid. In fact, we are told that similarly Saskatchewan is taking over the hydro there, and in that way they will get clear of income tax. Then, the wheat pools in the west can have their reserves.

Furthermore, the companies which finance them are free of taxes. But the fishermen in Nova Scotia, who are really cooperative, must pay the government thousands of dollars in income and excess profits taxes. The country cannot continue in that way, in the interests of either private or cooperative industry. A country cannot be half slave and half free. If some of us must pay taxes while others go free, we are working for the people who operate businesses and do not pay taxes. Therefore, if the revenues of this country are to be protected; if business is to be kept stable and free and to be judged upon its merits, the government must come to some decision as to whether some industries in this country shall pay no taxes while others pay the shot for running the country's affairs. I do not believe industry should be free of taxation, unless it needs stimulation. I have no objection to this kind of assistance being given the small cooperatives, where a few people try to get together and get ahead. I am all for some concession to them. But when they get into the realm of big business, when they go into pool insurance, pool wheat marketing, pool elevators and all that sort of thing, then I say the position should be reviewed. If we are to judge business on its merits; if we are in favour of free enterprise, then let it be free. If it is free, then let us have a free field and no favour. That is my doctrine and philosophy. I believe the time has come when we should seriously review the conditions that exist throughout Canada, with regard to the activities of provincial

governments and other activities in various parts of the country that at present are tax free.

May I refer to export trade? We hear a great deal about export trade, Mr. Speaker. Of what does it consist? We sent to other countries food and materials for their people. Those people feed on and use our products; then they say that in order to have a balanced economy they must send back to us goods which will be sold in our country, and by this circulation we are supposed to bring about a healthy economy. Well, the thought occurs to me that if this be so, and it is, why not bring many of these people to our country, feed them at our own table here in Canada, and let them work with us? If we had twice as many people in this country we would not need as much export trade. I think the immediate problem of the future is immigration; I believe we must have selected immigration in order to have a population large enough to sustain our economy and carry our overhead. Mark you, I am not against export trade; I am all for it, but we should have both. In the United States they have 130,000,000 people, who provide a great home market. They also have a great export trade, and the home market and the export trade work together. It seems to me that in the immediate future we in this country must give consideration to that matter.

I am afraid I have gone a little far afield, Mr. Speaker, but I wish to say that I like this bill because it is flexible; I like it because it is not a frozen statute that contains great detail but because it provides a stand-by that can be used as a lifeline in time of peril. The hon. member for Comox-Alberni does not like a board of only three members. Well, we have a supreme court in Canada that has only a small personnel, and its decisions affect the whole country. The Minister of Agriculture said the other day that there would be advisory boards all over the country. We must have orderly control if these things are to operate properly. They cannot be let go haphazard; there must be some supreme authority. That supreme authority is the government, and they appoint a board. It seems to me the government can control a board of three much better than they can control a board of, say fifteen. I want the government to be in control. These advisory boards all over the country will bring various matters to the attention of the central board, where I hope they will be intelligently dealt with. I will say that the fishermen must be represented on all these boards.

[Mr. Kinley.]

I want to tell you that down in my county we have fishing skippers who can take their place anywhere, who know the fishing game and who know all about business. I could name many men who would adorn this board and bring to it practical experience that would have a salutary effect, giving it balance and helping it work for the good of the fishermen. I have faith that this will be done; I am sure that will be so if we who represent the maritimes can exert any influence in the matter.

This measure is intended to prevent disaster to the industry and poverty to the fishermen in times of financial peril. If it accomplishes that purpose it will be a good measure. I say we should try it out; put it through, and we will not have the fishermen coming to us later on saying, "We get poverty prices for our fish, while other people in this country are prosperous."

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. V. J. POTTIER (Shelburne-Yarmouth-Clare): Mr. Speaker, I wish to take my stand beside those who favour this legislation. Representing as I do a constituency where a large number of the people depend upon the fishing industry, it gives me great pleasure to support this measure. I support the principle of this bill on its second reading on two grounds. First, I favour the recognition of federal responsibility in the matter of fisheries and, second, I favour this immediate measure for the benefits that the fishermen will derive from the legislation.

I should like to refer briefly to the history of government responsibility from confederation on and indicate the difficulties that have been experienced because of the attitude taken by both federal and provincial governments. These difficulties end to-day in this measure which indicates a breaking of new ground, so to speak, by the federal government. The British North America Act gave jurisdiction over the seacoast and inland fisheries to the federal government. Immediately a bouncing procedure began where this jurisdiction was tossed back and forth between the federal government and the provinces. We find the federal government saying, "True, we have jurisdiction in so far as seacoast and inland fisheries are concerned, but that means only jurisdiction with regard to regulation and control; the responsibility

for the individual fisherman, to see whether he is prosperous is not ours; that is for the provinces under property and civil rights and the general responsibility of taking care of the individual."

In the midst of that argument the British Columbia fisheries case was decided by the privy council. Under that case the rights to fish in tidal waters were decided as belonging to the Dominion of Canada, not to the federal or provincial governments. In other words, fisheries in tidal waters were considered to be the right of the people of Canada as a whole, not of the dominion or provincial governments. That simply complicated the matter a little further, and the bouncing procedure between the federal and provincial governments continued until 1935. I do not want to make this a political speech because the matter is more serious than that.

In that year we were in a great depression. From 1930 on, the responsibility had not been recognized by either the provinces or the federal government, and nothing had been done to take care of the fishermen while they were going through the depression. On October 3, 1935, we find Mr. Bennett, then Prime Minister of Canada, addressing a public meeting in Bridgewater, in the constituency of the then Minister of Fisheries. Mr. Bennett made this terrible admission, according to a report in the Halifax *Herald* of October 4, 1935:

> Turning his attention to fisheries policies of the Conservative party, the Prime Minister declared an immediate survey of the entire industry was essential, to spur the industry along a forward march of progress. The remedies he suggested, were: first, we must have better knowledge of the requirements of the people who buy our fish. . . . Second, trade commissioners should have complete knowledge of the fisheries. . . . Third, we must find out how we can assist the fishermen. I confess I do not know. I tell you, frankly. . . . Fourth, we shall continue extensive advertising to make your fish better known.

I think he was telling the truth. Because of this lack of responsibility by any government the Department of Fisheries at Ottawa had become nothing more than an unwanted child thrown from one minister to another. Sometimes a real minister was in charge of the department; sometimes only an acting minister was at its head. The result was that we had Mr. Bennett saying that he did not know how to assist the fishermen. The department had been unable to deal with the situation, to find out what the remedies should be. The same thing can be said of the previous administration.

In March, 1937, when I spoke in this house I referred to what I thought was the first thing that had to be settled, namely, the responsibility for the industry, whether it belonged to this government or to the provincial governments. I placed the fishing industry in the same category as our agricultural industry and I contended that our fishermen should be treated the same as our farmers. That is now being done by the measure before the house. At that time I said:

> I realize that it would be unreasonable for me to ask for discrimination in his favour. We cannot favour one against the other. I therefore propose, briefly, that we follow the policy adopted to take care of another primary industry in another part of Canada.

Then I went on to refer to the farmer. I felt that the first thing that had to be done in order to take care of the fishing industry was to remedy the terrible conditions existing. This is a great day for the fishing industry when we find a measure of this kind before this house. We have had bill No. 168, providing minimum prices for the farmer, and we now have bill No. 169, making the same provisions for the fishermen. There is some difference in the amounts, but perhaps that should be so. One after the other these industries are coming into their own; measures have been introduced to take care of the primary industries of fishing and farming. I am happy to stand here to-night as a member of this house representing my constituency and support this measure.

This measure is necessary. I should like to indicate the situation that existed in 1935 at the end of the great depression. Let me give again some figures that I gave previously to the house indicating the earnings by different boats:

> The status of a large number of fishermen in the maritimes has become desperate. For example, in one district in my riding, which was once a prosperous and successful fishing district, the catch for 1935 followed the general trend. I want to see it improved. I should like to give some examples of the earnings of some of the fishing boats. I shall not give the names, referring to them only by number.
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> Boat number one, with a crew of twenty-two men, fished for fourteen weeks. It stocked $4,000, and the average share per man per week was $4. Boat number two, with a crew of twenty-one men, fished nine weeks. It stocked $2,272 and the average share per man per week was about $2. Boat number three, with a crew of eighteen men, fished twenty-two weeks. It stocked $4,600 and the average share per man per week was about $1. Boat number four, with a crew of twelve men, fished thirteen weeks. It stocked $2,100 and the average share per man per week was $4.50. Boat number five, with a crew of six men, fished thirteen weeks and the average share per man per week was fifty cents.

That was a general picture because those were not isolated cases. They were not the worst cases; they simply showed what was happening in the fishing industry when men were making from fifty cents to $4 a week over a period of ten, fifteen or twenty odd weeks. That was the condition facing the industry. That was the condition after we had had a period of prosperity following the last war.

I should like to indicate further the number of people who will be affected by this measure. We have approximately 80,000 fishermen in Canada, engaged in an industry that produces from $30,000,000 to $75,000,000 of fish each year, depending largely upon the prices at which the fish is selling. There is no great variation in the quantity of fish caught, but there is a great variation in the prices paid for the fish. That is why I support this measure. I think it is necessary.

We have on the Atlantic coast what are known as fishing banks, an area of 75,000 square miles, the greatest cod and haddock fishery in the world, bar none. On the pacific coast we have one of the greatest salmon fisheries in the world. These are assets which the Canadian people have to take care of, and the people engaged in this industry have a right to look to this and other governments for assistance when conditions beyond their control make it impossible for them to gain a decent and proper livelihood.

A word as to Canada's position in world fisheries. Canada exports about seventy per cent of its fish products. Canada produces only about four per cent of the world's production of fish. I am quoting from the 1937 figures which were given by the United States tariff commission and I believe that they are approximately correct. They show that the total world catch of fish in 1937 was approximately twenty-five billion pounds, of which twenty-five per cent was produced by Japan, seventeen per cent by the Soviet Union, ten per cent each by the United States, the United Kingdom and Norway; four per cent by Canada, three per cent each by France, Germany, Spain, Newfoundland and Iceland, and nine per cent by other countries. Norway, Canada, Newfoundland and Iceland were primarily engaged in producing fish for export. So that we are just a part of the world's picture. How can we expect, therefore, that the individual fisherman can stand up by himself without assistance in a competing world when conditions over which he has no control make it impossible for him to carry on?

Let us look for a moment at what happened after the last war, and let me say that I think the same thing is going to happen after this war. Speaking in this house on May 25, 1939, on the bill to establish a salt fish board and giving it my support on these same grounds, I said:

During the period of the war—

I was referring to the war of 1914-18, and it is my considered opinion that in a general way we shall face the same situation after this war, and should be ready to meet it.

—owing to disturbances in Europe interfering both with the fishing grounds and European fishing operations, there was in Canada a favourable reaction upon our fishing industry. There was increased demand and prices went up. After the war, however, and since that time they (other countries) seem constantly to have gained ground to our disadvantage.

I went on to show what the government of Norway had done in voting $3,000,000 as bounties for the three-year period beginning in 1920, and I showed what other countries had done. I summarize the situation in this way.

Bounties for fishing operations were given by Germany and Japan. Bounties on exports were given by France, the Irish Free State, Italy and Newfoundland.

Grants for the construction or repair of vessels were made by Germany, Japan and Newfoundland.

Grants for the construction of freezing establishments were made by Japan and Norway. Government loans and guarantees were made by France, Iceland, the Irish Free State, Italy, Netherlands, Newfoundland, Norway, Portugal, the United Kingdom and Denmark.

One after another these countries were priming their fishing industry, granting assistance of various kinds which made it impossible for the Canadian fisherman who did not have this assistance to carry on.

Promotion of the home market was undertaken by Denmark, France, Germany and Japan.

Other aids by governments of different countries were preferential transportation rates; tax or duty exemptions; emergency relief; other governmental aid such as in the Union of Soviet Socialist Republics.

I am going to take codfish as an illustration of what happened generally in the fishing industry. It will show the trend of what has happened in our fisheries since the last war. I have a table taking five-year periods, showing the weight of the fish caught in

pounds, the landed value and what this represented per pound. The table is as follows:

Year	Weight (pounds)	Landed value	Cents per lb.
1919.....	260,677,000	$8,288,243	3·1
1924.....	188,831,600	4,260,882	2·2
1929.....	197,944,000	4,040,562	2·0
1931.....	146,362,600	2,044,371	1·3
1936.....	162,000,000	2,030,779	1·2
1939.....	161,918,300	2,026,607	1·2
1942.....	193,556,700	5,570,400	2·8
1943.....	207,646,800	7,201,570*	3·3

* Estimated.

The table shows that the price of fish to our fishermen to-day is two-tenths of a cent, per pound on the average higher than it was in 1919. Unless something is done, we shall fall back from the 1943 price of 3·3 cents per pound to the prices we had in 1939, 1936 and 1931, when the returns to the fisherman were respectively 1·2 cents per pound, 1·2 cents per pound and 1·3 cents per pound, or approximately one-third of present prices. The house will understand that the prices I have given in the table were average prices, and that in some places the prices were higher and that in other places the prices were lower. But the point I wish to make is that we have gone up from a price of 1·2 cents before the war to 3·3 cents to-day, owing to the war and other causes which I have indicated. I emphasize that point because we do not want to go back to where we were before, and that is why this measure is so necessary to prevent a return to the low prices that we had before the war.

The United Maritime Fishermen had this same thought in their minds in the brief which they submitted to the Minister of Fisheries this year. I should like to quote the following passage from their brief:

> In the past years, especially during the period between 1923 and the beginning of the present war, the fishery of the maritime provinces was in a state of chronic depression. Ample evidence of this is to be found in the fishery statistics. These figures indicate that in 1939, which was not by any means one of the worst years, 30,524 fishermen in Nova Scotia and New Brunswick received for their total landings of fish the sum of $7,467,919 gross, making an average of $244 each.
>
> Out of this had to come the fisherman's operating expenses.

Just imagine what a terrible situation you have when the average person in an industry gets $244 a year, and out of that has to pay his operating expenses, bring up a family, and carry all the other responsibilities incidental to him as a member of the community!

We cannot allow the fisherman—and a number of these after the war will be returned men—to be left on their own responsibility, having to compete not only with individual fishermen of other countries but with the advantages these other countries will give to their fishermen in turn.

This measure will protect the price to the fishermen to the tune of $25 million. The important powers under the bill itself are contained in section 9, subsection 1, subparagraphs (b), (c), (d) and (e), to which I will briefly refer.

The first power is:

> (b) to purchase directly or by means of agents at such prices any fisheries product if such product on inspection meets standards as to grade and quality prescribed by or under any act of the parliament of Canada.

The second is:

> (c) to pay to the producer of a fisheries product directly or through such agent as the board may determine the difference between a price prescribed by the board with the approval of the governor in council for such fisheries product and the average price as determined by the board at which such product is sold during a specified period if such average price is below such prescribed price.

The third power is:

> (d) to sell or otherwise dispose of, directly or by means of agents any fisheries product purchased by the board.

The fourth power is:

> (e) to package, process, store, ship, transport or export, directly or by means of agents, any fisheries product.

Increase or decrease in the price of fish depends on a number of things; among others, on production, markets, processing methods, marketing and general conditions in the country itself, as well as general world conditions. That is to say, prices tend to increase if there is a decrease in production; further markets are found; improved processing methods are brought into play; orderly marketing is taken advantage of, and there is general prosperity in this and other countries. If, however, there is temporary overproduction, loss of markets, loss to other commodities owing to better processing, disorganized marketing and general depression, then the price of fish will decrease.

Generally speaking, I take it that if there is temporary overproduction or loss of market, the board will purchase to take care of the oversupply. If there is loss to other commodities owing to processing or disorganized marketing, the board has power to process or organize marketing. If a general depression takes place then the board can pay the producer an amount toward assistance to a price to make up for the general depression.

I know some will say that we depend on export markets and ask, how can the government control prices in view of that fact; how

are you going to get around the difficulty of placing prices for different areas, different conditions, different qualities of fish, and a hundred other arguments? I am not afraid of these, because I have come to the conclusion that any matters of this kind can be adjusted and expedited if sufficient good will, effort and energy are spent by those who try to put them into effect. If, on the other hand, the people who are affected realize that these conditions and regulations are for their general benefit, you will have no difficulty in bringing such conditions and regulations about and having them put into effect; and I believe that this measure will be worked out with that end in view. I would say this about the officials of the fisheries department, that they know the fishing industry, have the fishermen's problems at heart, and are willing to grapple with them. On the one hand we are going to have officials who are inspired by this resolution, and on the other hand, the people in the fishing industry realize that this measure is being brought about for their benefit. Under these conditions I am convinced that the necessary measures will be made effective and benefit the fishermen. I have no doubt that this measure will prevent prices of fish going for starvation wages or earnings. That is the point in which I am interested. I do not mean that this measure will hold the price of fish on the market; I mean that it will bring about returns to the fisherman which will enable him to carry on.

In conclusion, Mr. Speaker, may I say that the inscription over the entrance to these buildings has now a different meaning to me. I have in the past often wondered, when passing under that inscription, "The wholesome sea is at her gates, her gates both east and west", whether one could correctly say that a wholesome sea was one which produced hunger and want to those who went down to it.

This measure, if it is put into effect, will enable those of us who live in our kingdom by the sea to say with the rest of Canada, as in the poem, "There is a Land":

> And O, her skies are bright and blue,
> Her waters bright and pure;
> There's balm within her forest shades
> All world-worn men to cure:
> The wholesome sea is at her gates,
> Her gates both east and west,
> Then is it strange that we should love,
> This land, our land, the best?

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I have the privilege of speaking this evening not only for my own riding but for that of Vancouver North, and this I do with authority. Some fifty-five per cent of the fish produced in Canada are taken in the waters of British Columbia, and the industry directly affects in more or less degree such constituencies as Comox-Alberni, Skeena, Vancouver North, New Westminster and Fraser Valley. I am in a happy position in speaking on this subject because in my entire riding there are approximately only one hundred fishermen. However, as I have remarked, I am privileged in this matter to represent with authority the constituency of Vancouver North, and, indeed, also the riding of New Westminster. In my opinion the hon. member for New Westminster (Mr. Reid) is a greater authority on fishing than any other hon. member.

Mr. CASSELMAN: How about the hon. member for Comox-Alberni (Mr. Neill)?

Mr. CRUICKSHANK: Present company always excepted. The hon. member for New Westminster is on his way to British Columbia to attend meetings of the international fisheries commission, to let a contract for Hell's Gate, which happens to be within my riding, although there are only a hundred fishermen there. I wish there were two thousand because they would all vote for me. But unfortunately there are only one hundred.

On this subject to-night, I can speak with authority not only for my own riding but for Vancouver North, and I wish to deny something that came to my notice so far as British Columbia is concerned. It was implied that the people of British Columbia were not all in accord on this subject. Let me assure the house that the people of British Columbia, fishermen, merchants and everyone else, are one hundred per cent behind this bill. I have never brought in this subject before as an excuse for making a speech, and in this connection I might say that I should like to borrow some of the clothes, so to speak, of the leader of the opposition (Mr. Graydon), because I want to make a hit in another place. If this legislation had been in effect some years ago, in Comox-Alberni, or in any other part of Canada, H. R. MacMillan would have been working for Cruickshank. I am rather proud of that fact, and I want to quote something to the house for the information of those members who do not know all the facts. The hon. member for Skeena (Mr. Hanson) does not know what I am going to disclose now in the quotation I am about to give, nor does the hon. member for Comox-Alberni (Mr. Neill) know it. I hope the house will pardon me for introducing a personal note in this, but that cannot be avoided. I wish to quote from the Vancouver

Daily Press, which carried an article discussing Captain George Robertson of Penticton, in the riding represented by the hon. member for Yale (Mr. Stirling). Captain Robertson is now eighty-seven years of age. I quote:

In 1887 Robertson and George Cruickshank, father of the present member of parliament, partnered in a halibut fishing venture.

I want the hon. member for Comox-Alberni and the hon. member for Skeena to note that. That was in 1887, long before either of them ever heard about fish in Canada. At that time Alexander Cruickshank, senior, was fishing.

Mr. HANSON (Skeena): Where were you then?

Mr. CRUICKSHANK: I was not yet born. To continue:

The value of this fish was just being recognized and good prices were obtained, as both the eastern and local markets were clamouring for supplies.

This has a bearing on floor prices because, if this legislation had been in effect then, H. R. MacMillan would have been sweeping my office now, working for me.

They found an abandoned 35-foot schooner on the beach at New Westminster, paid $600 for it and set sail via Cape Scott to the west coast of Vancouver island. They came home with a heavy catch—

This is the point I want to emphasize because British Columbia is emphatically behind this legislation.

—but the day they docked the price dropped to 6 cents a pound from 18 cents the day before.

I quote this, even though I do not like introducing the personal note again, to show that my father and his partner, Captain Robertson, undertook a halibut fishing venture away back in 1887. I want these amateur fishermen to notice that. The second time they had a good trip; on the third trip my father was back in Boston endeavouring to sell the catch when the boat went on the rocks and was sunk and they went broke. These amateur fishermen do not know anything about that.

I quote further:

In 1892 the first shipment of iced halibut was sent out from British Columbia to the eastern markets by the New England Fishing Company.

That was before these people ever saw Canada.

Mr. NEILL: Pardon me. I came to Comox in 1891.

Mr. CRUICKSHANK: It was one year after you saw Canada then.

Mr. NEILL: Before you were born.

Mr. CRUICKSHANK: I admit that. It was one year after, in 1892, that the New England Fishing company sent the first shipment of iced halibut and the competition was too keen. My father and Captain Robertson could not compete against such conditions, especially after having their boat go on the rocks.

I speak with authority for the Fraser Valley riding and for that great riding of Vancouver North, the second fishing riding in British Columbia. I know also that I speak with authority for the member for New Westminster, who unfortunately is not able to be here to-night. We are all behind the bill in British Columbia. We appreciate the efforts of the minister, irrespective of party. When we had farm legislation I refrained from discussing it, much as I was interested, and I refrained from speaking on family allowances, because I decided to leave that to my hon. friend the member for Vancouver Centre (Mr. Mackenzie), who knows more about it than I do. But I want to be emphatic in the statement that in British Columbia we do believe in the new order; we believe in the new idea, and we believe that one way of making that new order possible is to guarantee to the primary producer, whether he be fisherman or farmer, a level that will enable him to make an honest living.

Mr. C. J. VENIOT (Gloucester): I hardly think any member will accuse me of having abused the time of parliament during the present session, and I wish to profit by this opportunity to associate myself with hon. members who have already spoken and expressed their approval and gratification at the introduction of a measure to support the prices of fisheries products. Representing a riding where there existed formerly one of the largest fishing fleets in the maritime provinces, I can do nothing but give my wholehearted support to this bill and to say that ever since coming to this house I have advocated measures which would give the fishermen better prices, better purchasing power and a better means of livelihood.

I was pleased and somewhat surprised to read the remarks made by the hon. member for York-Sunbury (Mr. Hanson) when discussing the estimates of fisheries on June 20 last in which he referred to the price of fish, cod and herring, prevailing in the county of Gloucester, the riding I represent. In making his remarks the hon. member desired to bring to the attention of the minister a situation which had arisen in the bay of Chaleur, in the province of New Brunswick, along the Caraquet coast, concerning the price of herring bait and of cod. The hon. member also said,

in terminating his remarks, that he would like to be corrected if his information should be wrong. I take this opportunity to make that correction and to say that the information which was given the hon. member either was misinterpreted by himself or was not correct in its fundamentals.

The hon. member said, as reported at page 4396 of *Hansard*, that he held in his hand two invoices for fish, and that one of those invoices concerned a transaction involving a sale of 150 pounds of fish for $3, or a price of two cents a pound. That is quite correct, so far as the calculation is concerned. The hon. member went on to say that the second invoice involved a transaction of 5,400 pounds of fish which sold for $27. Then the hon. member added these words: "Which works out at exactly five cents a pound." Well, if any hon. member in the committee will take pencil and paper and figure it out he will see that the result is one-half cent a pound, not five cents a pound. That is the correction I wish to make, because it is misleading information. I do not say that the hon. member did it intentionally, but it is information which misleads the house and the country in connection with prices paid for fish in my constituency.

The fact of the matter is that the herring bait to which the hon. member for York-Sunbury referred used to sell for from twenty-five to thirty cents a barrel of 250 pounds. That was eight or ten years ago. This afternoon the minister gave a list of prices, giving the gradual increase in the price of herring and other fish. He showed that at the present time herring is purchased by the Gorton Pew company, and other purchasers for $1.25 a barrel of 250 pounds, or for one-half cent a pound.

The hon. member said that bait herring was resold to fishermen at exorbitant prices. The Gorton Pew company, to which the hon. member refers, and which owns and operates large quick-freezing and storage plants in Caraquet, purchases herring to-day from the fishermen at the different points where the fishermen land after catching their herring. The Gorton Pew company sends its trucks anywhere from Stonehaven to Miscou, a distance of sixty miles, at their own expense, so as to pick up these fish. Therefore the fisherman is not under the obligation of transporting his herring to a fish plant, this being done entirely at the expense of the Gorton Pew company.

On the other hand, as soon as the fish reach the factories they are processed and frozen, and as the fishermen require bait the company delivers the bait to them, again at the company's expense. For instance, on July 17 I was sitting in the company's office, getting some information on this matter, when a telephone message came from Lameque, which is about twenty-five miles from Caraquet, asking for 600 pounds of herring bait for a certain group of fishermen. The manager at the plant immediately told the gentleman who had called by telephone that he would send the herring immediately by truck at the company's expense. So that when a charge of two cents a pound is made for herring bait, one must understand that that charge involves the half-cent original cost paid by the Gorton Pew company to the fishermen, plus expenses incurred by the company for trucking, freezing, and for the delivery of the fish to the fishermen. The entire cost is worked out by the company, and any member of parliament who would examine the books of the company as I did, would see that that cost works out to one and nine-tenths cents a pound.

The hon. member for York-Sunbury also made reference to the cost of codfish. He said that $6.60 per hundred pounds was paid for green cod. He should have said that $6.60 per hundred pounds is paid for pickled cod, or cod kept in barrels or hogsheads, in a pickled state. But this $6.60 is the average price paid at the present time, and it spreads from $9.40 for extra large, to $8.10 for medium-sized, $6.80 for small and $6.10 for extra small cod, making a total average of $6.66. Those are the prices which prevail throughout all the maritime provinces.

The price prevailing at the present time for dried cod is $16.45 per hundred pounds. That is the price for the choice dry cod. Loose cod sells at $14.50 per hundred pounds. Then there is boneless cod, which is considered the highest grade processed in the maritime provinces, and it costs 24¾ cents a pound. The ceiling set is 28 to 29½ cents a pound, according to quality.

This afternoon the minister quoted prices for fresh cod, heads on and offals out, over a period of years. He brought his figures up to 1943. Last year the price paid to fishermen at different points was $3 per hundred pounds. In 1944 the price paid in Caraquet by the Gorton Pew company was $3.50 per hundred pounds, and this is paid at the point where the fisherman lands his catch. The company takes upon itself the obligation of trucking the codfish from the point of landing to the plant.

Having made these corrections, I wish again to express the great pleasure which is mine at seeing on the horizon the realization of the plans and dreams which every member of

parliament representing a fishing constituency has had in mind for the past ten or fifteen years. In 1938 I had the honour of making a speech to the house on the question of fisheries, and recommending to the Department of Fisheries that it be developed along the same lines as the Department of Agriculture. I suggested that the department should concern itself with production, freezing, cold storage, different methods of processing, and with distribution and marketing. I also advocated at that time that measures be taken to have adequate prices given to the fishermen for their products.

I am very happy to-day to see the realization of those thoughts which hon. members from different fishing constituencies have expressed so forcibly and so ably at different times. I congratulated the minister and the members of his department upon having brought this measure down, and I shall give it my wholehearted support, and would expect that every member in the house would be only too glad to give to the fishermen the same opportunities as are given to the farmers across the country.

Mr. OLOF HANSON (Skeena): Mr. Speaker, representing a fishing constituency, I should be failing in my duty if I were not to make a few remarks at this time. I shall not quote statistics, which are available to all, but shall be content to place on record a few facts known to me because of my association with the production, processing and marketing branches of the fishing industry since 1912. In my opinion this is the first time legislation which would really help the fishermen has been introduced in this chamber. From time to time regulations have been framed and bills have been put through the house to assist the fishing industry, which no doubt have helped the fishermen to a certain extent, but this is the first legislation to be brought forward to really help the primary producers.

I remember when I started in the fishing game on the Pacific coast. Probably at that time the statistics were not as well kept as they are to-day, but halibut were selling at two to three cents a pound, provided you could find a market; chum salmon, running from six to eight or twelve pounds, sold at from two to five cents per fish, again provided you could find a market; white salmon ranging from twelve to eighty pounds sold at from eight to twelve cents per fish, and so on. Of course since that time the regulations have been changed and certain prices have been fixed for the benefit of the industry, but these regulations really have not helped the fishermen. They are now to be guaranteed certain prices which will enable them to make at least a reasonable living. This benefits not only the fishermen but also the industry, because even those of us connected with the fishing industry do not expect to get our raw materials at below cost. If the fishing industry is valuable to Canada and the world, as I know it is, then we should see to it that those who produce the raw materials have a reasonable chance to make a living.

I congratulate the minister and his staff upon at last waking up to the fact that the fishermen should receive some consideration from this parliament and the Canadian people. Perhaps from time to time the industry has been given a little too much consideration, although of course anything that helps to develop the industry helps the fishermen in a general way. This legislation, however, will stabilize that industry because it will protect those who are the backbone of the industry, the primary producers. I do not see how anyone inside or outside this house could oppose a measure of this kind. The minister has suggested that it may not be necessary to spend any of this $25,000,000 and I hope that may be so. If the law of supply and demand takes care of the situation, well and good; but if not, this government is prepared to safeguard the primary producers. I am very proud of this government and the minister for having seen fit to do so.

I am not going to take up any more time. I am absolutely in favour of this bill which I think benefits both the fishing industry and the primary producer and which is the first legislation to be brought into this house to assist the fishermen on the Pacific coast. I have been in this house long enough to realize, with the hon. member for Comox-Alberni (Mr. Neill), that ever since confederation the maritime provinces have enjoyed certain preferences which have not been extended to the Pacific coast. Perhaps at that time the fisheries of the Pacific coast were not known in Canada. Now I believe the Pacific coast is the mainstay of the fisheries of Canada, so that I am happy to see this legislation introduced, which will help our fishermen remain in that occupation.

Mr. D. K. HAZEN (St. John-Albert): Mr. Speaker, many hon. members have praised in no uncertain terms, this bill, which is entitled, "An act for the support of the prices of fishery products during the transition from war to peace." The hon. member for Shelburne-Yarmouth-Clare (Mr. Pottier), who spoke so earnestly on behalf of the fishermen and so optimistically about the effects of this bill, if I understood him correctly said

that this should be a great day for the fishermen of this country. I hope it may be a great day for them, but personally I have some doubt as to whether this bill will have that effect. I think it is a mistake to be over-optimistic about the results of this legislation. This is an experiment, and experiments do not always turn out well. It is said that the proof of the pudding is in the eating. Well, the proof of this legislation will be in the results that are obtained from it. We are governed by many laws not on our statute books. They are economic laws. One of them is the law of supply and demand, a law that it is extremely difficult to circumvent or change.

In the hands of a capable board which approves the provisions of this bill and sympathizes with its objectives, this legislation may be of some assistance to the fishermen of this country, provided that it receives the full support of the government. I do not want to damn the bill with too faint praise. I hope it is a step in the right direction. I am in favour of trying it out, particularly since we have provided similar legislation for the farmers of this country, but just what the result will be I am not prepared to say.

In a brief presented to the Minister of Fisheries (Mr. Bertrand) in the spring of this year the United Maritime Fishermen's association urged that a floor be established under fish prices. I am not going to read the whole brief, but in paragraph 2 they say:

> It is the view of our members that if the fishery is to be reconstructed upon a basis which will provide freedom from want for the fishermen some means must be devised to maintain fish prices on a parity with other commodities.

Then it goes on:

> It is well known that in the past the discrepancy between the prices received by the primary producer and general commodity levels have been greater in the fishery than in any other branch of production.

And it concludes with:

> We urge, therefore, that in order to ensure our fishermen a reasonable measure of security a floor be established under fish prices on a basis that will put them on an equal footing with other producers.

The bill before us will not maintain fish prices on a parity with prices of other commodities. It will not place a floor under fish prices that will put the producers of this industry on an equal footing with other producers. In effect it places a floor under fish prices only for the transition from war to peace. It goes no further than that. As I read the request contained in the second paragraph of this brief, it fails to carry out the request made to this government by the United Maritime Fishermen's association. It may be a step in the right direction but it fails to carry out their request. I point this out to the minister and express the hope that some time legislation will be introduced into this house to safeguard the interests of the fishermen and provide them with a floor under their prices so that they will be able to live under proper conditions.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I have no intention of holding up the measure and my remarks will be brief and to the point. We welcome this measure to assist the fishing industry. I think the hon. member for St. John-Albert (Mr. Hazen) was quite right when he said that we must not be too optimistic and come to the conclusion that this bill will solve completely the problems of the fishing industry. I do not intend to go into prices, markets and that kind of thing; I am going to stick to the bill and make a few remarks with respect to its principles.

First, I do not agree with the title, "An act for the support of the prices of fisheries products during the transition from war to peace." In my opinion that is an escape hatch for those who are to administer this bill. Who is to determine when the transition from war to peace is completed? That may mean a month, a week or ten years, depending upon the opinion of those who are to administer this bill.

Mr. BERTRAND (Laurier): That may be a good reason for having it this way.

Mr. GILLIS: I am rather suspicious; I like to be definite and to leave no loopholes or guessing about legislation. To approach the problem of the fisherman on that basis is, in my opinion, wrong. These people have suffered since confederation, they have been the forgotten people of Canada. This has not been an industry in the true sense of the term, it has been simply a relief measure which has kept practically all the fishermen and their families in the breadline since its establishment. To think of reestablishing this industry only during the transition from war to peace means that we are simply going to reestablish it under the conditions that existed prior to the outbreak of war. It cannot mean anything else.

Hundreds of fishermen are in the services and they will be coming back. If it is intended merely to route them back into the industry, then I think the approach is wrong. Anything we do should be definite and permanent with the complete reorganization of the industry as the end in view. Our aim

and objective should be the establishment of conditions and income in the industry that will guarantee a decent livelihood for those employed in it. I am not in accord with this term which indicates a makeshift and temporary arrangement pending the reorganization of the industry back to what it was prior to the outbreak of the war. Anyone who considers that Canada's rehabilitation programme is to cover merely the transition from a war economy to a peace economy is thinking in terms of what we had when the war broke out.

Second, we must remember that it is not in the immediate post-war period that the fishing industry will need assistance. There are agencies such as UNRRA which are going to provide markets for the commodities of this country perhaps for three or four years after the war is over. It will be in the period five to ten years after the war that the fishing industry will need the greatest assistance. It was not until the thirties after the last war that we struck the depths of the depression. That was when we required assistance such as this to bolster up our economy and this industry. To think merely in terms of the transition from war to peace is to be short-sighted, either consciously or subconsciously. I am not in accord with that. If we are working out a programme it should be a long range one which will bring about a complete reorganization of the industry to provide a means of livelihood for these people.

I agree with what the hon. member for Comox-Alberni (Mr. Neill) said this afternoon with regard to the setting up of a three-man board. I have said many times in this house that the test of any legislation is in its administration, Those who will administer this legislation are going to have a rather difficult job and they should be people who understand the industry. A three-man board may be made up of persons who do not understand the industry, who know very little about it and care less. No one can make a job of administering any legislation unless he has his heart in what the particular measure is designed to perform. The suggestion made by the hon. member for Comox-Alberni was absolutely sound. If this is not just a gesture, then this board should consist of at least five members. There should be one member from the east coast and one from the west coast representing the industry and the primary producers, and the fish companies or their agents could be represented. There should be an independent chairman appointed by the government. I do not think a three-man board is going to do the job this legislation is designed to do. The job of curing the problems of the fishing industry will not be done in this way.

Mr. BERTRAND (Laurier): This is not meant to cure the problems of the fishermen for all time. It is just an instrument in the hands of the government to help them if prices go down to the levels of 1932 and 1933.

Mr. GILLIS: Yes, I understand that, but I have already made my objections to this transition period proposition. If you are to spend money under this measure, and you are to spend it to maintain prices at a certain level, it will not be the fishermen who will benefit to any great extent but the fish companies. I have no illusions on that score. I have read very carefully the brief which was submitted by the United Maritime Fishermen, which was referred to by the hon. member for St. John-Albert, and I note that the fishermen engaged in the fishing industry make it quite clear in the brief what is required on the east coast. They require fish processing plants; they require bait freezing facilities; they require cold storage facilities along those two thousand miles of coastline. Those are the main considerations with them. The fishermen along that coast are organized along cooperative lines; and if they are given the facilities that the industry requires, as suggested in their brief, I am not afraid about prices because cooperative organizations will take care of the prices. Already they are taking themselves out of the hands of the private fish buyers, those who manipulate the prices, and they are taking care of their foreign markets. But what they do require are the necessary facilities on the coastline to make it possible for them to handle their catch. From the price angle I am reasonably sure that they will be able to take care of themselves through their cooperative organizations. I am not a bit afraid about prices. But this measure in my opinion is going to help the fish companies much more than it will help the primary producer, the fisherman who is catching the fish.

Mr. POTTIER: What provision does the hon. member find in the bill that will bring about the result he indicates, that of benefiting the fish companies more than the fishermen?

Mr. GILLIS: It is the omissions rather than the provisions that I am concerned about, and one omission is in connection with the proposal to establish a three-man board, because no provision is made for representation on the board of the primary producer.

Mr. POTTIER: Is there provision for a company representative?

Mr. GILLIS: Yes, because the government in power has always taken very good care of that.

Mr. POTTIER: Where is that in the bill?

Mr. GILLIS: The government has always taken care to appoint those who believe in private enterprise. That is the government's policy, and following out that policy you will find no one representing cooperative organizations heading any board that will administer this bill. Therefore I say it is the omissions that I am thinking about.

Mr. POTTIER: Is there not a representative of the fishermen on the salt fish board?

Mr. GILLIS: I am not talking about the salt fish board, but about this bill.

Mr. GARDINER: The hon. member was talking about the policy of the government, that it would not appoint to a board anyone representing a cooperative organization. But Mr. McIvor comes from the wheat pool.

Mr. GILLIS: I am not talking about agriculture. I am talking about the policy of the government as announced by the Minister of Finance (Mr. Ilsley) a few weeks ago in this house when he stated quite definitely that so far as he was concerned the measures he was bringing down were not designed to change the economy of this country in any way, shape or form, that he believed in private enterprise and that he had a solution of the problem.

Mr. GARDINER: My hon. friend said that following out that policy the government had never appointed a member of a cooperative as head of a board. All the members of the present wheat board except one are from the wheat pool, and the chairman is the most important of them all.

Mr. GILLIS: Provide in the bill that there shall be a representative of the cooperative organizations on the board and then there will not be any argument.

Mr. WRIGHT: Mr. McIvor was never a member of the pool.

Mr. CASTLEDEN: No; he worked for the pool.

Mr. GILLIS: The hon. member for St. John-Albert a few minutes ago made another important point when he referred to the variations in the earnings of the fishing industry. There is nothing uniform in the earnings of the fishermen. The hon. member for Shelburne-Yarmouth-Clare (Mr. Pottier) gave the earnings of the fishermen for the year 1942 and I do not think anyone could call those earnings an income. I recall the argument that was made last night by the hon. member for Winnipeg South Centre (Mr. Maybank) on the family allowance measure, when he tried to belittle the efforts of New Zealand. But the family allowance act in New Zealand does exactly what the hon. member for St. John-Albert suggested might be done for the fishing industry; it equalizes the income of all persons in that country. That is what it is designed to do, and that is exactly the function it performs. Some people who speak of these matters do not study them closely enough and know little about them. The purpose of the family allowance is to equalize all income in the country.

I wanted to make these observations, Mr. Speaker, because I am not in agreement with the principle of this bill. The principle of the bill is a temporary expedient to carry the industry through from war to peace, and if that is all that it is designed to do I cannot see very much relief in the measure for the fishermen of this country who are urgently needing relief. I shall reserve what further remarks I have to make on this measure until we are in committee on the bill, when I am going to move to amend these provisions in two respects, to guard against the things I fear, by giving representation to the primary producer on these boards.

Mr. W. C. MACDONALD (Halifax): Mr. Speaker, as has already been pointed out, this bill is, "An act for the support of the prices of fisheries products during the transition from war to peace". The bill makes provision for the establishment of a fisheries prices support board, and provision is also made for a revolving fund of $25,000,000. In effect the bill will establish a floor on the price of fish.

I want at the very outset to congratulate the Minister of Fisheries (Mr. Bertrand) upon his vision and courage in introducing this legislation. The hon. member for Comox-Alberni (Mr. Neill) said this evening that the minister during his two visits to the west coast created a most favourable impression. I want to assure the minister that he created an equally favourable impression in his visit to the maritime provinces. I have spoken to members of the United Maritime Fishermen, and many of them have assured me that the Minister of Fisheries has shown a strong grasp of the problems that concern his department. They have confidence in his ability, in his capacity and in his industry, and feel that he

will surmount the difficulties which may be in the way and that he will go far toward bringing about a permanent solution of their problems.

I have already spoken in favour of the principle of this bill, when the minister's estimates were before the house. My colleague from Halifax (Mr. Isnor) has supported the underlying resolution, on which the bill itself is based. I would merely repeat that I am wholly in agreement with the principle. I believe firmly that if this country is to be prosperous it is essential that our primary industries shall prosper. This measure will go a very considerable distance in accomplishing that much desired result. We have already provided this session for family allowances. Amendments will be made to the Bank Act which will make it easier for fishermen to obtain loans. Here we have another great measure of social reform, namely this measure to establish a floor under the price of fish.

I can assure the minister that there will be many critics, many people ready to tell him that what he seeks to do cannot be done. Already we have heard some criticism. Two hon. members from the maritime provinces have voiced criticism of this bill. The hon. member for Cape Breton South (Mr. Gillis) says that he is not in favour of the principle. The hon. member for St. John-Albert (Mr. Hazen) says that there is an irrevocable law of supply and demand. We in the maritime provinces have heard these same contentions and arguments for the last twenty years. We can find many men to go and tell the fishermen of Nova Scotia that their problems cannot be solved, that any constructive legislation of this kind is bound to fail. But I congratulate the minister upon the bold and courageous effort he has made in this bill to solve some of their problems, and I think he will succeed, although, were he to go out tomorrow, he could find thousands who would tell him that you cannot possibly improve the conditions of the maritime fishermen.

Mr. GILLIS: That can never work in a speculative market.

Mr. MACDONALD (Halifax): What I appreciate about this legislation is that it is constructive; it is direct, and it deals with conditions and with realities. I am quite certain it will succeed. Only a few days ago we discussed a floor under farm prices. I think one can safely say that that measure received general support. Hon. members from western Canada did not take exception to a floor under farm products or to the provisions in the bill which were designed to give effect to that floor. But when a similar or almost identical measure comes before this house, we find it criticized by two hon. members from the maritime provinces who are most directly concerned with the fishing industry. The only difference between the two pieces of legislation is that this measure is applicable to fish and provides for a revolving credit of $25 million, while the other bill related to agricultural products and provided for a very much larger credit.

I did not rise to indulge in any general discussion of the bill, but I say most emphatically that it has my absolute support. I believe it will go a long way towards solving some of the problems of our maritime fishermen.

Mr. R. W. MAYHEW (Victoria, B.C.): Mr. Speaker, I did not take part in the debate on the other bills, Nos. 161 and 168, but I want to say a word on this, because I think that, of the three classes it is the desire to help, fishermen have probably suffered more than any other. They are in a very hazardous occupation. When they leave our shores to go out to fish they do not know what kind of weather they will encounter; they do not know whether they will have a catch or not, and when they come home they do not know what prices they will obtain. Therefore I think this measure is a timely one. It is hardly a coincidence that bills Nos. 168, 169 and 161 come in together and are all, in my opinion, aimed at the relief of the small man, the man who is unable to take care of himself.

I would be remiss in my duty, and I am sure that the fishermen of the district of Nanaimo would be disappointed if I did not speak on their behalf, their own member, Major Alan Chambers, being overseas, and also for the fishermen of my own district.

I am not going to quarrel with the title of the bill, although I did say, when we were discussing the bill on reconstruction, that I thought it would have been better if we had not put in a transition period, and I think the same is true here, on the assumption that this is a good measure and will work satisfactorily. I do not think any government will be able to withdraw it; they will have to improve it and bring it more in line with developing needs, and make it permanent. If it does not work, of course, the more temporary it is the better. So that I welcome the fact that it has been introduced at this time, and I do not deplore so much the shortness of the term, because I am quite sure that once it is in effect it will not be possible to withdraw it.

I could say more, but I merely wish to put myself on record for my own riding and the riding of Nanaimo, as being wholeheartedly in support of the bill, and also to endorse the statements of others as to the impression which the Minister of Fisheries (Mr. Bertrand) made in the west. The people out there are quite satisfied that the department is in good hands. I would also congratulate the government, and say that I am pleased to be a member of a party which has brought in these three bills, particularly this last one.

Mr. P. C. BLACK (Cumberland): I desire to support the purpose of this bill, and to try to help our fishermen and the fishing industry. I do not represent a large fishing constituency, although we are the centre of the lobster industry, and we have small shad and smelt fisheries. My county is not concerned in deep-sea fisheries. I come from Nova Scotia, and everybody in that province is interested in the well-being of the fishing industry. It is one of our great natural resources. It has never been as prosperous in normal times as it should be. The people engaged in that industry have received the lowest reward of anyone in any industry in Canada. That condition should not be allowed to continue.

While this bill is not all that I would like it to be, I am going to support it. During the last few days of this session we have been voting money in enormous sums, running to a billion dollars a year, increasing our annual commitments in huge amounts in a steady stream with little consideration in the dying days of this session.

The amount provided under this bill is $25 million, which is only a small sum when we consider the other votes and the production of the fisheries industry in Canada. I agree with some hon. members who have spoken. I do not like the title, from "War to Peace." As I envisage them, our difficulties in the period from war to peace will not be great in the marketing of fish, in comparison with the problems facing that industry when peace is fully established, or in comparison with the years prior to the war. In Nova Scotia we want a floor price for different kinds of fish, which will be known to those engaged in the industry. I should like the minister, before the bill carries, to make a statement as to what will be the floor prices and when they will be put into effect. I should also like to have from him a statement as to whether such floor prices will prevail at the points of landing where the ordinary fishermen along our shores bring their product and desire to market their catch. I have the fear, as others have, that this bill will be more likely to benefit the larger producers and companies than the smaller fishermen, the shore fishermen in Nova Scotia. There should be a declaration from the minister as to what the price will be at points of landing wherever these fish are bought, and an assurance that they will be taken possession of by some agency which will give the producers fair prices. Floor prices should be known now so that fishermen may make their plans, get equipment to pursue their occupation.

The statement has been made by the minister that seven per cent of the fish caught in Canada is taken from inland waters, and that seven per cent provides eleven per cent of the total value. The reason is that the fish caught in inland waters are nearer the markets than the better fish caught in salt waters. They get this increased price of sixty per cent more than is paid to the fishermen in Nova Scotia. That shows the necessity for greater facilities for storage, transportation and marketing of Nova Scotia fish, because there should not be this spread between the amount received by the fishermen in inland waters and the fishermen in Nova Scotia. The government and the Department of Fisheries under section 9, paragraph (e) represent that they are going "to package, process, store, ship, transport, or export directly or by means of agents any fisheries product". I hope there will be an explanation from the minister as to what the department proposes to do under this clause. Are they going to assume this responsibility, or are they not? That should be made known so that the fishermen may have a clear understanding.

There are some features of the bill on which I require further explanation. The minister, I am sure, wishes to improve the fishing industry in Canada. He has some good men in his department—the deputy, the assistant deputy and other experienced men. Members from Nova Scotia are anxious to do something that will benefit our fishing industry, which has fared the worst of any of our primary producers.

Mr. G. B. ISNOR (Halifax): Having already taken part in the discussion of the resolution on July 25, when I supported it on the occasion of its introduction by the Minister of Fisheries, I simply wish to add my support along with that of my colleague for Halifax (Mr. Macdonald), with respect to our general approval of the principle of this bill which we have before us now to make possible support to the fishing industry of Canada. When speaking on the resolution on July 25, I pointed out that the wealth from the fishing industry in 1942 amounted, roughly speaking,

to $75 million. Of that $75 million, $38 million was represented by the Pacific coast, while $15 million went to the credit of eastern Canada, more particularly Nova Scotia.

Mr. BERTRAND (Laurier): What date?

Mr. ISNOR: That was 1942. Of the $75 million, something like $51 million was the result of revenue from export business and it is particularly the export business I wish to touch upon. In that connection I would ask the minister at a later stage to enlarge on section 9, paragraph (e), dealing with the transport or export, directly or by means of agents, of fisheries products. I wish he would enlarge on that, because to me that $51 million represents new money, and that is the type of business we should be seeking not only through this particular industry but through all other primary industries of the nation. I think we should pause and pay a tribute of appreciation to the Minister of Agriculture (Mr. Gardiner) for the splendid work he did in connection with the overseas marketing of our agricultural products, and in doing so I hope the example set by the Minister of Agriculture will be followed by the Minister of Fisheries (Mr. Bertrand) and others in connection with our export business for overseas. I was pleased to note—and I do not think they approached the question from a partisan point of view, that without exception the members supporting this government were in accord with the general principle of the bill. I was disappointed to find that two hon. members, particularly two from the maritime provinces, did not lend their wholehearted support to this bill. I have especially in mind the observations made by the hon. member for St. John-Albert (Mr. Hazen) who, until he received some support at a later stage in the debate, was the only fly in the ointment, so far as general accord given to the bill was concerned. I am inclined to think other hon. members representing New Brunswick will receive far more favourable response when they return to that province than will the hon. member for St. John-Albert in respect of the stand he has taken.

I was favourably impressed by the concise manner in which the hon. member for Gloucester (Mr. Veniot) explained clearly and in detail the operating costs which enter into the handling of herring bait, and also explained the difference between the purchase price and the price paid by the fishermen for the frozen herring.

I was also surprised by the attitude adopted by the hon. member for Cape Breton South (Mr. Gillis). He admitted frankly that he was suspicious, and said that he was not in accord with the bill. I was hoping from his remarks on July 25 that he would give his wholehearted support. True, he did give faint praise, but on the general principle he said, "I am not in accord." Well, if he is not in accord with the general principle of the bill I say to him he must be opposed to it. And if he opposes this bill a bill which provides for the first time something of real and direct benefit to the fishermen along the Atlantic coast, then he is not carrying out his duty as a representative of his native province.

I could go on farther and deal in greater detail with his remarks, but I shall not do so. He did say that the bill was framed to assist the large fish companies. I do not hesitate to say that I hope it will. I do not share the fear expressed by the hon. member for Cumberland (Mr. Black) that this is going to assist the large fish companies, because I believe they are a very important part of the fishing industry, and not only that of Nova Scotia but of all Canada. I say I hope it will assist them, and will be a benefit to them. If it is beneficial to them it will be beneficial to the primary producers, the inshore fishermen, fishermen who fish by schooner or trawler, and who go to the banks at a distance of possibly fifty or ninety miles from our shoreline. I say it is a good thing that it will be of benefit to all classes, and that is why I agree with the general principle.

While I am not critical, yet I join with the hon. member for Cape Breton South and with other hon. members who have advocated a larger board. When expressing myself on previous occasions I have said that in my view the board should be larger, and that we should have at least five members, as was pointed out by hon. members sitting opposite. They have suggested that there should be one from the producers and one from the operators on both the east and the west coasts, making four, and that added to those four should be one from the department. In my view that would make a workable board.

However, there is one other branch of government which I think should be represented, and which has not been mentioned thus far by any hon. member. The Department of Trade and Commerce is vitally interested in the success of the fishing industry, from the point of view of foreign business. As I said a moment ago, it represents a value of about $51 million. It would be worth while for the minister to consider having a representative either on the board or on one of the advisory committees, to act in an advisory capacity.

The group to which the hon. member for Cape Breton South belongs differs from me in its views in respect of free enterprise. Again we differ. In this debate he referred to New Zealand, but he was very careful not to refer to Australia. The hon. member is always ready to quote what New Zealand and Australia are doing, and to pattern the course of his group along the lines followed by those two countries. I would remind him that only to-day the Prime Minister of Australia stated most definitely that in their post-war plans they must take into consideration that free enterprise is absolutely necessary for the progress of that country.

Therefore I say that if this government supports free enterprise, and if free enterprise has proven a good thing for Canada, I can see no objections to this bill, which will benefit both the fishermen and the large companies which make it possible for the smaller fishermen to carry on their daily pursuits of going to the fishing grounds each morning, day in and day out, at heavy risks.

I suggest to the minister that he accept the suggestions made by various members in regard to greater facilities for freezing, processing, transportation and marketing. Each and every one of those services are closely tied in with the success of the fishing industry. There is no use in catching fish unless they can be marketed. There is no use in trying to market them unless they are marketed in proper condition. There is no use in trying to market them unless a market has been created, and a means of transportation has been furnished to carry the fish from the extreme east and the extreme west to the central provinces. These are four very important matters.

I believe I have said more than I intended to say, having already spoken when the resolution was before the house. However, I do wish to join with other hon. members in offering my congratulations to the Minister of Fisheries upon having brought in this very important measure for the benefit of the fishing industry. I am heartily in support of the bill, and I am also in agreement with the expressions of view voiced by my colleague from Halifax.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I shall make only a brief contribution to the debate, but one which I hope will be as much to the point as those which have preceded mine. I rise at this stage to indicate the position our party takes in connection with the bill. Unfortunately I was not in the chamber when some hon. members spoke, but I should be very much surprised if they had not been generally in agreement on the principle and purpose behind the bill. Certainly, so far as this party is concerned, we are prepared to support that principle, believing that when floor prices were applied to agriculture, one of our great industries, that also the fisheries industry, which has gone through so many trials in past years, and which has suffered from depressed conditions, should have assistance from the state in order that its prices may be maintained at a position which at last would allow fishermen to have a reasonable opportunity of subsistence, and a more highly developed standard of living.

Therefore, Mr. Speaker, while some improvements may be necessary in the details of this bill to make it more workable, or parliament may desire to amend the bill along certain lines, as a party we support the principle of this measure and will vote for it on second reading.

Hon. J. E. MICHAUD (Minister of Transport): Mr. Speaker, it is gratifying to note that this measure, which is advanced by the government to alleviate the situation of the fishermen during the immediate post-war period, has met with the approval of practically every hon. member who has spoken, and has been endorsed by the official opposition. Criticism was offered in regard to two or three points, but I believe it arose from the fact that those offering it were not fully appreciative of the objects of this measure. The hon. member for St. John-Albert (Mr. Hazen) claimed that this legislation is in direct contradiction to the economic law of supply and demand. Well, that is so. It is purposely designed in that way because of many factors, other than the general law of supply and demand for fisheries products, that come into the picture.

Hon. members must not overlook the fact that until a few years before the war eighty per cent of our fishery products were exported, with only twenty per cent consumed in Canada. Just before the war home consumption increased to thirty per cent and exports dropped to seventy per cent. However, when it is realized that seventy per cent of the products of this industry must be sold in a dozen different markets, under conditions which this country cannot control, it will be seen that some extraordinary artificial measures are required to counteract the workings of the law of supply and demand. We have the factors of restrictions, tariffs, the financial ability of the purchaser to pay or to supply goods in return for the imports of our fish, and other factors over which we have no

control but which unfortunately work to the detriment of those engaged in this industry. That is the basic reason why in the past the fishermen, although they had at their disposal an unlimited source of supply and a means of production relatively not too extensive, nevertheless could not realize a sufficient return to enable them to maintain a standard of living in our country comparable with that enjoyed by other classes of industrial workers.

For these reasons governments in the past have tried to find remedial measures. Attempts were made to secure special treatment for our products in certain countries through trade agreements. Other governments tried to compensate the fishermen by means of loans to make up the deficiency in their returns. Other governments established cold storage plants on the Atlantic coast. Finally, just before the war, the government applied to the salt fish industry the principle which, among others, is contained in this legislation. So that we have the benefit of the experience gained through the measure of control and help given the salt fish producers in the east to justify us in continuing that control and assistance and in extending it to the producers of other varieties of fish, provided that certain factors are taken into account and certain conditions met.

It is claimed that this legislation does not comply with the requests made last spring by the united fishermen of Nova Scotia and New Brunswick. Well, it may not comply with those requests in the terms in which they were presented; but I submit that in preparing for the immediate post-war period we must take into account the factors which may work against the distribution of the products of the fishing industry. We must prepare for the period when world conditions will be unsettled; when we shall not know what will be the trade relationships between the various countries of the world, what will be the tariff situation, what will be the financial position of the countries that may desire to purchase our exports of fish. Therefore we must take the necessary precautions against a recurrence of the conditions which came about immediately following the last war. I grant that this cannot be looked upon as a permanent measure to improve the condition of the fishermen. It is designed to assist them in the period immediately following the war, when we cannot tell what will be the condition under which they will have to sell their products. By this legislation we say, "So far as this country is concerned, we will take care of the products of your industry and will assure you a return which will enable you to continue in that industry and at the same time maintain a decent standard of living." That is what this measure is designed to accomplish, and nothing more.

As to meeting the demands of the fishermen and assuring them a measure of security, I repeat that as far as it is possible to guess what the future may be, this is the only legislation this parliament and this country could devise to take care of the situation, irrespective of the conditions that may exist in other countries or in the markets of the world over which we may not have much control when the war is over. After all, what the fisherman and those engaged in this basic industry want is an assurance that whatever may be the condition outside Canada, this country will see that they get a fair return, no matter if that must be accomplished by a violation of the economic law of supply and demand.

In normal times seventy per cent of the production of this industry cannot be absorbed in the home markets; it must be exported. If that condition were reversed; if seventy per cent of the production could be consumed in this country, then the law of supply and demand could work. The industry would obtain a sufficient return to enable it to take care of the thirty per cent which would have to be exported, either at a loss or at no profit.

I was surprised at the criticism offered by the hon. member for Cape Breton South (Mr. Gillis) that this legislation will provide no benefit for the fisherman and will not help to alleviate his situation in the post-war period. I am afraid the hon. member has not studied this legislation; I am afraid he has not considered the purpose of this bill. This bill has been introduced to meet a situation which should be well known to the hon. member for Cape Breton South. As I say, for many years from seventy to eighty per cent of the production of this industry had to be exported to markets over which we had no control. Only from twenty to thirty per cent was consumed by markets in this country over which we had control.

I submit that the government has tried to find a means of relieving that situation. As I said previously, the government extended loans to fishermen and built some cold storages. Those may not have been sufficient to meet present-day conditions, but they were sufficient to meet the conditions which prevailed in those days when seventy per cent of the fish produced on the Atlantic coast had to be exported. Only a small quantity was exported in fresh or semi-fresh state; most of it had to be

processed, dried, cured, salted or canned in order to meet the requirements of the export markets. It is true that we have since opened up and developed markets for fresh fish in Great Britain and the United States. It is hoped that we shall be able to keep those markets and, if that is so, this legislation will not be required to maintain the price of fish. This legislation is found necessary in anticipation of losing those markets or of their demands being decreased.

Section 9 (c) of the bill maintains the principle which was established by the salt fish board. During its operation that board worked to the advantage and benefit of the fishermen, because the great bulk of the exports could not be exported at a profit or even at the cost of production. I submit that the criticism of this legislation advanced by the hon. member for Cape Breton South was not to the point. This legislation being a measure temporarily to relieve a situation cannot be construed and looked upon as a measure permanently to establish prices in markets over which we have no control and which are quite uncertain at the present time.

I submit that this measure will go a long way toward relieving a situation which has been deplorable and which has concerned all governments for many years. They had tried to solve this problem but unfortunately have been unable to do so, owing partly to public opinion and partly to conditions over which they had no control. Now, however, we are establishing a principle whereby those who are willing to help themselves will be helped, and I am sure that this measure will be of great assistance to the fishing industry.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Golding in the chair.

On section 1—Short title.

Mr. NEILL: There seems to be something in the air. I do not know whether it is the heat, whether it is the closing of the session, whether it is the nearness of what I could call the ides of August; I do not know. I can almost smell it. There appears to be an idea gathering force in this house that when the government brings in a bill it is lèse-majesté or treason to express the slightest criticism. Time was when if you did not vote for a bill, that was bad, but if you went out and got your hair cut you were a hero. But if you did come into your place and vote, you were a colossal hero. But now we are not permitted to have even the crumbling dregs of independent thought. If a man rises in his place and says, "I do not altogether approve of this bill but I am going to vote for it," that is not permitted. You must express what has been so often repeated this afternoon, a wholehearted decision in approval of the measure. It is quite possible for a member to vote for the second reading of a bill and yet have some criticism to offer of it. There may be criticism of details. It is peculiar legislation that does not lend itself to criticism on some points by certain interests in the country.

Mr. BERTRAND (Laurier): We are all in favour of constructive criticism.

Mr. NEILL: Then I suggest that the minister should tell that to some of his followers, who, I hope, will act upon it. In fact, I think more of the minister than I do of the bill, and if the minister were hitched up to the bill forever I would give more support to it. The best thing that can be said for the bill is that it may do good, that it may serve a good purpose. But it is not the Book of Revelations. It is not the last thought on the subject for all time to come. It is only a possible solution of a possible difficulty that has not yet come upon us.

One of the hon. members—I speak subject to correction because my hearing is only fair and the acoustics are rotten—suggested that this was the greatest bill that had ever been introduced for the benefit of the fishermen, I presume since confederation.

Mr. POTTIER: I repeat it.

Mr. NEILL: That makes it almost unanimous because it was an hon. gentleman over on the other side that I heard saying that it was the greatest bill ever introduced. That makes, I think, three members who are of that same mind. Let me dwell for a moment on that—the greatest bill ever brought down in the interests of the fishermen.

My memory goes back to some legislation that was brought in even by those evil people, the Tory party, which was of great value to fishermen. The ancestor or father of the present hon. member for St. John-Albert was at one time Minister of Marine and Fisheries, as the portfolio was then called. His party was in power and he came out to British Columbia to look over the fishing industry. The member representing the district which I now represent was a supporter of the minister, and the minister looked upon the work of that gentleman and said that it did not look good to him. He said: "There will be no more of this system." Most of the cannery men there then belonged to the same party as the Minister of Marine and Fisheries of that day. They had a perfect cinch. The law then was such that they could build a cannery, and then see

somebody and get a licence for the cannery. But they got more than that. They got a complete guardianship, so to speak, or control over a large area of water, water which belongs to the people of Canada, or to the people of the world if it is outside the three-mile limit, and not a fisherman could put a net into the waters allotted to the person who got the licence without his permission. The result was that since the fishermen had to live they went to the cannery man and got put on his list. There were so many licences to a cannery, perhaps twenty or thirty, and one of the first conditions imposed before a fisherman could get a licence was that he had to sell all the fish he caught in that water to the cannery and at the price fixed by the cannery man. You could not sell it to anyone else or you would not get on the list the next year. The licences were handed out, not to individual fishermen, but to the cannery man or to the man who had been successful in obtaining a licence covering a large area of water, and he farmed out these licences to the fishermen under the conditions I have mentioned. Mr. Hazen saw that that was not good, that it was not democratic, and that it was leading to a lot of graft. You can see all the implications possible. He said: "I am going to stop this." And in defiance of his own supporters and the opposition of a great many of his friends out there he said: "Hereafter anyone can get a fishing licence and the fisherman can fish anywhere in Canadian waters and sell his fish to anyone he likes." If that were not the greatest boon that was ever enacted for the benefit of the fishermen on the Pacific coast, I will tell you of another.

This was a boon also, and incidentally it was also a product of the Conservative party. The hon. member for Yale (Mr. Stirling), who at one time was minister in connection with military matters, was, at the time I am speaking of, Minister of Fisheries. A condition existed in British Columbia which I had been trying to remedy for years and years, but I never got anywhere because the parties who were behind this custom were strongly entrenched here. Then new circumstances arose and it struck me that the time was right to try once more to get the situation remedied. There was a law at that time that any man catching sockeye salmon, the most valuable and expensive salmon in British Columbia waters, from a certain area down near the Fraser river had to sell the fish to the local canneries at the price fixed by the local cannery men. There was a gentleman's agreement that the price should not be lower than seventy-five cents below the price obtainable in Seattle. They could always have got a much better price in Seattle. But that was the law. You could not sell the sockeye salmon where you could get the best price. I thought that was rotten. Finally the present hon. member for Yale became head of the fisheries department and I said to him, "If I bring this matter up in the fisheries committee, what about it? Are you going to put your brute majority on and kill it?" He said, "If you can get the committee to approve your suggestion, I will not interfere." I put it to the members of the committee who were representing the fishing districts, and they could not believe it. They said, "Is it true that a man can catch fish legally and must sell it to a particular person?" I said, "Yes." They voted for the remedy and the thing went flying through the committee. Again I approached the hon. member for Yale and said, "The committee has approved. Now what about you? Will you damn it when it comes up for concurrence in the house?" He said, "No, I will not interfere if you can get the house to support it." And the house did support it, and that was the biggest boon the fishermen ever got. It must have meant hundreds of thousands of dollars in the pockets of the fishermen because they could then sell their fish in the open market and get six bits for a fish that they formerly sold for thirty-five cents.

Those were two boons for the fishermen that were obtained through Conservative governments. But Liberal governments have also been responsible for legislation favourable to the fishermen. In 1922 I had not been here for three months before the Liberal government passed a measure cutting the number of licences issued to Japanese down by forty per cent and later by further cuts. That was a very big thing for the white fishermen. Then there was a reduction of customs duty on fishermen's nets and gasoline engines. Then the Minister of Customs of that day arranged that the fishermen could get their gas two cents cheaper per gallon than anyone else. All those things are to the credit of the Liberal government. The Liberal government also inaugurated, after spending money in investigating, the building of reduction plants, which has been the means of employing many people and of bringing in thousands of dollars of revenue to the country. They also provided that no reduction plant could be started unless a guarantee was given that it would be staffed entirely by white men. That was another great advantage to our white men on the coast. Again, in the east, the government put up cold storages in the maritimes and paid for a collecting boat so that the

fishermen could get their fish quickly together. The salt fish board of a year ago is another case in point. I do not think it is fair to say that this bill is a bolt out of a blue sky, and the first and only benefit to the fishermen. I suggest that any one of these things would have been of far greater importance than the best that can be hoped for from this legislation, which, as we are told, is to meet a need which has not yet arisen, and which we hope will not arise.

It has been said that many hon. members have spoken wholeheartedly in favour of the bill, but I noticed some said that there were improvements they would like to see. I hope the minister will take notice of these suggestions, more particularly the suggestion made by one of the hon. members for Halifax when he took his courage in both hands and said that he thought there should be a board of five. I believe the hon. member for Cape Breton South said something along the same lines. The minister cannot possibly be wrong if he raises the number to five. He will get the hearty appreciation—shall I call it the heartfelt approval?—of the people in western Canada, and apparently it will also meet with credit in the east; and with these changes, and one or two others which may be suggested as we go along, I think he will get a very feasible bill. Almost the whole benefit will depend upon the way in which it is handled and carried out, and as long as the present minister holds this office I am satisfied that it will be done in a reasonable and businesslike way.

Section agreed to.

Section 2 agreed to.

On section 3—Fisheries prices support board.

Mr. BERTRAND (Laurier): Mr. Chairman, I wish an amendment to be made to this section. I understand the point of view which some hon. members have been putting forward, that the board should consist of five members, and I am content to accept an amendment which would say that the board would be of not more than five.

Mr. MICHAUD moved:

That section 3, subsection (1) be amended by striking out the word "three" in line 16 and inserting in the same line the following, "not more than five."

The CHAIRMAN: Shall this amendment carry?

Mr. MacNICOL: Will this likely include the nomination of someone representing that eleven per cent of production or of value contained in the inland waters?

[Mr. Neill.]

Mr. BERTRAND (Laurier): It is possible. The hon. member will understand that we shall have to choose the best men from where they are, and that we want the primary producers to be represented. We cannot now say who the members are to be. This bill will come into force as soon as it is passed. Some of the sections will come in force by proclamation, and we have some preliminary work to do. It is my intention, as represented to me by my officials, that the chairman of the board shall be appointed now and shall make a survey of the field, and that as soon as this is done the other members will be appointed, and I intend to have representatives from primary producers and from the trade.

Mr. GRAYDON: Has the minister any prospective chairman in mind?

Mr. BERTRAND (Laurier): No, I have not. Members of the board may give their full time, or some of them may not give their full time. We have not yet decided. But we are going to have the trade represented, and also the primary producers.

Mr. MacNICOL: I quite appreciate what the minister has said, and when this afternoon he kindly referred to my own interest in the fisheries in inland lakes all over Canada I said to myself that perhaps when this section came up he would get out of a jam of giving two representatives to the west coast and one to the east coast, or vice versa, by increasing the number to five so that he could give each coast two, and escape the further dilemma by giving one representative to the inland lakes fish producers.

Mr. BERTRAND (Laurier): The hon. member may be sure that there will be a man on the board who knows very well the problems of the inland fisheries.

Amendment agreed to.

Mr. MICHAUD: There is a consequential amendment required to paragraph 5 of section 3, in order to make a quorum of the board three instead of two. I move:

That in paragraph (5) the word "two" be struck out and the word "three" be substituted therefor.

Amendment agreed to.

Section as amended agreed to.

On section 4—Officers, clerks and employees.

Mr. GRAYDON: I have been following fairly closely the bill which was introduced with respect to the support of agricultural prices and the bill which is now before the committee with respect to the support of the

prices of fisheries products, and I should like to know from the minister in what respects or in what sections the two bills do not follow each other closely. Do the terms and provisions of this legislation differ from those of the measure in support of agricultural prices? I might say that in most instances I have found them similar, but in case there is some difference I think the committee ought to know what it is.

Mr. BERTRAND (Laurier): I explained, when I made a general exposé of the principles, that it is absolutely similar to the agricultural bill except that the word "fisheries" replaces the word "agriculture", and that in section 9 certain paragraphs had to be modified in order to meet the exigencies of the fisheries trade instead of those relating to agricultural products.

Mr. NEILL: Should there not be a consequential amendment to subsection 5 of section 3

Mr. BERTRAND (Laurier): Yes. That was made.

Section agreed to.

Sections 5 to 8 inclusive agreed to.

On section 9—Powers of the board.

Mr. GRAYDON: This, I believe, is the section where there are the dissimilarities from the bill which relates to agricultural prices. Would the minister indicate the changes in this bill as compared with the agricultural bill?

Mr. BERTRAND (Laurier): Well, I should have to read both. I know that wherever in the agricultural bill the word "agriculture" occurs, in the present bill "fisheries" is substituted.

Mr. GRAYDON: I understood the minister to say that there was some more important change than that.

Mr. BERTRAND (Laurier): Yes, in subsection 1 (a), which reads:

(a) to prescribe from time to time with the approval of the governor in council prices at which the board may purchase fisheries products;

The similar subsection in bill No. 168 reads as follows:

(a) to prescribe from time to time, with the approval of the governor in council, prices at which the board may purchase agricultural products in the market.

It was found necessary, I suppose, to put "in the market" in the agricultural products bill because they are bought in the market instead of being bought from the primary producer. In the bill we left it to be purchased wherever it was found to be convenient. The other differences have references to replacing the word "agriculture" by "fisheries".

Mr. GILLIS: Is it intended to read each of these paragraphs of subsection 1 and to take them paragraph by paragraph?

The ACTING CHAIRMAN (Mr. Golding): That can be done if it is so desired.

Mr. GILLIS: I think it should be done, because this is really the meat of the whole bill.

Mr. BLACK (Cumberland): I agree with the hon. member for Cape Breton South; it is the meat of the whole bill.

Paragraph (a) agreed to.

On section 9, subsection 1, paragraph (b).

Mr. BLACK (Cumberland): What does the minister propose to do with respect to deciding upon quality? There is no food product that is more perishable or that more quickly deteriorates than fish if it is not properly caught, processed, preserved, looked after, shipped and put on the market. It quickly becomes worthless. I should like to know what standard the minister is setting and how he proposes to decide on the quality and preservation of the fish to make sure that it is perfectly edible.

Mr. BERTRAND (Laurier): In past years, it has been found that the inspection of fish products should be more stringent than ever and that they should be classified. One of the difficulties is that sometimes the fishermen, owing to their manner of fishing, their engines, which are not very strong, and their boats, which are not properly equipped, cannot land their fish fast enough. I was myself in Halifax last year when a schooner came in with 350,000 pounds of fish. It was a very hot day following other hot days and, although the schooner had gone to sea with a scowload of ice, it had all melted. The catch was very good but the captain stayed too long at sea. He wanted to fill the holds and, when he came to Halifax, although he had 350,000 pounds, it was found on inspection that much of the fish was not first class. We realize that if we are to help the fisheries we must see to it that the fish is landed in the best possible condition, processed immediately and shipped to the centres of consumption in proper edible condition. The problem of the fisheries for me and my officials is to see to it that the fish is landed and placed before the consumer in the best possible condition so that there will be no difficulty in selling it. That is why we have set forth in paragraph

(b) the conditions upon which quality will be established. I do not know whether the hon. gentleman means, how we are going to do it and how we are going to keep the fish in proper condition. All that will have to be done by the agents, most of the time, because the government has no refrigeration plant of its own. However, we shall see to it that the agents who are appointed will take the necessary steps to ensure that the product is in first-class condition.

Mr. NEILL: Would the minister consider an alteration in the words dealing with the matter to which reference has now been made? Where standards have not been established, fish may be purchased "by the board or its agents on such basis of quality as the board may designate." That is putting far too much power in the hands of officials. I have supreme suspicion of official-made regulations, because they are far too often made for the convenience of those who carry them out rather than for the practical benefit that is to be derived from them. I cannot give the exact legal words, but it is customary in a case like this to use language of this kind: "may be purchased by the board or its agents on such basis of quality as the custom of the trade and/or the board may designate." That would give power to the minister after all. It would help him, or whoever makes the regulation, to take notice of the custom of the trade. It might be that an inferior class of fish, which has been well known and has always had a certain grade attached to it, or which has been designated by some name, could be sold in bulk without being put up in boxes. Certainly, at any rate, the custom of the trade would be a protection against any bureaucratic rule being passed which would make the bill unworkable. It might read: "by the board or its agents on such basis of quality as the custom of the trade and the board may designate", or it might be made to read "as the board may designate after taking into consideration the custom of the trade". If you include the words "custom of the trade" you give that added protection, and you may be sure that the custom of the trade will be a wise and reasonable one.

Mr. BERTRAND (Laurier): I do not think we can accept the suggestion, because we want the fishermen to land their fish in the best possible condition and we want the board to help the fishermen to raise the standard of the fisheries. As to the custom of the trade, the board will consist of men who will know it perfectly. I do not think we can accept the suggestion. There would be room for a good deal of litigation if the custom of the trade happened to admit of a quality inferior to the standard which the board would require.

Mr. NEILL: Suppose the regulations set a standard that cannot be lived up to.

Mr. BERTRAND (Laurier): We cannot suppose that the extremes are going to happen. The men on the board will be reasonable men and I am sure that they will pass regulations that will be reasonable.

Paragraph agreed to.

On section 9, subsection 1, paragraph (c).

Mr. COLDWELL: I should like to ask two questions. First, what is meant by producers of fisheries products? A fisheries product is defined. Then, what is a producer of fisheries products?

Mr. BERTRAND (Laurier): The man who catches the fish.

Mr. COLDWELL: The fisherman?

Mr. BERTRAND (Laurier): Yes, the fisherman, the primary producer.

Mr. COLDWELL: What does the paragraph mean?

Mr. BERTRAND (Laurier): The hon. member was not here when I gave my explanation on second reading?

Mr. COLDWELL: If the explanation was given then, I shall read it in *Hansard*.

Mr. BERTRAND (Laurier): The same principle is applied here as was applied by the salt fish board in 1939-40, and which worked out very satisfactorily for the fishermen. This is a paragraph which gives to the fishermen an inducement to produce fish and sell it at as high a price as possible. There is always danger of collusion between fishermen and purchasing agents or processors. Under this paragraph the average price of a unit commodity is made after the season is over. If we find that the price is not sufficient to give the fishermen a fair and decent living we will fix the same price at a certain amount, and the difference between the average price and that amount will be distributed to all the fishermen. If a fisherman has produced very good fish and has sold them at a higher price than the one which we believe would give the fisherman a fair and decent living, he will receive the difference, and have the higher price.

Mr. BLACK (Cumberland): It has been my experience that the small producer is the one who usually suffers. What would the minister

do in this case? Two fishermen catch smelts at the same time, box them in the same way and ship them through the same express company to the Boston market. One of those shippers received the highest price, and the other received a notification that his fish were worthless, with the result that he got no returns.

Mr. MICHAUD: Was it the same grade of fish?

Mr. BLACK (Cumberland): Yes, the same fish, caught at the same tide and shipped at the same time.

Mr. MICHAUD: And the same grade?

Mr. BLACK (Cumberland): Yes. One man was paid the highest price, and the other received nothing, because it was reported to him that the fish were not marketable. Under those circumstances would both shippers be protected by this measure?

Mr. KINLEY: And shipped to the same dealer in the United States?

Mr. BLACK (Cumberland): I could not say positively about that.

Mr. BERTRAND (Laurier): I would suggest to the man whose fish were said to be no good to prove that they were good, if they were absolutely the same as those shipped by his neighbour who received the high price. However, I do not think a single instance like that can be set up as a guide. If one of the fishermen had supplied smelts which were not as good, he would have to suffer, because we do not want to subsidize fishermen who are not careful. That would be an inducement for them not to be careful about their fish. The essence of good fishing business is to be careful in handling the products.

Mr. HAZEN: Let us suppose there are two open seasons for a certain kind of fish. How does the minister arrive at an average price?

Mr. BERTRAND (Laurier): If there are different seasons, and the fish are not sold at the same price in both seasons, we take the average.

Mr. HAZEN: You have an average price for each season, at the end of each season.

Mr. BERTRAND (Laurier): Yes.

Mr. COLDWELL: The prescribed price, as I understand it, is not set at the begining of the season.

Mr. BERTRAND (Laurier): No.

Mr. COLDWELL: It is at the end of the season.

Mr. BERTRAND (Laurier): If the hon. member will look at section 9 he will see that we have the power to buy at a set price. We go on the market and we say that we will buy at that price. Therefore fish are going to be thrown on us if the market does down. That is one way of protecting the fishermen. The other way is by the deficiency payment, which I explained a moment ago, and which was tried by the salt fish board. However, we are not going to use the two tools, if they may be so described, at the same time for the same commodity. We have to use one or the other.

Paragraph agreed to.

Paragraph (d) agreed to.

On section 9, subsection 1, paragraph (e).

Mr. BLACK (Cumberland): Does the department propose to have paragraph (e) made effective; if so, how is it to be carried out? In the speech to-night by the hon. member for Shelburne-Yarmouth-Clare this was represented as being a very important feature in the bill, the government having authority to do the things set out in this paragraph. Is it the intention of the department to have the board exercise the authority given under this paragraph?

Mr. BERTRAND (Laurier): Paragraph (e) is consequential to paragraphs (a) and (b). The board, having the right to purchase, has the right to package, process, store, and do everything that shall be found necessary, either through agents or directly. When section 9 comes into force it might be that the government at that time would have more than one refrigeration plant. It might have a number of them.

Paragraph agreed to.

Paragraphs (f) to (h) inclusive agreed to.

On section 9, subsection 1, paragraph (i).

Mr. GILLIS: I have an amendment to paragraph (i) and, without any preliminary discussion, I move, for the purpose of guaranteeing representation on the board by the producer:

That section 9, subsection 1 (i), of Bill No. 169 be amended by adding thereto the following words: "provided that any boards appointed under this subsection shall include representatives of the primary producers."

Mr. BERTRAND (Laurier): I may tell the hon. gentleman that this will be done with

or without the amendment, so that I am not even going to object to the amendment moved by my hon. friend. I accept it.

Mr. GRAYDON: As I understand it, the amendment refers to "representatives of the primary producers." I was somewhat impressed with the argument along this line by the hon. member for Comox-Alberni, as I am always greatly impressed with the arguments advanced by that hon. gentleman. He pointed out that this really does not mean very much. Actually the government can put in anyone, even someone in the department, to represent the producers, so that this looks like a pretty hollow sort of amendment. I should like to have seen it with a few more teeth. As it stands now, the producers can be represented by anyone. Perhaps it is the intention of my hon. friend that the producers themselves should have some say as to who will represent them, but, as I see it, the amendment does not go that far. I believe it lets the government out entirely.

Mr. GILLIS: I have in mind that the fishing industry of eastern Canada, at least, is an organized industry.

Mr. MACKENZIE (Vancouver Centre): That is quite clear in the amendment.

Mr. GILLIS: My conception of this amend- is that it would refer to someone from the maritime fishermen's union, for example.

Mr. BERTRAND (Laurier): Of course the government will have to choose the members of the board, but this representative will be a man from the primary producers. No doubt we might accept suggestions as to whom he should be, because we want good men, but we must retain the power of appointment.

Mr. NEILL: At least the minister will agree to consider suggestions put forward by fishermen's unions as to who should represent them.

Amendment (Mr. Gillis) agreed to.

Paragraph as amended agreed to.

Paragraph (j) agreed to.

Subsection as amended agreed to.

On section 9, subsection (2)—To maintain returns from fisheries.

Mr. BLACK (Cumberland): I should like to ask the minister for a further statement with respect to the marketing of fish products. I understand that some seventy per cent of our fish products are sold in foreign markets. Has the minister fully canvassed the effect of government bonuses and assistance in regard to fish that will have to be marketed in other countries, in competition with the products of those countries or other imports? This is an important matter, on which I think we should have a definite statement from the minister.

Mr. BERTRAND (Laurier): I do not think that question is relevant to this subsection, which contains a direction to the board to see that these prices are set in such a way that a fair relationship will exist between the returns from fisheries and those from other occupations. It has nothing to do with exports, although I suppose prices might be set for fish that we would have to export. I do not quite understand the question my hon. friend has put to me.

Under this bill the government is going to spend a certain amount of money in order to help the fisheries. I have no doubt that most of the time, if we have to use this legislation, we shall lose money on the resale of the fish we have to buy. According to the law we shall be buying it because prices are too low, and by purchasing it we shall necessarily increase the return to the fishermen. So that when we sell it we shall lose. We might accidentally make a little profit, but the $25,000,000 is to be there to enable us to help the fishermen if prices go too low.

Mr. MacNICOL: Will you not have cold storages?

Mr. BERTRAND (Laurier): We will use agents, and they will be the people in the business.

Mr. MacNICOL: And they have cold storage facilities?

Mr. BERTRAND (Laurier): Yes.

Mr. BLACK (Cumberland): The minister has hardly answered my question. I want to know if he has investigated the effect of this bonusing or assistance by the government on the marketing of these fish products in foreign countries. Some seventy per cent of our fish products are marketed in that way, and I want to know if the minister has considered whether we would be prevented from selling in such markets by virtue of the fact that we are bonusing the production or subsidizing the sale of these fish products?

Mr. BERTRAND (Laurier): Well, it is not a subsidy. This has been done under the salt fish board, after the season is over, through the deficiency payments. A subsidy is a payment to all members of a certain class at the same rate, and it is decided in advance. Here the payment is decided after

the season is over, and it has not been considered as a subsidy in carrying on the affairs of the salt fish board.

Mr. BLACK (Cumberland): Would that apply only to the West Indies market, or has it direct application to the marketing of fish products in the United States? I understood that the United States had stringent laws and regulations with respect to the importation of subsidized commodities.

Mr. BERTRAND (Laurier): The United States does not apply any such regulations against our salt fish.

Mr. NEILL: I suggest that the last two lines in this subsection are pure window-dressing and do not mean anything. The subsection reads:

. . . the board shall endeavour to ensure adequate and stable returns for fisheries by promoting orderly adjustment from war to peace conditions—

That is fine; that is what they are to do. The rest of it is just pure moonshine:

—and shall endeavour to secure a fair relationship between the returns from fisheries and those from other occupations.

Take a bishop, for instance; how are you going to compare the two, or a blacksmith?

Mr. BERTRAND (Laurier): You have to take people on the same level.

Mr. NEILL: It does not say so.

Mr. BERTRAND (Laurier): I might tell the hon. gentleman that the idea behind those words may be found in the brief of the United Maritime Fishermen which the hon. member for Cape Breton South read a few moments ago.

Mr. KINLEY: I think the idea is that if a fisherman has to pay $10 for a barrel of flour while he only gets a couple of dollars for his fish, the board will take that into consideration.

Mr. GILLIS: What I am concerned about is making this board permanent. I am not satisfied with this from war to peace arrangement and I am going to move the following amendment:

That section 9, clause 2, of Bill No. 169 be amended by striking out all words after the words "board shall" in line ten and substituting therefore the following words:

"ensure adequate and stable returns for fisheries by promoting orderly marketing and shall secure a fair relationship between the returns from fisheries and those from other economic activities.

Rather than a temporary measure, I would like to see it made permanent.

Mr. BERTRAND (Laurier): I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, August 3, 1944

The house met at eleven o'clock.

BANKING AND COMMERCE

Sixth, seventh and eighth reports of standing committee on banking and commerce—Mr. Moore.

CONCURRENCE IN EIGHTH REPORT

Mr. W. H. MOORE (Ontario) moved that the eighth report of standing committee on banking and commerce be concurred in.

Mr. GRAYDON: Is this the report that proposes that the quorum be reduced from fifteen to ten members?

Mr. MOORE: Yes.

Mr. GRAYDON: May I ask my hon. friend what is the purpose behind that?

Mr. MOORE: The purpose behind it is to have a quorum.

Mr. GRAYDON: Is there any sign yet of the final report?

Mr. MOORE: We have hopes.

Motion agreed to.

EXCESS PROFITS TAX ACT

Hon. J. L. ILSLEY (Minister of Finance) moved for leave to introduce bill No. 182, to amend the Excess Profits Tax Act, 1940.

He said: I am introducing this bill, which is based on the resolution already passed by the house, so that the bill may be printed and distributed.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MUSKRAT DEVELOPMENT PROGRAMME

Mr. DECHENE:

1. Has the government investigated the proposed two hundred thousand acre muskrat development programme in the delta of the Athabaska river south of lake Athabaska, in

the Fort Chipewyan area, as outlined by Mr. D. J. Allan, superintendent of reserves and trust services, Indian Affairs branch, Department of Mines and Resources, to the committee on reconstruction and reestablishment on May 24, 1942?

2. If so, will work be started on this project at an early date?

Mr. CRERAR:

1. The portion of the 200,000 acre development outlined by Mr. D. J. Allan, which lies within the boundaries of Indian reserve No. 201, has been fully investigated by technical officers employed by the government. The 200,000 acres referred to includes marsh lands owned and controlled by the provincial government which have been only superficially examined. The most efficient development of the project necessitates a cooperative arrangement with the province which has not yet been concluded.

2. It is not proposed to make an immediate start on the development owing to the shortage of technical men and skilled labour, the difficulty of acquiring suitable heavy machinery and equipment and the necessity of concluding a satisfactory agreement with the Alberta administration.

AMGOT SERVICE—WAR VETERANS

Mr. DIEFENBAKER:

Of the officers and men chosen for "AMGOT" service, how many are veterans, (a) of world war I; (b) of the present war?

Mr. MACDONALD (Halifax): Of the officers and men chosen for employment in civil affairs from units of the Canadian Army both overseas and in Canada:

(a) 129 officers and 25 other ranks;

(b) 232 officers and 251 other ranks. (Includes officers and other ranks who are veterans of world war I and who also have had overseas service in the present war.)

SHORTAGE OF DOMESTIC HELP FOR MOTHERS AND IN HOSPITALS

Mr. CHURCH:

What action is the Minister of Labour now taking regarding the serious lack of domestic help in Canada, (a) for women who are sick, with large families and young children; (b) for hospitals and other charitable institutions?

Mr. MITCHELL:

(a) Every effort is made in the local employment and selective service offices to supply domestic help or a practical nurse to those homes where a mother is ill and children are dependent upon her care. It has been arranged to have orders for domestic help in such instances endorsed by a doctor, social agency, or health service, and the urgent necessity of filling orders which have been endorsed in this way has been impressed upon the local offices.

(b) Hospitals have been given highest labour priority, and in every instance, are on an equal basis with war industry. Hospitals have been given the privilege of advertising for, interviewing, and employing their staff personnel without reference to the local selective service and employment office except to send a report of placements by mail to the offices. A directive sent to the local employment and selective service offices emphasizes the following points:

1. A conference should be held with the hospitals and institutions in your district to determine the maximum labour requirements to provide a full complement of non-professional employees. Such an estimate should include both men and women employees and care should be exercised to make use of women in any capacity where their services would be adequate.

2. At the time of the conference the hospitals should be informed that it might take a little time to meet the full requirements. The attention of the hospital representatives should be drawn to any major difficulties the office has experienced in securing employees, such as transportation, differentiation of wage rates within the same district, hours of work which prevent the referral of numbers of women applying at the office, etc., in order that the hospitals will fully understand the situation and possibly make the adjustment which would place them on an equal basis with other hospitals or other service occupations.

3. If, in the opinion of the local office, it is impossible to meet maximum demands, the local office manager should consult with the regional office, relative to the advisability of making special plans for intensive recruiting. Any proposed plans may be used only with the approval and under the direction of the regional office. The regional superintendent will arrange for discussions with the provincial department of health, hospital associations, provincial secretaries of the various women's institutes or other organizations with a view to seeking their cooperation in the recruiting campaign for additional hospital workers.

4. Following are suggestions which may be followed by local offices in arranging a campaign for the workers required. It is not intended that local offices should confine themselves to the suggestions listed below but rather it is expected that local offices will develop additional plans particularly suited to the local area:

In any centre where there is a list of unemployed women, whether housewives or not, a group should be selected by the local office and a representative of the hospital should be asked to address them on the nature of the work required;

Any persons registered in the women's registration of September, 1942, particularly those in the rural areas who might be considered suitable, should be informed of definite positions in hospitals;

If required, at a particular time, definite publicity should be given out through the newspapers and an appeal made by radio;

Representatives of hospitals should be asked to secure publicity and necessary advertising in such a manner and at such times as will aid in the recruitment of the required employees;

A statement on the hours of work, wages and perquisites should be drawn up and provided to any group cooperating in the campaign. This information should be distributed through the urban and rural areas as may be considered advisable;

Particular emphasis should be given to the fact that many of the shortages can be overcome by the use of part-time help. Revisions can be made in the hours of employment and the adoption of short shifts can help overcome labour shortages. The hospital should be requested to designate some person on their staff as the "contact" with the selective service office;

The local office should thoroughly comb the list of unemployed men, particularly those in the old age brackets some of whom might be suitable for this type of work, either on a part-time or full-time basis;

The cooperation of the urban and rural women's organizations and churches should be secured to carry out the recruiting programme;

Men's organizations interested in employment of their members should also be asked for assistance. This is particularly true of veterans' organizations who are anxious to place their men;

The veterans' welfare officer should also be interested in this campaign as many of the men coming to him for assistance may be suitable for hospital employment.

It is desirable that in each local and regional office one or more persons as required should be assigned to deal particularly with hospital requirements.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN FORCES—CASUALTIES

Mr. BRUCE:

By provinces, what is the total number of casualties, killed, wounded and missing, for each of the three services, army, navy, air force, since the beginning of the war to date?

Mr. MACDONALD (Halifax): Mr. Speaker, so far as the army is concerned the casualty figures can be given up to the date they are cleared by security authorities. Subject to this reservation the question may be passed as an order for return.

RADIO BROADCASTING—"WALKIE TALKIE"—ADDISON INDUSTRIES LIMITED

Mr. DIEFENBAKER:

1. What was the price paid to Addison Industries Limited per unit of the radio device known as the Walkie Talkie, on the first order given to that company?

2. Have any treasury audits been made of the accounts of this company since the first contract was awarded to it? If so, how many, and when was each such audit made ?

3. Did any of the reports following such audits, if any, recommend a lower price? If so, in which reports and on what date or dates were such reports given, and what changes in price, if any, were made as a result thereof?

4. What plant did the said company have for the manufacture of Walkie Talkies at the time the first order was given?

5. Have any capital or other advances been made to the said company? If so, how much and when?

6. What other companies had the necessary facilities to manufacture Walkie Talkies at the time the first contract was awarded?

7. When was the first delivery of the said devices made?

8. How many were delivered, (a) by January 1, 1942; (b) by June 1, 1942; (c) by January 1, 1943; (d) by June 1, 1943; (e) by January 1, 1944; (f) by June 1, 1944?

9. With the exception of labour and material costs, what other items, if any, was the said company allowed to include in arriving at cost price?

10. What company or companies in Canada make or supply parts that go into the manufacture of the said device?

11. In the treasury audits that have been made, has or has not Addison Industries Limited been allowed to include any costs and expenses of the firm or firms making or supplying parts that go into the construction of Walkie Talkie for the said Addison Industries Limited?

12. What are the names and addresses of the directors of Addison Industries Limited?

13. What salary and expenses has each of the said persons been allowed as director, executive or in any other capacity, during each of the years 1942, 1943 and 1944, to date?

CANADIAN FORCES—TRANSPORTATION OF WIVES AND CHILDREN OF MARRIED MEN OVERSEAS

Mr. CHURCH:

1. What is being done to transport to Canada the wives and children of soldiers who have married in Britain or other places, while on active service overseas?

2. How many such cases are there and what are the provisions made in such cases?

3. Is free transportation given them and travelling expenses to their homes?

LABOUR CONDITIONS

MONTREAL TRAMWAYS STRIKE—CAUSES AND MEASURES FOR SETTLEMENT

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, in view of the serious labour situation existing in Montreal at the present moment, will the Minister of Labour give full details as to the causes of the dispute which led to the present transportation tie-up, and the efforts which have been made or are now in contemplation by the government to settle it?

Hon. HUMPHREY MITCHELL (Minister of Labour): The hon. member gave me notice of this question. It will be recalled that this is the third walk-out of Montreal tramways employees in recent months.

The differences have developed mainly because of union jurisdictional disputes by reason of the fact that some of the employees belong to any one of three different unions, and also due to differences of opinion between the company and its employees in respect to payment of a bonus based on revenue. That is a short and broad history of the dispute.

Since the wartime labour relations board was created the matter of union jurisdiction has been clarified, and the representatives of the Canadian Brotherhood of Railway Employees and Other Transport Workers have been certified as the proper bargaining agency for all operational employees.

Since the decision was given by the labour relations board in April of this year, negotiations have been going on between the union and the company with the object of agreeing on the terms of a new contract to replace one made with a committee of employees some years ago. Negotiations in the first instance were direct between the company and the union and at this stage agreements were reached on a number of points.

There had been previously a discussion in regard to payment of a bonus based on earnings of the company, to which I referred a moment ago. The matter was submitted to the national war labour board and the decision of the board was that the bonus was to be paid. Early this week approximately $1,800,000 was paid by the company to the employees in respect of the decision of the national war labour board.

There is also outstanding a question of rates of wages, although it does not enter into the present dispute, which under the law has to be submitted to the regional war labour board of the province of Quebec, with the right of appeal, of course, to the national war labour board by either party.

There exists to-day the matter of approval of proposed rates of wages, which matter is before the regional war labour board.

The present situation is that agreement has been reached or directions have been given on all the outstanding matters except rate of wages and some of the terms of the agreement.

While all of the details of the terms of the agreement have not been ironed out, the matter which caused the strike is that the union demands that the company require all new employees to join the union within thirty days of the date of employment. This the company refuses to do, giving as its reason, first, the belief that it is the duty of the company to see that men employed by them have freedom of choice as to what union they join, and, secondly, because of the legal advice given to the company that a contract requiring men to join a particular union would be contrary to the laws of Canada and the province of Quebec.

Agreement has been reached on many of the points as a result of a recommendation made by a board of conciliation set up by the Department of Labour under the wartime labour relations regulations in connection with the voluntary check-off, which was further agreed to yesterday at a conference at which I was present between the company and the employees.

On the point which has created the strike, the members of the board of conciliation were divided, each one of the three members expressing a different point of view. The report of the board of conciliation was given publicity by the department, and when it became clear that no agreement was in sight, I wired the two parties as follows:

> Regarding the matter of the Montreal Tramways and the position taken by the solicitors for the company. My understanding of the matter is that differences between the company and the men could be cleared up except on the question of one point and in this connection on behalf of the men you are asking that new employees be required to join and remain members of the union during the life of the contract. The position taken by the company in this respect being that this would involve the company in an act which was contrary to the laws of the province of Quebec. I have consulted with the Minister of Justice and after doing so am proposing to you that the department appoint a superior court judge as a commissioner to bring in a report on the matter which would constitute advice among other things as to the legal status I respectfully urge your consideration of this suggestion and that you

request your committee to accept the proposal as one which would be of definite assistance in helping to bring about a settlement of the dispute. If the foregoing is acceptable I will appoint commissioner immediately. If the proposal is not acceptable I would suggest that you and two or three others representing the men come to Ottawa together with representatives of the company to discuss the situation with me. Kindly advise.

In response to this wire I was advised by the company that it would accept the proposal for the appointment of a commission and I was advised by the union that the proposal was not accepted.

Arrangements were made for representatives of the company and the men to see me and officers of my department and a lengthy conference was held with them yesterday. At the conference yesterday some points of difference were cleared up—that is the check-off I mentioned a moment ago—but on the main point as to whether or not new men would be required to join the union within thirty days of the date of their employment, agreement was not reached.

In addition to the proposal that I appoint a commissioner, two other proposals to settle the dispute were made. The first was that the matter be arbitrated by a board of three men, one to be appointed by the company, one to be appointed by the men, with an independent chairman on the understanding that the decision would be binding on both parties. The company offered to agree to this proposal, but representatives of the union stated that the proposal would not be acceptable to the men. The second proposal made yesterday was that the company sign the agreement with the disputed clause included but with a rider that the clause would not come into effect until it was stated by the Supreme Court of Canada that it would be proper and legal for the company to enter into this agreement.

I promised on behalf of the government that if this proposal was accepted the government would refer the matter to the supreme court for a decision on two points: (a) whether or not the dominion wartime labour relations regulations superseded the Public Employees' Dispute Act of the province of Quebec, and (b) whether or not the company could legally enter into the contract asked for by the union. This latter proposal was acceptable to the company and was in part acceptable to the union. However, the negotiations broke down because the union demanded that the terms of the paragraph go into effect immediately and if found illegal by the court would be cancelled, whereas the company took the position that they could not put the paragraph into force until the matter had been clarified by the court.

The department has been giving a great deal of attention to the whole case. I would say that I do not know of any labour dispute within my memory in which greater efforts have been put forth with a view to settlement. In saying this I have in mind all governments, and I have some knowledge of different governments which have been in power—and I am not speaking in a personal sense. We went through the normal procedure of certification and established a conciliation board, and when the men could not agree to the terms of the recommendation of that board we sent a judge who tried to compose the differences. In addition to that, we sent the chairman of the wartime labour relations board last week to try to compose this difference, and of course there was the long conference I had yesterday in the final stage. The officials of the department have been in constant touch with the situation. I think that about covers the ground.

Mr. GILLIS: The minister referred to a certain paragraph. I wonder if he would put that on the record. He referred to some paragraph as the basis of dispute.

Mr. MITCHELL: It is in the record. The basis of dispute is this, whether the men, that is new employees, shall be compelled to join the union within thirty days after employment.

Mr. DUPUIS: What is the name of the union?

Mr. MITCHELL: The Canadian Brotherhood of Railway Employees and Other Transport Workers. I think I should say this. When the big national and international picture is taken into consideration, I do not think a strike is warranted over an issue of this description. I know that industrial disputes are difficult; no one knows that better than myself. A question has been raised in this morning's newspapers, or it has been suggested or hinted that the government should tell an individual what trade union he should belong to. I speak as an individual, but that is a peculiar and an entirely radical departure in a democratic form of government as we understand it. That is my own view. It may be that I shall live to see the day when a situation of that kind develops, but when it does, democracy goes out of the window and we are in for another form of government. I am stating my personal point of view. I wish to pay a tribute to the officers of my department and to the three judges who took part in the attempts to settle the dispute, but the final responsibility is mine and I have to accept it.

Mr. COLDWELL: Was not this union duly certified as the bargaining agency for the employees? Do not the men agree that the position of old employees belonging to other unions shall not be prejudiced but that only new employees shall be required to join the recognized union?

Mr. MITCHELL: I have mentioned that. Mind you, the opinion has been expressed in this country that there is a movement going on to protect the rights of people who are already there. It is a difficult problem and I am frank to admit that. We owe some obligation to the men who are fighting in Normandy and Italy, on the sea and in the air force. I leave it at that and say no more.

Mr. JEAN: May I ask the minister whether any arrangements have been made for the transportation of workers in war industries and in other industries during the strike?

Mr. HOWE: There is a plan, called the industrial transit plan, which has been in force for some time in connection with war industry, by which certain cars, allocated to move workers, are given special privileges in the matter of gasoline and tires. That plan now is being expanded to the point which we hope will be sufficient to move war workers. Other steps will be taken in case the present arrangements prove inadequate.

REQUEST FOR WESTERN FEMALE LABOUR FOR EASTERN FRUIT AND VEGETABLES

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): On July 27 I asked a question of the Parliamentary Assistant to the Minister of Labour with reference to the possibility of obtaining help from the west to process the very large crop in my particular area and in other parts of Canada. The parliamentary assistant indicated that the matter was under consideration and that the possible movement of special help from the west was being considered. Has anything further developed? Is there a possibility that this serious situation will be met?

Hon. HUMPHREY MITCHELL (Minister of Labour): The hon. member did not give me notice of this question—I am not complaining about that.

Mr. LOCKHART: It was brought up a week ago.

Mr. MITCHELL: I was away. In the meantime I think the parliamentary assistant was prepared to give an answer to my hon. friend, but he was not here the day after he asked the question. This is only one of the many man-power problems before the department. We went through the same thing last year, and at the end of the year, through the administrative offices and the organization, we took off the crop in western Canada and we took off the crop in Ontario. When I say "we" I am speaking in the broad sense. The farmers, along with selective service, faced up to this problem that my hon. friend is referring to. We have a special officer who is charged with the responsibility in connection with canning. I feel sure that when the end of this year rolls around we shall have accomplished just as good a job as we did last year.

Mr. SENN: Who is the special officer to whom the minister refers? I have had similar representations. I know that the position is difficult.

Mr. MITCHELL: His name is Bell. I cannot give his initials at the moment.

Mr. LOCKHART: Where is he located?

Mr. MITCHELL: In the Motor building.

Mr. PERLEY: On this question of labour, I have had requests in writing and otherwise, from the western farmers, who are getting anxious. They are going to have an early harvest. They are already harvesting coarse grains. One man from Indian Head said that a great many men had been brought down from the west to Ontario in the last two months to assist in the harvest here, and they are wondering if they will be back in time to help. I should like to bring this to the attention of the Minister of Agriculture as well, because the inspector of crops in western Canada, who knows the situation, said that he thought it ought to be brought to the minister's attention. It will be a serious situation if those men do not get back in time.

CANADIAN FORCES

INQUIRY AS TO POSTAL RATES ON PARCELS FOR OVERSEAS

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): The day before yesterday I inquired of the Postmaster General in connection with the possibility of reducing postal rates on parcels and mail going overseas. Is he in a position yet to give an answer to the question?

Hon. W. P. MULOCK (Postmaster General): There was no opportunity yesterday to reply to the leader of the opposition.

It is quite true there have been recent reductions in airgraph postage rates from ten to five cents, and the air-letter form for prisoners in Germany has been reduced from ten cents to five cents, while the air-letter form to prisoners of war and internees in the far east has also been reduced from ten cents to five cents. The leader of the opposition asked, in view of these reductions, whether it would be possible to reduce the parcel postage rate. I would advise him that the ordinary civilian rate before the war to the United Kingdom was 24 cents for the first pound and 18 cents for each subsequent pound. To Italy and Sicily the rate was 60 cents for the first pound and $1.10 for three pounds and following pounds much higher than our rate. However, the rate has been set at 12 cents per pound up to 11 pounds in a theatre of war whether in Africa or India or the United Kingdom. Out of that 12 cents the department must make payments to the United Kingdom or in some cases to the United States. The actual cost of handling these parcels in Canada, paying cost of transportation overseas, and land charges, exceeds 12 cents. We are actually handling these parcels at less than cost at the present time. In view of the fact that any reduction would cost approximately a quarter of a million a year for every cent of reduction, it is not felt that a reduction can be made at this time unless more favourable rates can be negotiated.

DOMINION ELECTION

SPECIAL RETURNING OFFICERS FOR OVERSEAS DIVISIONS

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): May I direct a question to the Secretary of State. I note that the overseas returning officers have been appointed in connection with the coming dominion election. Will the minister state when it is expected that these returning officers will be leaving Canada for their respective duties?

Hon. N. A. McLARTY (Secretary of State): The leader of the opposition was kind enough to give me notice of his intention to ask this question. As the house is aware, there are seven overseas divisions, as a result of the recommendation of the chief electoral officer: the United Kingdom, France, Italy, the near east, the far east, Newfoundland and the British West Indies. Special returning officers have already been appointed and two have now left—the special returning officers for the United Kingdom and France. The special returning officer for Italy, the far east and the near east require certain inoculations, but as soon as these are received they too will leave. No provision has been made for Newfoundland or the British West Indies as yet, as to when they will leave.

Some inference has been drawn that this indicates the date of the election. I think the inference is entirely unwarranted. In, for example, shifting fronts such as France and Italy, every precaution should be taken and every arrangement made. The only inference that can be drawn is this: when the election is held every war service elector who wishes to vote will be afforded every possible facility to do so.

FAMILY ALLOWANCES

INQUIRY AS TO CONVERSATIONS WITH PREMIER OF QUEBEC

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I wish to direct a question to the Prime Minister. Has the Prime Minister or any member of his cabinet had a conversation with the premier of Quebec or any member of his government on the question of family allowances? Secondly, have similar conversations taken place between him and the premiers of other provinces in Canada on the same subject?

Right Hon. W. L. MACKENZIE KING (Prime Minister): It is obvious that I cannot say what conversations have taken place on the part of my colleagues with premiers of the different provinces. I can, however, speak for myself and would say that I have not had one word with the premier of Quebec with respect to family allowances. I make that statement so as to have my position in the matter perfectly clear. But I would say to the hon. member that I can see nothing improper in any respect in the prime minister of a country having a word with the premier of any province—

Mr. BRUCE: Neither do I.

Mr. MACKENZIE KING: —and I have frequently heard hon. gentlemen on the other side suggest that there should be more in the way of conference between ministers of the federal government and ministers of the provinces. I have tried to further that end myself where I thought it would serve a useful purpose. But in regard to this matter, if the hon. member has nothing more than an insinuation in his remark, I see nothing to answer beyond the point I have.

Mr. BRUCE: I base my question on the newspaper report of a speech made by Mr. Godbout in which he said that the family

allowances legislation has been partly the fruit of his government's collaboration with Ottawa.

Mr. SPEAKER: The question has been asked and the answer given.

Mr. GRAYDON: My hon. friend, I think, asked the Prime Minister a further question with respect to the statement alleged to have been made by the premier of Quebec, that the family allowances were the fruits of collaboration between him and the Prime Minister.

Mr. MACKENZIE KING: The hon. member for Parkdale has violated more rules than any other hon. member of this house. When he rises and asks a question which he knows and the house knows is contrary to the rules of the house, I am not obliged to answer it, and I do not intend to. His Honour the Speaker has made it quite clear that the question which was asked by the hon. member for Parkdale on the orders of the day and his attempting to read newspaper reports are entirely out of order. I do not intend to lend myself to having the rules of this house violated to any extent that can be avoided.

Mr. BRUCE: I understood the Prime Minister to ask—

Some hon. MEMBERS: Order.

Mr. BRUCE: Surely I am entitled to the privilege of a word in reply. I understood the Prime Minister to ask me to indicate the basis of my question.

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. SPEAKER: As I have already said, the question has been asked and the answer given.

DEFENCE INSTALLATIONS

REPORT AS TO INSPECTION OF NORTHERN AIR BASES—REQUEST OF MAYOR OF WINNIPEG

On the orders of the day:

Mr. S. H. KNOWLES (Winnipeg North Centre): I should like to ask a question of the Minister of Munitions and Supply based on a telegram I received from the mayor of Winnipeg. I sent a copy of the telegram to the minister, therefore it will not be necessary for me to read it. Has the minister received a request from Mayor Coulter of Winnipeg to the effect that a representative either of Winnipeg or of Manitoba be included in a group of government officials who plan to visit the United States air bases in northern Manitoba and in the Hudson Bay area? According to a press report the purpose of the visit is to study possible post-war civil aviation uses of those bases. If the minister has received this request will he state whether it will be granted?

Hon. C. D. HOWE (Minister of Munitions and Supply): I did receive a telegram under date of August 1 from the mayor of Winnipeg asking that a representative of the city accompany the group. I replied to the telegram on August 2 as follows:

Mayor Garnet Coulter,
Winnipeg, Manitoba.

Reference your telegram August first as party making trip over northeast route consists of military and technical men only and route is still of military character greatly regret that representative as you propose cannot be accommodated. Your interest is however greatly appreciated and you may be assured that we are fully aware of the possible significance of this route to the people of western Canada and that their interests are being kept fully in mind.

C. D. Howe,
Minister of Munitions and Supply.

I may say that the suggestion made by my hon. friend that the purpose of the trip is to plan overseas routes is not correct. We have taken over the routes from the United States. No Canadian has seen certain airports. This is simply a joint inspection trip made by the United States and Canadian military and technical officers so that there will be an agreement on what is being turned over.

WESTERN BEEF PRODUCERS

CONDITIONS RESULTING FROM DRY WEATHER IN SOUTHERN ALBERTA

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I should like to ask the Minister of Agriculture a question of which I have not given him previous notice. I think the wording is sufficient to describe the situation. Will the Minister of Agriculture, either to-morrow or at an earlier time if he sees fit, tell the house whether or not he has received representations from beef producers in southern Alberta respecting the difficult situation facing them by reason of the very dry weather prevailing in that area? What steps, if any, is his department taking to meet the situation?

Hon. J. G. GARDINER (Minister of Agriculture): So far as I know, speaking from memory, no representations have come from southern Alberta recently with regard to the matter. There were representations a month or two ago suggesting that there might be difficulty. I have had some representation from the western part of the province of Saskatchewan. Representations may come in; if so, they will be considered immediately.

SPECIAL WAR REVENUE ACT

CONCURRENCE IN SENATE AMENDMENT

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of and concurrence in amendment made by the senate to bill No. 163, to amend the Special War Revenue Act.

Mr. GORDON GRAYDON (Leader of the Opposition): May I ask the minister if the government is satisfied with this amendment, and what was the reason for the change?

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): The government is satisfied with the amendment. The change is a minor one, having to do with the drafting of the bill. The section in question is section 113 of the Special War Revenue Act, relating to the requirement with respect to the keeping of records and books by persons who are collectors of taxes or who are required to affix or cancel stamps. The section as originally drafted read:

> Every person required, by or pursuant to this act, to pay or collect taxes or other sums or to affix or cancel stamps shall keep records and books of account in English or French at his place of business in Canada in such form and containing such information as, in the opinion of the minister, will enable an audit to be made to establish the amount of taxes or other sums that should have been paid or collected or the amount of stamps that should have been affixed or cancelled.

The senate amendment has taken out the words "as in the opinion of the minister will enable an audit to be made" and substituted the words, "as will enable the amount of taxes or other sums that should have been paid or collected, or the amount of stamps that should have been affixed or cancelled, to be determined." It is a minor amendment, and is entirely satisfactory.

Motion agreed to, amendment read the second time and concurred in.

AERONAUTICS ACT

CIVIL AVIATION AND COMMERCIAL AIR SERVICES—AIR TRANSPORT BOARD—CONCURRENCE IN SENATE AMENDMENT

Hon. C. D. HOWE (Minister of Munitions and Supply) moved the second reading of and concurrence in amendment made by the senate to bill No. 133, to amend the Aeronautics Act.

He said: The amendment referred to is simply a clarification of the wording of the clause relating to penalties for violations of the act. It is a wholly technical amendment proposed by the law clerk and parliamentary counsel of the senate, and I have no hesitation in asking the house to concur in it.

Mr. COLDWELL: It is an amendment to section 11?

Mr. HOWE: Yes.

Motion agreed to; amendment read the second time and concurred in.

TAX CONVENTION ACT, 1944

CANADA-UNITED STATES OF AMERICA—RATIFICATION OF CONVENTION SIGNED AT OTTAWA, JUNE 8, 1944—CONCURRENCE IN SENATE AMENDMENT

Hon. C. W. G. GIBSON (Minister of National Revenue) moved the second reading of and concurrence in amendment made by the senate to bill No. 159, respecting a certain tax convention between Canada and the United States of America.

Mr. GORDON GRAYDON (Leader of the Opposition): After looking at the amendment I think we should have some explanation from the minister as to its meaning.

Mr. GIBSON: When this bill was before the committee the hon. member for Parry Sound (Mr. Slaght) made the suggestion that the convention should become operative on a date to be fixed by proclamation of the governor in council. That suggestion was supported by the hon. member for York-Sunbury (Mr. Hanson). At that time I was assured that there was no such clause in a similar act dealing with the income tax convention between Canada and the United States, and so stated in the house. I said this bill was in exactly the same form as the previous bill. Later I found that I had been misinformed. There is in the income tax convention act a clause stating that it shall come into force when proclaimed by the governor in council. The effect of this amendment is to add a similar clause to this bill dealing with succession duties.

Mr. GRAYDON: Is the minister satisfied that the amendment improves the bill?

Mr. GIBSON: Yes, I am.

Motion agreed to; amendment read the second time and concurred in.

FISHERIES PRICES

PROVISION FOR STABILIZATION, PURCHASE OF STAPLE PRODUCTS AT APPROVED PRICES, ETC.

The house resumed from Wednesday, August 2, consideration in committee of bill No. 169, for the support of the prices of fisheries

products during the transition from war to peace—Mr. Bertrand (Laurier)—Mr. Bradette in the chair.

The CHAIRMAN: Last evening we were on subsection 2 of section 9, and an amendment moved by the hon. member for Cape Breton South was before the committee. The question is on the amendment.

Mr. BERTRAND (Laurier): Would you read the amendment, please?

The CHAIRMAN: The amendment is as follows:

That section 9, clause 2 of Bill No. 169 be amended by striking out all the words after the words "board shall" in line ten and substituting therefor the following words:

"ensure adequate and stable returns for fisheries by promoting orderly marketing and shall secure a fair relationship between the returns from fisheries and those from other economic activities."

Mr. BERTRAND (Laurier): I do not think we can accept this amendment. We cannot say that the board "shall ensure." This clause expresses the policy of the government, and it says we shall endeavour to do something. To say we "shall do" something when it relates to the future might mean that we would undertake to do something absolutely impossible. We intend to do the best we can. You might just as well have us say we shall make the fishermen happy, or rich, or something like that. I am sorry I cannot accept this amendment, and must ask the committee to vote against it.

Amendment negatived on division.

The CHAIRMAN: Shall subsection 2 carry? Carried. Shall the clause carry? Carried.

Mr. GILLIS: Might I be permitted to say a few words on this?

The CHAIRMAN: On the amendment?

Mr. GILLIS: Yes.

The CHAIRMAN: The amendment was defeated; I put it to the committee.

Mr. GILLIS: I did not hear what the minister had to say. I think any minister piloting a bill through this house would be well advised to take a seat in the centre of the chamber, because we cannot hear down at this end.

Mr. BERTRAND (Laurier): Perhaps I had my head turned away from the hon. member.

Mr. GILLIS: It is the same with all the ministers.

[Mr. Gibson.]

Mr. BERTRAND (Laurier): I said this clause expressed the policy of the government; it is the law we are setting up to meet future events. We cannot say the board shall do certain things; we can only say that they shall endeavour to do them. If we are to say they "shall ensure" something we might as well say they shall make the fishermen rich and happy, something we might not be able to do even with the best intentions. The wording in the clause is "shall endeavour", and that is the intention of the government.

Mr. GILLIS: I am not quarrelling with the point raised by the minister; it is immaterial as far as I am concerned. What I am concerned about is that I interpret the bill as it now stands to be merely a temporary measure, because it definitely states that these functions are to be carried on only during the period of transition from war to peace. That is the part with which I am quarrelling. The amendment I propose would strike out the words dealing with the transition from war to peace conditions, and make at least this part of the bill a permanent set-up that can be carried forward into the peace. As I see it, the operation of this measure could be terminated at any time, or at least this feature of it, if someone should determine that we had made the transition from war to peace, which might merely mean that when the war is over, when demobilization is complete and all the soldiers are back in this country, we shall have made the transition from war to peace without the necessary adjustments in our economy to take care of the measures which this bill is designed to meet, namely the reestablishment and organization of the fishing industry, and the endeavour to establish parity prices for the fishermen. This measure, as provided under the present section, can be terminated at any time. The minister's statement that the department would "endeavour" to ensure is immaterial. I thought it was better to say "ensure" than "endeavour". Some very weak endeavours can be made, and they do not accomplish much. But if the language in the bill is emphatic, and gives instructions to those who will be administering it, then there is a greater pressure on the administration to do something about the provisions contained in the bill. They would do more in that way than if they were just weakly told that they should endeavour. The purpose of my amendment is to give permanency to this provision rather than just to make it a transitional provision to be effective in the period between war and peace—a period which could be defined as concluded when demobilization is completed.

Mr. BERTRAND (Laurier): This bill is passed to meet the transition period. That period might last five or six years—I do not know. It may last ten years. But after that time there will be plenty of opportunity to pass any other legislation that is found necessary. This is the same bill for the fisheries as was passed for agriculture, and I am quite confident that it will meet the immediate situation after the war. If later on it is found necessary to do anything further, legislation to that end can be passed. But we cannot pass legislation five or ten years in advance. We have to wait until we can see what happens, and until we know what conditions are.

Mr. GILLIS: I am not quarrelling with the minister, but I am anticipating the difficulty we may run into in the future. If the present minister were administering the bill, and we had a guarantee from him, I would be quite satisfied.

Mr. BERTRAND (Laurier): You might have a better minister then.

Mr. MACKENZIE (Vancouver Centre): The hon. member for Cape Breton South, for instance.

Mr. GILLIS: For instance, some people I know on this side of the house, to my immediate right—

Mr. MACKENZIE (Vancouver Centre): They have not a chance.

Mr. GILLIS: With their ability to juggle the English language, the transition from war to peace, as they might understand it, would be complete when the army is demobilized. This bill says that it is designed to function in that period. Only yesterday I think it was the hon. member for York-Sunbury who said that while endeavouring to define the terms in a bill a minister had said to him that what the minister had said in the house did not mean a thing. Regardless of the present intentions of the minister, and regardless of the statements he may make to us now, it is the legislation as written which will determine its functions in the future. As I see the bill, it does not amount to anything, once demobilization is completed. The definition as to the limit of the period of transition is the feature which will count.. In my amendment I have sought to strike out certain words, and to have at least one permanent set-up to which fishermen can look in the future, something which would be of a permanent nature to establish floor prices.

Some hon. MEMBERS: Question.

The CHAIRMAN: The question was put and the amendment was defeated. I could put it again, if necessary.

Subsection 2 of section 9 agreed to.

Section 9 agreed to.

Section 10 agreed to.

On section 11—Regulations.

Mr. NEILL: I have an amendment to this section, as follows:

That section 11 be amended by adding thereto as subsection 2 the following:

"Such regulations shall forthwith after approval by the governor in council be published in the *Canada Gazette* and shall be laid before parliament within fifteen days after they are made if parliament is then sitting, and, if not, then within fifteen days after the commencement of the next ensuing session."

The purpose of the amendment is to ensure that the regulations shall be published. Section 11 does not make provision for that. It provides only for the making of such regulations as may be necessary. But there will be no facility for the public to learn what has been passed.

Mr. BERTRAND (Laurier): I am ready to accept the amendment.

Amendment agreed to.

Section as amended agreed to.

Section 12 agreed to.

Bill reported, read the third time and passed.

CUSTOMS TARIFF

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of bill No. 167, to amend the Customs Tariff.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Bradette in the chair.

On section 1—Definition.

Mr. KNOWLES: Does this bill conform exactly to the resolutions respecting the customs tariff which were passed before?

Mr. ABBOTT: Yes, it does.

Mr. KNOWLES: Are any of the additional suggestions made during that debate incorporated in the bill?

Mr. ABBOTT: No.

Mr. KNOWLES: For example, our plea for the inclusion of gasoline engines has not been heard?

Mr. ABBOTT: It has been heard, but it has not been acceded to.

Mr. KNOWLES: In other words it is not correct for the government to say that they are admitting all farm machinery free of duty?

Mr. ABBOTT: If you accept gasoline engines as included in farm machinery, perhaps that is correct. But in any case they are not included in the bill.

Section agreed to.

Sections 2 and 3 agreed to.

On section 4—Date of coming into force.

Mr. GRAYDON: Have there been any representations with regard to the duties on agricultural implements from agriculture or from industry since the resolution was first introduced?

Mr. ABBOTT: I am advised that there has been nothing since notice was given that item 442 would be amended. I say that I am so advised. The minister is in the banking and commerce committee but will be here in a moment, and perhaps my hon. friend would like to have his question stand until the minister is here.

Mr. GRAYDON: My purpose in making the inquiry was that I was anxious to know whether agriculture and industry, both being affected, had made representations to the government since the provisions of the legislation became known.

Mr. ILSLEY: There have been no representations from agriculture.

Mr. GRAYDON: Or from industry?

Mr. ILSLEY: Yes. There were immediate representations from industry, that some tariff concessions must be made on materials entering into the manufacture of parts. I think that covers the field.

Mr. CHURCH: This section provides that the act shall be deemed to have come into force on June 27 last and its provisions are retroactive—a wrong principle—to that date. The bill also gives the officers of the department power to interpret all the items in the schedules attached, which gives them the force of statutes. That is too much power to put into the hands of the executive. Revenue statutes should be construed strictly, and they are so construed by courts of law. But we are leaving it to departmental officials to interpret these various items in the schedules. As a parliament we are delegating our authority to the executive, just as we have been doing all this session in connection with almost every statute passed by this house. This house just passes on the general principle and then we leave it to departmental officers to say what the regulations shall be and what the interpretation shall be in all these matters affecting trade and commerce. That is one of the objections that business and trade and commerce are having to contend with to-day. They have great difficulty in getting an interpretation of the custom tariff. It is a most elaborate affair to make application to the department for an interpretation. There are delays, and artificial burdens and barriers are placed in the way of large and small business. I have protested against this before, and I intend to continue to protest against it because we are building up in this country a bureaucracy that makes it impossible for any business man to conduct his business.

These regulations and restrictions are becoming intolerable, and more than that, penalties are provided for violation of the regulations. The Habeas Corpus Act has been suspended and the Bill of Rights and the legal clauses of magna charta. These regulations and restrictions not only interfere with the liberty of the subject but make things an offence which never have been considered an offence in peace time. In Great Britain twenty thousand people have been fined for infractions of their regulations, and three thousand people have been imprisoned. Such a thing never happened in time of peace and if I am the only member to rise in his place and protest against this I am going to do it, although I realize that both the minister and his parliamentary assistant, who is doing very good work, have a very difficult task. I can say that as a private member of the house. I wish to give the department every support but I do hope that when the budget is brought down next year parliament will not delegate its authority in this way. In the British house the same objections were made when Sir John Anderson, the chancellor of the exchequer, presented his budget with similar schedules to what we have here. Several members took part in that debate and forced the government to make changes to make the schedules more specific so that parliament would not be a mere rubber stamp, and by these schedules and rules that is all we are here. I hope that I have not offended any member's dignity. I do not want to ask the leader of my party here to have to rise in his place and defend me. I have made this suggestion, Mr. Chairman, in all sincerity to the ministry and the department, and I hope that before another year goes by we may see an end to this intolerable situation and say in exact words what each item is and means. Our friends in the far east corner have been talking about a new and a better world to come. I say, let us get back to the days of 1939 and try to restore

the freedom and liberty we had then. In those days the business man, large and small, had a chance to do business.

Mr. WRIGHT: Has the minister given further consideration to the representations that were made on the resolution stage as to the date on which these items will become effective? The date fixed here is September 30, but representations were made that the date should be moved forward. Has further consideration been given to that?

Mr. ILSLEY: Intensive and prolonged attention has been given to that question with the result that we are all of the opinion that the date, September 30, cannot possibly be changed, and I will give the reasons.

In the debate which took place on the evening of July 20 some hon. members expressed dissatisfaction with order No. 421 of the wartime prices and trade board in which directions were given respecting the lowering of ceiling prices on repair parts for agricultural implements to become effective after September 30, 1944. Some fears were expressed that certain importers could import large quantities of these repair parts between June 26 and September 30 free of duty and exchange tax and by continuing their sale at ceiling prices up to the effective date of the order thereby defeat the purpose of the budget amendments, which were designed to lower the prices of these repair parts to the farmer. I have looked into the question carefully and have reached the conclusion that the board has taken not only the most practical course in all the circumstances, but as well, the one which will most effectively give the farmer the benefit of this policy at the earliest possible date. In the first place hon. members should understand that upwards of 80,000 pricing items are involved in this change.

I have just sent up to my office for a few of the lists to show them to the house. They are appalling in their magnitude, and if members could look at them they would see the principle on which these prices are made up and how impossible it would be for any government body to go over them quickly, take out of the prices there the amount which is represented by war exchange tax and duty, and create a new price list; or, for that matter, for the companies themselves to do it. Certainly it would be impossible for the companies to do it and get out new price lists.

Let me repeat. In the first place, hon. members should understand that upwards of eighty thousand pricing items are involved in this case. There are well over ten thousand dealers throughout the country who handle the sale of these repair parts, and all of them work from price lists issued by the implement companies setting out in detail the price of each item. These price lists do not indicate which items are imported and which are of domestic manufacture. There is considerable variation in this respect between different companies, as some manufacture domestically items which may be imported by other companies, and vice versa. The percentage of the price which represents exchange tax and duty also varies between each company and between the individual items; that is to say, there is no uniform percentage applicable to the extraordinarily lengthy list of repair parts, so that each and every item has to be adjusted in accordance with whatever pricing formula may have been adopted when the duty was applied and when the war exchange tax was levied. Consequently, it is not possible effectively to pass on desired price reductions without a complete revision of these price lists, and as I have indicated this is a task of considerable magnitude. I am informed that in normal times the preparation, printing and distribution of these price lists would take from four to six months and under present day conditions the difficulties are appreciably greater. Notwithstanding this, however, the board has set the effective date at September 30, which would appear to be the minimum period possible. I want to say that the strongest representations were made that that date would have to be later than September 30 because of the great difficulties involved, but that the board insisted on getting it back to September.

Mr. BURTON: May I interrupt the minister? From whom did he receive these representations?

Mr. ILSLEY: From, I think, the implement companies. I do not think it was the dealers; I think it was the implement companies.

Mr. BURTON: It was not from the agents; it was from the implement companies?

Mr. ILSLEY: I think so. The implement companies are the ones who have to get out the new lists.

Here are some of the lists. There are thousands and thousands of different items with very small amounts charged for each. I have opened this just at random. Here are some items:

No.	Price	Description	Code
GK 1508.....	.18	adj. washer.....	RT
GK 1503.....	.68	connection	RT
GK 1519.....	.08	stud	RT
GK 1524.....	.15	collar	RT

There are thousands and thousands of these which would have to be adjusted, perhaps by a cent or half a cent or something of that

kind; and the task of a government body to do that, and pass on this, and do a job which would be at all respectable or would stand up, is impossible to perform.

Mr. BURTON: I should like to know how it is that it is so easy for them to make any increase. That applies to what has happened in years gone by.

Mr. ILSLEY: No, it is not easy. I shall come to that.

The second point of interest is that potential imports during the three months period are strictly limited because of quota restrictions and the physical difficulty of obtaining supplies under present day conditions. The production of these parts in the United States is under a rigid production schedule which cannot be altered without government approval. For these and other reasons having to do with production under wartime conditions I can assure the members that no increase in imports can possibly take place over this three months period beyond what had been already scheduled.

The real point at issue, it seems to me, is whether or not the procedure followed by the board has carried out the wishes of government. On that point I am completely satisfied, namely, that having in mind the practicalities of the situation the price reduction is being made effective as quickly as possible and in a way to secure the best benefit to the farmer consumer. It is difficult to forecast precisely the actual results because it is impossible to obtain the actual inventory position of the larger number of dealers involved in this trade. In one test case made, however, which is regarded as representative, the following results were apparent:

Inventory in hands of dealers, on July 1, 1944	$494,604
Imports allocated July to Sept. 30	178,000
Total available for sale	672,604
Estimate of sales during period	325,000
Estimated inventory on Oct. 1	$347,604

In this typical example it will be observed that farmer consumers will receive a price reduction on purchases after October 1 on inventory totalling $347,000 and have paid the old price on only $178,000 additional. One further point is that as at June 30 the great bulk of inventory is in the hands of these 10,000 dealers and not in the hands of implement companies. It would be manifestly unfair to reduce maximum prices in such a way that these dealers should take the loss involved and I understand from statements made by some hon. members during the former debate that no such desire is in their minds.

[Mr. Ilsley.]

Mr. BURTON: Could the minister tell me how many dealers in the country there would be who would have to take the loss?

Mr. ILSLEY: Ten thousand.

Mr. BURTON: The dealer would not take that loss; it would be the companies, and if they would divide that up like they do when they slap it on for us, I do not think there would be very much difficulty.

Mr. ILSLEY: If the price were brought down as of June 26 it would have to be a reduction of the price which the dealer would charge, would it not?

Mr. WRIGHT: The point is that a large number of these dealers carry on consignment; they do not pay for the parts until they are sold.

Mr. ILSLEY: I would want to look into that affirmation. There are not ten thousand agents, or anything like it, of implement companies selling parts. As I understand it, hardware stores and even blacksmith shops and dealers all over the country are in this business. To put a compulsory price reduction in effect on June 26 so that they sell at a loss is something which we cannot contemplate. Whatever hon. gentlemen want to do with the implement companies you could not do it with these dealers.

One other possibility, however, was examined by the board, namely to investigate the possibility of making the price reductions effective immediately and refunding the dealers for the tax and duty already paid. This course was found to be quite impracticable. As already pointed out, the inventory could not be identified in any event, and further, the administrative task of trying to deal with claims from ten thousand dealers involving some eighty thousand items seemed quite impossible.

One final point is the assumption made by some members that the implement companies and dealers were permitted to add the tax immediately when it was imposed in 1940 and thereby profiteered at the expense of the farmer. I am unable to find that such a criticism is warranted. The same difficulty about getting out amended price lists existed at that time. The question the hon. gentleman asked was a perfectly intelligent one. He said, how could they amend their price lists so fast in 1940 if it takes them so much time in 1944? That is an intelligent question; the answer is that in most cases they did not. I will go on.

Moreover, section 6 of the War Exchange Conservation Act specifically prohibited the adding of the tax to any items on which tax

had not been paid. But as I have pointed out, it was impossible to identify the parts in the hands of dealers between those on which tax had been paid and those on which it had not. Consequently, there may have been cases in which individual dealers took improper advantage of the situation in respect of specific items. There was considerable diversity of method in regard to the practice followed by the implement companies. In one case, for example, prices were increased immediately by a flat percentage and this increase continued for a couple of months, after which it was cancelled and refunds made to purchasers in that period. Ultimately the revised prices went into effect at the beginning of 1941. In other cases the time lag varied from six to ten weeks and as previously stated the price and procedures followed between the companies were by no means uniform.

I hope hon. members will agree that in a problem of this complexity the board, in passing order No. 421, has followed the best course for all concerned, and that it has the additional great advantage of achieving a uniform price reduction on a specific date.

This question was raised the other night and it has given me a great deal of trouble. I wanted to see if we could institute a two-price system, and was satisfied, before I had gone into it very far, that it was absolutely impossible to do so. We could bring the date back from September 30 to August 30, in which event there would be a larger proportion of goods on which the implement companies and dealers would take a loss and a smaller proportion on which they would obtain a profit. I took that up with the board and Mr. Gordon gave it his personal attention. He went over the question thoroughly because he was most anxious not to leave his board open to the accusation that they had done something in the interests of the implement companies and against the interests of the farmers. He was anxious to see that the directions which I gave to the board in the budget speech, to ensure that the advantage of this reduction was passed on to the farmers, should be carried out. It was impossible, for the reasons I have stated, to take precisely the items that came in on June 26 and make a lower price on these items. It was impossible to institute that two-price system on these 80,000 items. It was utterly impossible to examine the inventories and find out what they were and how many were brought in before and how many afterwards, even if it were desirable to have a two-price system. Therefore the only thing to do was to set a date and to say, "Whenever you brought it in, whether you paid tax on it or not, if you sell it after that date the new price has to go down, and whatever you sell before that date you can sell on your existing price list." That was the only practical way of doing it. I discussed the matter with a member of this house, a member on this side who is very much interested, and I think I can say that if he were here he would say that he concluded it was the only practical method to adopt. Then it comes to a question of the date, and we cannot administratively do it before September 30. Even if we could, however, taking the instance I have given, it would be unjust to the dealers—forget about the implement companies—to move the date back too far because they take a loss on too large a proportion of the inventory and have too small a profit to offset against it. I have done the best I can in the circumstances. I know what will be said about it and I shall not be there to answer as I have done to-day. But that is the best that I can do.

Mr. BURTON: I agree with the minister that he has done all he can; I am prepared to say that. He did what he could, knowing the circumstances as he does. At the same time, I would point out to him that his advisers in all probability have paid too much attention to one side of the picture and have ignored the other. They have given him some sort of idea as to how many repair parts would be brought in from June 26 to August 30, I suppose. Have they?

Mr. ILSLEY: I could get that, but they have not given it to me. I do not know.

Mr. BURTON: They could bring them in without duty and have them with the other stock piles and make a profit on them.

Mr. ILSLEY: They took what they regarded as a typical case and I gave the figures just now. Certainly the farmers as a whole do not lose and the dealers do not profit on the selection of the date of September 30. I could get figures such as the hon. member has asked for but they would be estimates. We know how much can come in before September 30; it is the balance of the United States allocation and it is strictly limited. They cannot speed up imports. There was a fear that they would profiteer by getting parts from the United States and selling them before September 30 but they cannot do that because we know exactly how much the country can get from the United States and the quantity is limited. However, I can find out roughly, though there would be a large element of estimate in it, how much their floor stock was

on June 26. I am assured that there will be a large volume of parts on hand on September 30 on which they must take a lower price. In this case, the estimated inventory on October 1 is 347,604. Some of these parts do not sell for years.

Mr. RICKARD: Has there been a greater quantity of these imported parts brought in since this came into force than last year? How much difference is there between importations under the new regulations and those previously?

Mr. ILSLEY: I have not the information but I am positively assured that the amount is limited. It is not at the option of the importer or of Canada. It is allocated by some combined board in Washington. We can get so much, and we can get the remainder of our allocation for a certain period, and that is all that can come in.

Mr. RICKARD: The impression seems to be abroad that the companies have taken advantage of the situation and brought in more repair parts than they did previously. Whether that is right, I am not prepared to say. The minister should know. So far as the implement dealers are concerned, we should not leave it to them to assume responsibility for the loss; they must be protected where implements are in their hands. But it is the companies bringing implements in now that we should get after.

Mr. BURTON: What action is the government taking to check the new list that will be used on September 30 to see that they too reflect the necessary reductions? Are they taking action?

Mr. ILSLEY: Yes. That is the responsibility of the wartime prices and trade board. They must assume their full responsibility and see that the directions I gave in the budget speech are carried out. To the extent that the laid-down cost to the importer is reduced, that reduction must be passed on to those who purchase from the importer.

Mr. BRYCE: When I discussed this matter before, I was satisfied, from experience I have had with dealers, that the implement companies of this country are a very up-to-date outfit. Every week they receive a return and they know exactly how many parts there are in every warehouse. These warehouses are supplied so that the farmer gets service. There is keen competition. In every little hamlet in the western provinces the companies know exactly how many spare parts there are available and where. I complained to the minister because they had the figures. They are up-to-date figures. They could put their finger on any repair part. The implement companies are up-to-date going concerns. If I go to Winnipeg and ask for some repair part they might say they have not got it, but they ask me to wait a minute and then they tell me that there is a dealer in Saskatoon that has it and that they will get it down for me. They know their business thoroughly. They are in a position to be just a little cleverer than the minister in finding out the figures. I agree with the minister and I appreciate what he has done for us. I am sorry that he did not put gasoline engines on the list. I had a special interview with him and told him about it. If a mower or binder is essential on a farm, so is a small gasoline engine. I am awfully disappointed that the minister was not able to put gasoline engines on the list. If I call up any of those companies in Ontario or western Canada and ask them if one of those little gasoline engines is on the agricultural list they will say "yes." I would like the minister to give further consideration to it.

Mr. BURTON: I should like to remind the minister that while it is quite true that a hardware store here or a private dealer there may have some parts and may continue to sell some of them, yet by and large the bulk of the repair parts are handled by the machine companies. As the hon. member for Selkirk has pointed out they are handled by their agents, but the stock belongs to the company. All that the agent has to do is to give an accounting of what he has sold. The articles that remain belong to the company. The company knows where they are and how much the agents have on hand.

Mr. RICKARD: I do not think that is quite a correct statement. When the parts come in to the implement dealers they buy them. They are responsible for the sale. It may be that what is left over after a certain period is taken back by the implement companies.

Mr. BOUCHER: There is something in what the last speaker has just said. I think there are a number of service men who are required by their respective companies to carry a stock of repair parts. I believe that most of those parts are paid for by the individual dealers. They are not on consignment. But the point is not really a pressing one at this time, because I do not think that we as a parliament should attempt to put a loss on the manufacturer any more than on the dealer by virtue of a change in the customs tariff. The hon. member for Selkirk

hit the nail on the head and spoke with some knowledge of the business when he said that an inventory is kept by the dealer and by the company whom he represents of all stock on hand from day to day, and that they are well informed at all times. That being the case I do not think the difficulty or the impracticability that the minister has mentioned of ascertaining the stocks on hand at different dates would be as great as the minister seems to suggest. I believe it could be ascertained very easily. Regardless of the date on which the price is changed and the tariff is dropped, if a dealer or manufacturer has stock on hand on which he has paid duty I believe he should be refunded that amount by the government.

During the last war a great deal of difficulty was caused when the tax on motor cars was dropped. Many dealers had motor cars on hand on which they had paid the tax, and it was not refunded. It took some years before it was actually adjusted and the tax rebated to the dealer. I do not think the minister's difficulties are anything like what he thinks they are in respect to refunding any customs duty that was paid and in ascertaining what stocks are on hand either in the manufacturer's plant or in the dealer's hands. These people would be very efficient in finding out just how much they have on hand on which the various customs duties have been paid. The minister would be well advised to explore the possibility. He will find that exact and reliable information can be given at any date as to what stock is on hand.

Mr. WRIGHT: With respect to the list that the minister has in front of him, there is no doubt that it is large and detailed, but the greatest reduction that will come about in repair parts will come from the removal of the war exchange tax. It would be a very simple matter for them to use the old books that they had before the war exchange tax was put into effect. Is the ten per cent war exchange tax on gasoline engines being removed?

Mr. ILSLEY: No.

Mr. WRIGHT: I cannot understand why not. It is a protective measure as far as manufacture in this country is concerned.

Mr. ILSLEY: Is the hon. member talking about imported engines or domestic engines?

Mr. WRIGHT: Imported engines. I am talking about the small gasoline engines used on the farm. They are imported. They are engines made for the John Deere company, the International Harvester and Massey Harris in the United States. I really cannot see why the war exchange tax should not be removed, even though you might have to change the tariff. The war exchange tax is a temporary war measure placed into effect for the conservation of exchange. If I understand the situation aright, the measure was not introduced in order to protect industry; therefore I cannot see any reason why it should not be removed so far as it applies to gasoline engines.

Mr. ILSLEY: The war exchange tax yields us $128,000,000 altogether. We cannot give that up as a whole. There are all kinds of people who ask us to pick out this item or that item and take the war exchange tax off it, because it would reduce their costs so much. We just have to turn them down. Up until the time we took it off agricultural implements, as that term has always been understood, and as they are grouped in the tariff, we did not remove the war exchange tax at all except as a means of keeping the price level down, enabling the price ceiling to be observed. We made an exception in our tariff treatment of agricultural implements. I must repeat that I cannot be pushed inch by inch into a general revision of the tariff. I am sticking to agricultural implements; that applies to duty and war exchange tax. There are people all over this house who would make a remarkable speech so far as their constituents are concerned by saying: I should like to have the war exchange tax off this, I should like to have the duty off that. But we cannot go on that way. The hon. member is not the only one who wants the war exchange tax off; farmers are not the only ones who would like to have the war exchange tax off. There are all kinds of people who would like to have it off, but that cuts into a revenue item which yielded us nearly $130,000,000. I am not prepared to let that go.

Mr. BOUCHER: Probably the minister might look upon the gasoline engine as being a little different from any other machine, because it is an essential agricultural machine. It is a great labour-saving device to the farmer. If he will look at the peculiar position in which we find ourselves so far as labour is concerned I think he will realize that it is of great interest to the agricultural industry, and on that basis alone he would be well advised to give serious consideration to a reduction in the tax on gasoline engines.

Mr. ILSLEY: Oh, I presume it would create some popularity with some people; but hon. members must remember that this house is simply demanding that we pour out money for many purposes—

Mr. BOUCHER: And we are suffering because you are doing so voluntarily.

Mr. ILSLEY: —and they must have a little regard for our desire to preserve some revenue items.

Mr. KNOWLES: We are just pushing you on your own free trade principles.

Mr. WRIGHT: I do think the government should reconsider their position with respect to what are classed as agricultural implements, if gasoline engines are not included. While they may not have been agricultural implements thirty years ago, certainly they are to-day. The list of agricultural implements must be changed to meet changing conditions in agriculture, and anyone who operates a farm of any size at all knows these engines are a necessity; they are used for a dozen different purposes. I believe any farmer will agree that if they are not classified as agricultural implements, certainly there should be a revision of the list as it applies to our tariff. I will ask the minister to give serious consideration to going over the present list of agricultural implements and bringing them up to date to comply with modern conditions in agriculture.

Section agreed to.

Schedule A agreed to.

Schedule B agreed to.

Bill reported, read the third time and passed.

RADIO BROADCASTING

CHAIRMAN OF CANADIAN BROADCASTING CORPORATION—PROVISION FOR FULL-TIME SERVICE AND ANNUAL SALARY

Hon. L. R. LaFLECHE (Minister of National War Services) moved the second reading of bill No. 179, to amend the Canadian Broadcasting Act, 1936.

Mr. CHURCH: Before the bill is read a second time I want to ask just one question about it. I believe this proposal which comes to us from one of the committees—I beg your pardon, Mr. Speaker; I thought we were in committee.

Mr. SPEAKER: The motion is for second reading. Is it the pleasure of the house to adopt the motion?

Mr. GRAYDON: I understood that the hon. member for Broadview was speaking to the motion for second reading.

Mr. SPEAKER: My understanding was that the hon. gentleman wanted to speak in committee.

[Mr. Ilsley.]

Mr. GRAYDON: Our party are not prepared to give second reading to this bill, because we want to register our objection to it and vote against it, if the opportunity arises. I should like to say just a word before we go any further.

Mr. SPEAKER: Very well; the motion is for second reading.

Mr. GORDON GRAYDON (Leader of the Opposition): A number of matters no doubt will come up for discussion when this bill goes to committee, but before that is done I should like to again register my objection to this method of improving the set-up of the Canadian broadcasting corporation. During the debate on the resolution I tried to make it clear that the appointment of a full-time chairman will not remedy our broadcasting difficulties. I think I made it clear, too, that instead of this being a step in the right direction I believe it to be a retrograde step. We have been placing the cart before the horse in connection with the C.B.C. for a good many years, and as a result the real meat of the problem has not been really tackled since the beginning of the war.

In 1940 and 1941 appeals were made for the setting up of a committee on radio broadcasting. The government in its wisdom—though I regret to say they did not display wisdom in that connection—time and again refused to accede to the request of the opposition for such a committee. During that period while the searchlight of public inquiry was kept from this corporation it drifted into a position which in 1942, when the committee met for the first time, clearly showed that the affairs of the corporation should have been properly inquired into and investigated before. The report of the committee on that occasion was not in my opinion a true representation of the conditions that existed. Many of us at that time found it impossible to make that report unanimous, because we felt that it did not go far enough in castigation, first of all of the government itself which in the final analysis had the real responsibility for radio having come to such a position. There was scarcely a word in the report in censure of the government. Why, you would think the government had practically no responsibility, and that it had carried out perfectly what little responsibility it might have had. As a matter of fact, however, the government failed in its primary duty of keeping the board of governors complete, let alone seeing to it that the right men were appointed. The ranks of the board of governors were almost continually decimated, because the government did not fill them as vacancies occurred.

The committee of 1942 did not bring in the sort of report I would have brought in, or the sort of report that would have been brought in by several others who were on the committee. That report made it as easy as possible for the government. This is not intended as a reflection upon those who served on the committee. It is a statement of fact, as I saw it; the committee did not criticize the government as much as it should have been criticized. Now we find that while that report should have been enough to compel every member of the board of governors to resign, they all stayed where they were. It is true that some changes have occurred through the efflux of time, but the fact is that the government has only temporized with the real root of the problem, and I say we are still temporizing with it.

The present position in my opinion is a disgrace and a scandal to Canada. I cannot find words strong enough to indicate my feelings with respect to it. I do not know of a single reason why this great corporation, charged with heavy responsibilities in both peace and war, should be left without a general manager ever since last September. This means that we will have been without a general manager of the Canadian Broadcasting Corporation for a period of almost twelve months. Time after time in this house during the present session we have called—I have done it myself—for the appointment of a general manager. If a general manager is of any use to the corporation, he should be appointed. And if there is no use for a general manager, there should not be one. It should be either one thing or the other. But there is no excuse for one of the major corporations controlled by this government, one of the major corporations under the aegis or control of this government, being left in that condition.

There is, of course, a grave difficulty, from the legal point of view, as to just where this corporation does fit in as a government enterprise. I have dealt with that matter before, and I shall not discuss it again now. But I do say this: Here we are now being asked to appoint a paid chairman for this corporation, after having allowed the general managership to remain vacant for almost twelve months. Is there any wonder that some of us would like to speak with some feeling in this matter?—because I do not think what is being done is fair to public ownership broadcasting in Canada.

From time to time I have expressed my views clearly with respect to public ownership of radio broadcasting. I think the set-up which exists with respect to private enterprise having its share and its fair opportunity alongside a public ownership corporation will perhaps not meet with criticism if regard is had for the interests of Canadian listeners and the Canadian people generally. But while we believe that—and I say this as emphatically as I can—we also believe that the whole texture, the whole fabric, the whole structure of public ownership radio broadcasting is imperilled and endangered by the fact that we have allowed this managerial condition to exist. How long would a private broadcasting corporation, a private station, or any private enterprise be able to get along if they allowed their general managership to remain vacant for a year? It would not be tolerated at all.

I was hoping some plan would be laid before the house long before this under which the position with respect to the managerial or executive staff of the corporation would be such that the public would at least have confidence in the way in which the Canadian Broadcasting Corporation is being operated. We have had no intimation from the minister or the government or from the board of governors as to when a general manager for this corporation will be appointed. We do hear rumours through the newspapers to the effect that the assistant general manager is likely to be moved up. We hear the rumour, too that a new assistant general manager is to be appointed. We are now asked by way of legislation, to add to the corporation a $15,000-a-year job. I must say however that this is only rumour, and I do not wish the minister to take it that I suggest that will be the amount. But people are wondering why we need another $15,000-a-year job on top of the jobs which never have been filled in the corporation. It seems to me that that is a ridiculous proposal, until there is some plan and some scheme whereby radio can again be put on its proper footing.

The Canadian Broadcasting Corporation ought to have a great future in this country. I have been fearful and I have been anxious with respect to that future. On many occasions I have been criticized; but no one has ever heard me criticize, except for the purpose of trying to make our radio system a better system for the people of Canada. Because I believe if we were ever to reach the position where this public ownership broadcasting enterprise were denied its proper place, we would be taking a retrograde step for the whole of the dominion.

All this temporizing and all this delay and all this drift is not good for our radio system. I do appeal to the minister, I do urge upon him with all the emphasis I can command, and with every conviction, to make sure that

we do have a set-up of broadcasting in Canada which will be a credit to the country, to the government, to parliament and to the corporation itself.

There will be some who will say that my criticisms in respect of the Canadian Broadcasting Corporation are pretty severe. But my criticisms of that corporation are not half as severe as the criticism of the corporation which has been emanating right from the corporation itself. Up until recently one could not help hearing the criticism which came from those who were within the corporation. I do not like to hear that. We in parliament have a responsibility to see that this broadcasting set-up works; I do not think we can make it work by making effective the foolish policy and the principles set out in a bill such as this. We are loading up the corporation with more jobs. We are loading up the corporation with more paid men. I would like to see the paid men who are already in there placed in a position where they can carry out the job, instead of allowing jobs to remain vacant, not merely from day to day, from week to week, but from month to month, stretching almost into a year. It is not fair to the country; it is not fair to the public, and it is not fair to the corporation. And if my castigations of the corporation's policies in the past and at the present time are severe and strongly worded, they arise from convictions which I hold sincerely. Because if there is one single thing I should like to see come from heavy criticism of the Canadian Broadcasting System it is that we should finally emerge with a better publicly controlled enterprise, one giving the kind of service originally envisaged by the act, a service which the fathers of the broadcasting system in this country actually intended it should be. That should be the object of every one of us so far as broadcasting in general is concerned.

I leave this message with the minister. We need a change with respect to the whole set-up of the Canadian Broadcasting Corporation. This bill does not suggest the way in which that can best be done. For that reason I cannot support the measure, nor is my party able at this time to do so, although we would like to have some plan or some scheme set forth which would really solve all the problems which so badly need solution.

At one o'clock the house took recess.

The house resumed at three o'clock.

Mr. T. L. CHURCH (Broadview): I wish to express to the minister my appreciation of some of the changes which have already been made by the corporation. Radio is a public utility of very great magnitude and of great importance to the people of this country. It is one of the means of communication between the families of soldiers at home and the boys overseas, but like every other great invention, use is one thing and abuse is another.

I have been a friend and admirer of the minister for many years for the part he played in the last war and for what he did for the soldiers in our district, but I must say to the minister that before he took charge of his department there was widespread dissatisfaction with the conduct of this great public utility. On the other hand, it has been a revelation to the people of Canada what this great public utility could do if properly administered.

In my opinion, Mr. Speaker, there should be no board at all. I remember when the act was passed in 1936. At that time the former leader of my party objected to what had been said at the first meeting of the board. Some of the officers had set out to do something which was illegal under the constitution. They announced with a great flourish of trumpets that instead of making the corporation serve all the provinces they were going to use it for the benefit of one province and were out to make Canada a bilingual country. I have never believed that was to be the peculiar function of radio. I believe in equal rights for all the provinces.

The vast possibilities of the radio and of this organization are perhaps not realized yet throughout the country. It is spending about five and a half million dollars a year. It controls about seventy-five per cent of the stations, has two short-wave stations and one more is being built. The organization comprises 749 to 810 employees. So that it is a large corporation.

Radio affects the lives of people of every class morning, afternoon and evening, in peace time and in war, in matters of trade, industry and commerce, amusements, music and education. On Sundays particularly a splendid service could be given if rightly used, free of advertising.

I would point out that we are not getting the return we should get from the licence fee of $2.50. I think it would be interesting to have figures as to prosecutions for non-payment of the licence fee. I am told that a large number of owners of radio sets in the city of Ottawa do not pay the licence fee, also a large number in Quebec and many other places throughout Canada. Perhaps the minister would give us figures on the number of prosecutions in the different provinces for non-payment of the licence fee.

The corporation was set up in 1936. Previously the head of our party had appointed a royal commission which travelled all over the world and investigated radio in different countries, visiting Japan among others, and then the commission made its report. The corporation was set up but it was never intended to be like the laws of the Medes and Persians, unchangeable. The set-up of the corporation from 1936 until now has been weighed in the balance and found wanting.

Talk about appointing a chairman! It was announced over the radio that the chairman was to get a salary of $15,000 but according to the bill the governor in council is to fix the salary. The trouble with all these boards is that there are too many figureheads. Yesterday I was listening to a debate in this house on controls and advisory boards. We are appointing boards and committees all over Canada whose members serve without salary. My hon. friend the member for Temiscouata (Mr. Pouliot) who is not in the house to-day —I think he is away at the election—and the admiral of the fleet of the bay of Quinte, the hon. member for Northumberland, Ontario (Mr. Fraser), have criticized the appointment of dollar-a-year men to these boards and have told how they occupy needed hotel rooms and crowd the trains travelling to and fro. It would be better to pay some of these men five or ten or fifteen thousand dollars a year salary than pay some of their expenses. There are lots of people who would serve on the corporation without salary. The corporation should be abolished. There should be no board and no chairman. There should be just one chief executive officer. A departmental store runs a bigger business than is run by the corporation and does it without all these boards and executive officers.

I believe that the committee has done a splendid work. One good thing it has done is that it has brought this corporation's affairs and every dollar of its expenditure under the control of parliament, and that has had a salutary effect, although up until two years ago the fact remains that if we asked questions in parliament about any official of the board we could not get an answer because we were told in those years that the corporation was independent of parliament.

Some of the radio programmes give one a headache. Some people turn the radio off because it reminds them, our soldiers' families particularly, too much of the war. I appreciate that the minister has made in some ways a very fine contribution in improving the system, and I hope that he will be able to eliminate some of the abuses. I believe a recommendation was made to the minister three or four months ago that applications for licences to run four new broadcasting stations should be approved by the board of governors, but no action has been taken.

Many of the employees of the corporation are appointed under the patronage system. It is hard to get technical men for some radio work because radio is still in its infancy. We cannot measure in the future its ultimate possibilities, if rightly used and applied, for the happiness of our people. Nothing has contributed more than radio to the education of our people except the motor car, which has also contributed to their education. But as I said, use is one thing and abuse is another. I wish the minister and his department every success, but I fail to see the necessity for appointing a chairman. It will be a duplicate system, not needed. He will be nothing but a figurehead. He will come and look around the offices all day long and worry everybody who is connected with the system. But nowadays we are appointing boards for this and boards for that, and chief executive officers of all kinds who are unnecessary and only add to the cost of governing the country and lessen efficiency of a concern that should be administered from the commercial aspect.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I do not want to take very long in discussing this bill. First of all, the good things that have been said to-day about the work of the C.B.C. are well deserved. In the past two years the employees of the corporation have given a good service to the Canadian people and are doing worth-while work. We can all be proud of the work that the C.B.C. has done. Looking back over the years one realizes how the taste in good music and in drama has improved, the interest that has been awakened in discussion groups and so on, because we have this great broadcasting service. It is not a profit-making organization in the sense that broadcasting systems in some other parts of the world are. This is a great national service, and I am glad to note that the corporation is constantly improving its facilities. The establishment of a second dominion broadcasting radio network is, I think, a step in the right direction. I hope that a friendly rivalry will develop between these two networks and that between them they may improve the service that is given to the Canadian people. Knowing as I do the tremendous benefit this is to people who are shut in, I feel that the establishment of a corporation free from large advertising and interested in raising the standards of radio in this country is something for

which the parliament that established the present broadcasting system will deserve praise.

I have never been convinced, although of course I have heard discussions before the radio committee, that what is now proposed in this bill is the the best thing for the corporation. I have no doubt the bill will be passed by this parliament, and that if it is passed—speaking as a member of this house and, perhaps, as the leader of the party associated with me—there will be no sniping; we will do all we can to see to it that the chairman of the board and the new method are given a fair trial; we shall give them all the support we possibly can. But as I have said before, I am fearful of a divided authority in the corporation. We had a long discussion of that two years ago, and I do not intend to repeat the arguments then advanced against that divided authority. It is necessary to-day only to say that divided authority in the past was bad for the corporation, and I feel that this step to-day is in the wrong direction. It may be argued, of course, that the chairman of the board will be a full-time employee of the corporation. But the chairman of the board can scarcely be an employee; he is at the head of the board of governors, and as such he must lay down the policy, as the mouthpiece of the board of governors, to the responsible official of the corporation. It seems to me that he cannot act in a dual capacity, that of a paid employee of the corporation and that of the policy-making head of the corporation; and I would ask, in the appointment of another official—because as I understand it the broadcasting act is not to be changed in any other particular; we shall still have a general manager and an assistant general manager, and under this bill we shall have a chairman—where is the authority going to lie? It is said, of course, that the authority will lie largely in the chairman, who will decide policy on behalf of the governors. But if we do that we rather minimize the importance of the board, because the new chairman will be virtually the board of governors.

Mr. GRAYDON: They will be just rubber stamps.

Mr. COLDWELL: As the leader of the opposition suggests, they may become merely rubber stamps. I would much prefer to see the government review the board of governors and see to it that a really strong board is appointed. I am not implying that the present board is lacking in strength, though I think it could be improved in some respects. A few years ago we had a board of governors which was not particularly strong, and which, for one reason or another—one member because of ill-health, and some for other reasons—could not give the attention to the corporation it deserved. As I said at the outset, when this measure is adopted we shall endeavour to give the new chairman all the support we can in the carrying out of his duties; yet I feel that this divided authority is not in the interests of the corporation or of the general public. If the new chairman is to be regarded as a public relations man, that again is a different thing. Perhaps the corporation has not gone in for public relations to the extent it might have done, and has suffered on that account. I believe people are not aware of the splendid work which has been done by the corporation. I suggest that members of the board of governors and the present chairman might do a great deal more than they are doing to improve public relations and make known to the people of Canada what the corporation is doing for the country at the present time, both in giving information and excellent radio programmes to the general public and, in connection with the broadcasting overseas, increasing the knowledge of what our boys are doing over there.

I do not want to prolong the discussion. I merely rose to say—I have been a member of the committee for three years, have attended pretty faithfully its meetings, and have made it, if I may so put it, something of a hobby or an interest—that I am doubtful of the wisdom of this proposal; nevertheless if the house adopts it we will do all we can to make the new chairman feel that he has the support of everybody in this house.

Mr. J. J. McCANN (Renfrew South): The bill at present before the house has to do with one objective and one only, that of having a full-time chairman of the board of governors of the radio broadcasting corporation. As most hon. members know, there is a chairman of the board on a part-time basis who receives a small honorarium for the services which he renders to the corporation and to this country. I am glad to hear the words of commendation of the hon. member for Rosetown-Biggar (Mr. Coldwell) with reference to the progress which broadcasting as a public utility has made in this country. It is generally recognized that radio broadcasting in Canada has made strides comparable to its progress in any other country whose size can be compared with ours.

The leader of the opposition (Mr. Graydon) in his remarks this morning went back as far as the 1942 report and regretted that the report did not castigate the government of that time for what he says was its neglect in

not asking for the resignation of the entire board of governors. It is evident to me that he would have, at one shot, torpedoed the whole system of radio broadcasting in this country.

Mr. GRAYDON: I would have torpedoed the board of governors.

Mr. McCANN: The hon. member has had his turn. He would have dropped the whole system. At that time the recommendation was made with reference to the general manager because, to speak plainly and fairly, his services had not been entirely satisfactory, and while it was not proposed that he be let out entirely from the corporation it was suggested that he be given employment as head of the programme division. That was done, and in due course the then general manager handed in his resignation.

What would the position have been if the idea of the leader of the opposition had been carried out and the resignation of the board of governors of the corporation had been demanded, or even accepted had it been tendered voluntarily? It would have meant that the general manager was gone and on the whole board of governors the only man in the country conversant with radio broadcasting would have been thrown out. You would have had an entirely new set-up in a realm in which there are very few people who know anything, and they know very little.

Mr. BOUCHER: No one would have missed the board.

Mr. McCANN: That is a debatable question. I know however that not in debate, and less in any minority report, was there a suggestion by the opposition at that time in the way of action.

Mr. GRAYDON: Your memory is pretty faulty if you say that.

Mr. McCANN: It appears to me that the party of which the hon. gentleman is the leader have repudiated the policies laid down by the Right Hon. R. B. Bennett in 1932 in connection with radio broadcasting in Canada. They have taken a different course entirely and would now seek to put the blame on the government with respect to the conduct of this institution. I submit that the government has discharged its duty entirely and absolutely in setting up an independent, publicly owned corporation and providing it with a good workable statutory foundation, leaving it to the chief executive of the board of governors to run things. They should not be blamed for any mistakes which the board of governors might make, when you have a board deliberately designed to be free from political interference. I think that at the bottom of this is a subtle method to put in a spoke for the private broadcasters of the country. They appear to lose sight of the fact that the private broadcasters in Canada have no vested interest in the airways of the country, or in radio frequencies, which are the property of all the people and if any utility should be publicly owned and managed, that utility is the one that is concerned with radio broadcasting. The growth of the corporation has necessitated that there should be more than one man, a general manager, to carry out its operations. The functions of the corporation have increased, and you have the matter of laying down policies, the matter of executing those policies and carrying on the business of the corporation. All that is meant by this measure is that instead of there being a part-time chairman of the board that man should give his full time to the duties which are assigned to him. That is only a matter of policy with respect to the allocation of the work that the general manager shall do and the allocation of the work to be done by the chairman of the board of governors, and it will not be a one-man corporation. The people of the country do not want it to be such. The board of governors will be advisers to the chairman and the chairman of the board, along with his advisers, will make policies under the broadcasting act. To me nothing could be simpler than that set-up. It does not make much difference what you call them, whether you have a chairman of the board and a general manager with the position of assistant general manager, or whether you have a chairman of the board who shall have his particular functions, and a general manager.

The criticism from the leader of the opposition has been that that particular position has not been filled. That is quite true. But under the act the assistant general manager, in the absence of the general manager, steps up to that position in the conduct of the functions of general manager. It so happens that the assistant general manager is the technician of the corporation. In addition to that, he has charge of broadcasting in the French language. As a matter of fact, in this country, by virtue of our racial differences, it is necessary to have two almost complete and entirely different systems, and if radio is to carry out the function for which it was created in Canada, that of developing something truly Canadian along educational and cultural lines, then the people of the French language must be given equal rank with those who speak English, so far as radio is concerned. That is only fair. That is the only policy which, if carried out, will tend to promote unity and goodwill in

this country; and any deviation from that policy is bound to have exactly opposite results. Dear knows there are enough differences in this country without making more at the present time. The policy of the government and of people in public life should be as far as possible to placate differences, to see that they do not exist, and to see particularly that there is no reason why new differences should arise.

I think that the set-up proposed in this bill is one that will work out in the interests of greater efficiency and will make for better broadcasting programmes so that the use of radio broadcasting will fill a better office than at present and make for the general welfare. I am therefore prepared to give the matter a trial and to support the bill in its present set-up. I do not for a moment condone the action of the board of governors in not having made a recommendation with reference to the filling of the position of general manager. Since the resignation of Doctor Thomson, that particular position has been vacant. It is the duty not of the government but of the board of governors to see that the recommendation is made to the government to fill the position, and I join with the leader of the opposition and those who are critical of the board in that regard, and go so far as to say that the board has been neglectful of its duty in not having submitted a recommendation so far. But that is water under the bridge. We have the present position before us. What are we to do now to improve the position of the corporation? I submit that the greatest benefit would be for the board to submit a recommendation as soon as possible, and that is what we recommend in the report of 1944—that they submit a recommendation as soon as possible that the position of general manager be filled and that there should be a full-time man at the head of the board of governors who would be a public relations man and who would determine policy. In my judgment, only by creating that position or one similar to it can radio broadcasting make progress and help to attain the position which we all so much desire to see achieved.

Mr. J. G. DIEFENBAKER (Lake Centre): As a member of the radio committee which was presided over by the hon. gentleman who has just taken his seat (Mr. McCann), I may possibly be allowed to pay him a tribute for the manner in which he discharged his responsibilities as chairman in giving an opportunity to all to express themselves, and in displaying throughout the period of the present session, to which my experience is confined, a fairness which I think should be referred to in the house.

[Mr. McCann.]

So far as this bill is concerned I am not at all impressed by the arguments that have been advanced by the minister as to why another highly-paid official should be appointed to the hierarchy of the national radio system, because I believe it will result in bifurcation of authority that will lead to uncertainty rather than to a strong unified administration of this great instrument of public education. The reason I say that is this. On August 1 the minister made a short review of the reasons why this official should be appointed. At page 5712 of *Hansard* he said:

> The general manager has not the power to make or decide policy; only the board of governors may do so. It has been found time after time in the administration of the Canadian Broadcasting Corporation that questions have come up which required very quick replies and decisions. It was asking too much of the general manager to require that he should, without authority, take it upon himself to make decisions on these points as they came up.

When the minister concludes this debate I should like him to explain whether under the new set-up there will be any greater convenience in securing the opinion of the board of governors than there is to-day. Then the next sentence is surprising to me:

> In addition to that, the business of the corporation has increased very much.

Does this not signify that not only the general manager but also the chairman, who from now on will be a full-time official will be looking after administration? I find it difficult to understand why it is necessary to have two highly paid officials, each discharging practically the same responsibilities, if what the minister stated the other day is correct, except that the chairman will have something to do as well with the question of policy.

It is in connection with the extension of the Canadian Broadcasting Corporation and the work it is doing that I wish to make a few references this afternoon. My remarks have to do with the question of advertising, and that certainly is a matter of policy and will be one of the matters that will have to be considered by the broadcasting corporation in the years to come.

I think that the corporation has done a good job in the dissemination of cultural and educative programmes for the benefit of the people of Canada; but I do not understand why it should continue to be expanding its advertising programmes; for if it continues to make the inroads in the next year or so that it has in the past, and at the same rate of increase, the press will not be able to remain as independent as they are to-day. Freedom of speech cannot exist without

freedom of the press, and the press cannot exist unless given the opportunity to enjoy to a greater degree the field of advertising.

I should like the minister to explain why there has been such a change in the attitude of the Canadian Broadcasting Corporation with respect to advertising. On January 8, 1938, the then general manager of the Canadian Broadcasting Corporation in a memorandum given to the publishers said:

> The Canadian Broadcasting Corporation, in attempting to exercise a public conscience, hopes to carry out its duties in intimate alliance with the publishing industry of Canada. Once the extensive construction and development stages have been passed, the financial burden should tend to ease and it might be possible to do away entirely with commercial programmes.

That was the point of view in 1938. A little later, on February 3, 1938, the then chairman of the board of governors of the Canadian Broadcasting Corporation, Mr. Leonard W. Brockington, K.C., made this statement:

> The total commercial revenue from all local stations controlled by us and from our networks for the current fiscal year will be less than $400,000. Beyond the figure of $500,000 of commercial revenue from network and local stations it is not the desire, nor the intention of the corporation to go, and that only until we are self-supporting from other sources.

Therefore in 1938 the general conception was that advertising should not be utilized beyond the half million dollar mark.

On February 8, 1938, the then minister in charge of the Canadian Broadcasting Corporation said, as reported at page 245 of *Hansard:*

> It is not the desire or intention of the corporation at any time to obtain a revenue of over $500,000 from commercial sources, for reasons that are obvious.

What do we find? In the last few years, particularly since 1941, there has been a rapidly mounting increase in the volume and certainly in the amount being expended for advertising on the national network. In 1940 the gross was $700,867; in 1941 the gross was $895,066. I have not the exact figures for 1942, but I think the gross would be around $2,000,000, having regard to the net figures for that year. In 1943 the gross amounted to $2,489,224. In other words, in a matter of three years there has been an increase in the advertising revenue of the Canadian Broadcasting Corporation of over $1,700,000. There is no reason, sir, why this trend should continue, and there is good reason why it should be diminished.

I have no licence to speak for the press but I do not believe that the press asks for preferential treatment. Representing as it does thousands of newspapers and periodicals it has the right to demand equality of opportunity which it does not and cannot receive having regard to the greater benefits that must follow from a national advertising radio campaign on an intensive basis compared with that in any particular newspaper. There are in this country ninety-one daily newspapers and 884 weekly newspapers, magazines and periodicals. I feel that there should be an assurance on the part of this government-owned corporation that it will not unfairly impinge upon the field of advertising, for without advertising revenues the press of this country, in the main, could not continue to exist. Yet the trend during the last three years, as far as this corporation is concerned, if not retarded, will lead to a virtual monopoly in national advertising.

This is a most important matter, on which as yet I have not heard a declaration of policy from the governing body of the broadcasting corporation. Some evidence was given on the matter, but regardless of that evidence the figures tell their own story. Not very many months ago wide publicity was given to a statement by one hon. gentleman that the press should publish only what is good for the welfare of the people of Canada. With that statement I am not in agreement. A free press, publishing what it believes to be necessary, is the foundation upon which democracy is built. A free press cannot exist in this country as it should if a government body monopolizes the field on which the press must depend in the main for the revenue with which to carry on its business. I should like the minister to deal with this matter and indicate the attitude of those in authority as far as the C.B.C. is concerned, as well as his own attitude in regard to this very important question.

I am not going to repeat what was said some months ago as to the necessity of establishing in this country a semi-judicial body similar to the board of transport commissioners, to the end that the rights of private broadcasting companies in this country shall not be dealt with unfairly. I am not saying that they have been so dealt with; no evidence to that effect came before the committee. The fact remains, however, that while we have a national system of radio, private companies have been granted licences to operate. A licence to operate conveys certain responsibilities. It must also survey the right to equal treatment, and the assurance of fairness and justice to private broadcasting in its relations with the national body. The establishment of this board would do much to reassure those who to-day have private licences. It would not be, as the hon. member for Renfrew south (Mr. McCann) said, in any way contrary to the stand taken by Mr.

Bennett, a former prime minister of this country. As long as our system permits private companies to operate, those private companies have the right under the law to have their point of view heard and considered even though that point of view is contrary to the point of view of the national board, and that consideration should be given by an independent body.

As far as a full-time chairman is concerned, it is not that $15,000 matters very much. After all, during the last five or six days and the next two or three days parliament will have voted expenditures amounting to $2,300,000,000 for the post-war period. The matter of the $15,000 may be unimportant, but there is a principle at stake here. It is this: why the divided authority? Why appoint two men, who will have to be strong men in order to occupy positions such as these, one directing executive administration and the other directing matters of policy? A third appointment will be required to act as an umpire, if the views of these two men are to be finally resolved one way or the other.

Mr. McCANN: That is exactly the function of the board.

Mr. DIEFENBAKER: Then if that is the function of the board there is no necessity for having a full-time chairman; the present system would be sufficient. The management still would be able to obtain the views of the board of governors as a whole, and I am sure very few problems would come up from day to day of such great importance that their decision could not be delayed until the board of governors was called together. There have been difficulty and uncertainty in the past due to the fact that the membership of the board has not been kept complete, but my fear is that in future we will have the difficulties that always arise under a divided authority such as we have here, in that neither official will be circumscribed as to the jurisdiction he may exercise.

It is my intention, Mr. Speaker, to vote against this bill. If it becomes law, as the hon. member for Rosetown-Biggar (Mr. Coldwell) has said, we all hope it will work out, though fearful of the dangers that may be ahead in a bifurcated, divided authority, with no clear indication as to the limits of the work to be undertaken by each of these officials.

Mr. G. RUSSELL BOUCHER (Carleton): Mr. Speaker, as a member of the parliamentary committee which investigated the Canadian Broadcasting Corporation I should like to say a few words, and I can make my remarks very brief. I agree entirely with the criticism expressed by the leader of the opposition (Mr. Graydon) and the hon. member for Lake Centre (Mr. Diefenbaker). I have been unable to discover the necessity for the appointment of a full-time chairman of the board of governors. For a number of years past we have had a so-called board of governors. I do not believe any hon. member of this house, or any considerable number of the Canadian people could, with any assurance whatever, point to any contribution the board of governors has made in regard to the policies of the C.B.C. I believe that, administratively, advances have been made by the corporation. The hon. member for Lake Centre has pointed out that in addition to the fees the C.B.C. has collected from the people of Canada, during the past year its revenues from advertising alone amounted to $2,500,000. The Canadian Broadcasting Corporation is a government-supported institution, and was financed originally by government grant. This corporation has made great progress in Canada. I cannot altogether agree with the hon. member for Rosetown-Biggar when he says that as a government institution it is not a profit-making organization, because I am informed that last year it was one of the greatest profit-making institutions in Canada.

Mr. COLDWELL: But that is not its motive.

Mr. BOUCHER: It may not have been its motive. But the point I am coming to is that the board of governors have failed to give any guidance or control to the colossal expansion of revenue made by the corporation in a time of war. Most of that revenue was put back into the expansion of the corporation, a procedure which I approve. But if the board of governors are to decide as to policy, and if they are to have any functions whatsoever, they should have a definite policy in respect of revenues and expansion of the corporation, always taking into consideration private enterprise, newspapers, private radio stations and the public generally.

When one looks at the operations of the board of governors for the last three or four years he is struck at once by the confusion and the turmoil which has prevailed. I should not like to pass any comment upon the present board, because on it are new members who may bring new life to that body. If they do, they will be carrying out a much needed reform.

The government having got into a most unhappy tangle only two or three years ago with the general manager and the assistant general manager, and having permitted a year

to go by without appointing a new full-time general manager, and having permitted long periods of time to elapse without filling vacancies on the board, we do not take kindly words such as were uttered this morning by the Minister of Finance (Mr. Ilsley) when he said, "There are things, such as motors for farm implements, which we would like to exempt from the customs tariff, but we cannot give away all our revenue." In the light of these words, the board of governors, inefficient as it has been, cannot now come forward and say that it will appoint another man at a big salary. The day has come in parliament when we should consider with great care any possible economies. We should give that matter more thought and attention than we do at the present time. We should see thoroughly justified before us and thoroughly proven to us the necessity for appointing any more chairmen with divided authority to a body which has not sufficiently justified the purpose behind its creation. I say the board of governors is in that position.

While serving on the committee I felt, and I still feel, that the strongest possible case should be made out for the appointment of a high-salaried full-time chairman of the board of governors, before hon. members give their approval.

Mr. GEORGE BLACK (Yukon): Mr. Speaker, speaking for the Yukon and for the whole north country may I tell the minister that the Canadian radio broadcasting system, so far as we are concerned, simply does not exist. This condition may be due to a lack of managing ability or poor equipment but the fact remains that up there we cannot receive any Canadian broadcasts at all. We get the programmes from the United States stations. We listen to Seattle Chicago, New York and San Francisco, but we cannot get programmes from Montreal, Toronto, Ottawa or Vancouver. In short, so far as we are concerned there is no radio at all in Canada. We hear nothing Canadian over the air. Programmes do reach us from London, England each night—but not from Canada. If the board of governors or the chairman cannot make a better job of radio broadcasting than they have up to date, then I do not see why there should be an additional appointment at greater cost to the country. Surely this is a disgraceful state of affairs. So far as we are concerned the Canadian Broadcasting Corporation might as well not exist, it would not be missed by us because we never hear it.

With the magnificent revenues we heard mentioned to-day the corporation should have better management and better equipment. Certainly it should have equipment capable of transmitting messages over long distances, messages which at the present time are confined to exchanges between Ontario, Quebec and the maritime provinces. Radio broadcasting in Canada should serve the whole country.

I hope the minister will give this matter his attention, and see to it that either a change is made in personnel, or an improvement is made in equipment.

Hon. L. R. LaFLECHE (Minister of National War Services): Mr. Speaker, the day before yesterday when the principle of the bill was under consideration it was most encouraging both to the Canadian Broadcasting Corporation and, to an extent, to myself, to hear some of the eulogistic comments of hon. members, some of whom have reversed their positions to-day.

At the outset may I express my appreciation of the work done by the Canadian Broadcasting Corporation in the past year. It is true that a number of persons have criticized the corporation in one respect or another. They have been heard. I am not certain that in all cases their true position as critics has been understood by those who have heard the criticisms.

As was pointed out this afternoon, there is in this matter a question of legitimate interest. I quarrel not with those who have vested interests. I quarrel not with those who have the ambition to launch into private enterprise and to succeed. But, Mr. Speaker, I say clearly that to-day I have the duty of protecting the interests of the people of Canada against those who criticize the policies of the corporation, and I intend to continue defending that which belongs to the nation. In saying that I hope no hon. member will disapprove of my readiness to defend that which is Canada's.

There is such a thing as giving a dog a bad name. That is a popular way of saying something which to an extent—not a very wide extent—I think has happened in Canada within the last year in regard to the corporation. I do not think it is good to criticize without realizing just what the situation may be or the effect of one's criticism, particularly of a matter that is in the Canadian national interest.

It is with the greatest pleasure, Mr. Speaker, that I express on this occasion my very deep gratitude to those who have acted as governors on the board of governors of the Canadian Broadcasting Corporation. Knowing much more of the individuals who now compose the board of governors than of their predecessors, I wish to extend to them not only my thanks but my gratitude for their diligence, their

care and their rectitude in handling a piece of property that belongs to the taxpayers of Canada. I was not well acquainted with those who comprised previous boards of governors of the corporation, but as a citizen of this country, as one who many years ago was very much in favour of an attempt to bring into being a state-owned radio system in Canada, I have taken a particular interest in radio matters since radio has become such an everyday part of our life, and I have therefore been able to appreciate the difficulties of the problems confronting the Canadian Broadcasting Corporation and therefore in a position to admire the manner in which those concerned have tackled their problems and found solutions for them.

I suggest that perhaps too much mention has been made of the situation in the corporation for some time before I had the honour of becoming Minister of National War Services and therefore the minister to whom the corporation reports. I hope I shall be pardoned for pointing out that things could not very well have been otherwise when there was this anomalous situation of having a part-time chairman and a full-time general manager whose duty was and is—although it is a different person doing the work—that of chief executive of the corporation, an executive officer but not a governor, and therefore having nothing to do with deciding what should be the policy or policies governing the corporation. I say that it is surprising to have noted how well the corporation did get along when there was such a fault, in my opinion, in the set-up of the corporation. I cannot conceive of how any other corporation proceeding day and night with something of interest to all Canadians could have got along as well as the Canadian Broadcasting Corporation did under a set-up where the head of the body, empowered to make policies, was not present at all times, and therefore not available either to the public or to the officers of the corporation.

I heard with great interest the day before yesterday and to-day the fears that were expressed on the point of divided authority. But the very purpose of this amending bill is to do away with any possibility of divided authority. I suggest that in the past there has been ineffectiveness due to this faulty set-up making possible divided authority in the organization of the corporation. Now I am seeking to rectify that situation. I do not like the idea of such an important body being headed by an officer, whom we will call the chairman, who is not at all times available for the conduct of the business of the corporation. But divided authority comes when the set-up is not defined, and divided authority comes when the set-up is faulty. I think that there has been a fault here, and I am surprised to note that it was not corrected a long time ago.

I would like to see a full-time chairman of this board. I definitely believe it is essential that there should be such an officer, and I am in good company in so believing. It may not be proper to cite the deliberations of the committee of the House of Commons this year on radio broadcasting, yet I think I am entitled to say that all who gave evidence on this point were very much in favour of the appointment of a full-time chairman of the corporation. The board of governors passed a resolution, and passed it unanimously, I am assured, to the effect that it would be well that there be a full-time chairman of the corporation. Surely the members of the board of governors must know what is necessary. They must have realized, although they do not say so in their resolution, that there might be this danger of divided authority, but they passed the resolution nevertheless. I was very glad indeed that the board made that recommendation, because I want to see during the time I am the minister to whom the corporation reports that there is a sound advance in the affairs and well-being of the corporation, as well as a sound advance in all matters pertaining to radio in Canada.

It is regrettable that certain hon. members have deemed it wise or necessary to make clear their stand on this point before I was given an opportunity of bringing these further facts to their attention. The day before yesterday I spoke very briefly, and there was a good reason for that, one of lack of time. I stated then that I would make further observations at this time.

I have thanked the members of the board of governors, and now I should like to say something about the House of Commons special committee on radio, of which I have had the honour of being a member both this year and last, under the distinguished chairmanship of the hon. member for Renfrew South (Mr. McCann). Something has already been said about his excellent work and I readily and heartily endorse what has been said in that respect this afternoon. I should also like to say that the members of these two committees were most diligent and most careful in their work, and there was a great deal of evidence to sift. I have only one point on which to be surprised and that is that after hearing all these things there were some members this year who could not see their way clear to supporting this bill. I suggest to the hon. members of this house that it is hardly

possible to have been a member of the committee this year and not have come to the conclusion embodied in the principle of the bill now under consideration.

An hon. member who spoke earlier this afternoon mentioned, either directly or indirectly, privately-owned broadcasting stations, also the press. I think it may be repeated—because it has already been stated—that the views of the owners of the privately-owned broadcasting stations have never as much as this year been so carefully heard and considered. It was my pleasure and privilege to be present at the annual convention of the Canadian Association of Broadcasters last February. It was there that these statements were made that never before had they been so much encouraged. It may be beside the point, but it is my conviction that all engaged in broadcasting in Canada deserve and have the right to be heard, and above all have a right to believe that decisions made on matters concerning them are made with the full knowledge of the facts. With a full-time chairman it will be easier for the board of governors of the Canadian Broadcasting Corporation to make much further progress in that regard.

Coming back to this question of divided authority, one which has been mentioned so often during this discussion, I should like to place the position before the house by using a very simple comparison. In any well organized body there must be a head; he must be the effective head, and he must be ready at all times to conduct the business of the corporation. As this question of divided authority has been based upon the two positions of full-time chairman and general manager, may I say, with due deference to the gentlemen who have occupied the position of general manager, that it is not correct and it is not good business that a servant—the general manager—be the master of the corporation. I would want to put the general manager beyond the possibility of believing even for a moment that it would be his duty to assume the functions of the real head of the corporation.

There were other questions raised. I am sorry the hon. member for Broadview (Mr. Church) is not here. I should have liked to thank him for his kind remarks. I point out to this house that oftentimes the hon. member from Broadview acts and speaks in the true meaning of the name of the constituency he has represented so long in this house. I could wish nothing better for the hon. member for Broadview or for any other human being than that he and we should continue to strive to our utmost always to have a broad view.

It might be well to acquaint this committee that all these questions and many more than have been touched upon to-day were gone over most carefully by the House of Commons special committee on radio broadcasting again this year. There were twenty-five meetings; in the proceedings of that committee a great deal of valuable information is to be found; and I suggest to those who do not seem at the moment to favour this particular bill that they would, upon reading the reports, come to believe that the conclusion that some such measure as is now provided for in this bill is necessary.

The hon. member for Cape Breton South (Mr. Gillis) the day before yesterday in his kind way took me somewhat to task for not giving him a fuller reply to the questions he had put a few days before. I assure the hon. member that in the circumstances I went as far as I possibly could to give him as good and complete a reply as could be given. Circumstances since that time have not changed. I must therefore in all frankness say through you, Mr. Speaker, to the hon. member that the situation remains the same. When there is a change I shall be very glad to acquaint him with the facts. The answers I gave are the best, I think, anyone could give under the present circumstances.

I hope that those who have been kind enough to promise their support of the full-time chairman when appointed will carry out their promise to the best possible effect. I know they will. I know also that the full-time chairman and the corporation require the good will and the active support of all Canadians who are ready to help out in something of very material value to this country.

Motion agreed to, on division, bill read the second time, and the house went into committee thereon, Mr. Golding in the chair.

On section 1—Salary.

Mr. BLACK (Yukon): Has the minister anything to suggest towards improving the service of his radio broadcasting corporation? Is there any valid reason why we in the north should not get some advantage from it, why we should be shut off altogether, and why the range should be so limited?

Mr. LaFLECHE: I listened with much attention to my hon. friend's remarks on this point before we reached the committee stage of this bill. Radio broadcasting in British

Columbia practically everywhere is attended with many difficulties, and I understand that it is due to the topography of that beautiful province and of the country north of it. I may assure the hon. gentleman that I shall see that the matter is brought directly to the attention of the experts of the broadcasting corporation and with his permission I shall send him a copy of the report I receive on the point. The C.B.C. has done a great deal and has a definite policy with regard to coverage and it has achieved, if not complete success, at any rate more than 95 per cent of coverage. So long as any worth-while part of the country can be practically reached it shall receive careful attention and I shall do my best to see that this is done.

Mr. BLACK (Yukon): Chicago is situated in the United States pretty much where Winnipeg is in Canada, and stations there can be heard in the Yukon while Winnipeg cannot. It cannot be because of local conditions. We can get Chicago, New York and San Francisco, and we should be able to get Canada.

Mr. LaFLECHE: I do not wish to disagree with the hon. member, but one cannot possibly guess, with any degree of assurance of being correct, anything having to do with radio broadcasting coverage. The question is replete with difficulties and only with scientific knowledge and as a result of tests can those difficulties be discovered and solved.

Mr. GILLIS: I wish to make just a few remarks in reference to the minister's reply to the questions I placed on the order paper and repeated in the house when the resolution was before us. I assure the minister it is not as a matter of curiosity that I am prompted to press these questions. I have read carefully the radio committee's reports because I am interested in the matter, and in going through those reports from time to time I was led to believe that a network station was to be established in Halifax and that the matter was in the hands of the minister for decision. That was in June of this year. Within the last week or so I have received from Halifax letters and telegrams from people who are interested in promoting Canadian broadcasting services. As the minister knows, in that province we have not one network station in the true sense of the term—or C.B.C. station—and we are interested in establishing one. I am informed that a transmitter for the purpose was installed but what was holding the matter up was the passing of an order in council. I made inquiries and found that the necessary order in council had not been passed. Perhaps the minister has answered the questions as best he can in the light of the information he has, but I am informed—if I am wrong, or if the people who are advising me are wrong, I want to be given that assurance—that the reason that C.B.C. station has been held up is that certain people in Halifax who have an old franchise dating back seven years which they have never made use of are resurrecting that franchise and installing a station privately owned.

These people have not the equipment. I understand they are arranging to purchase a second-hand transmitter from Edmonton or somewhere in the west. Now that is not the kind of service I visualize for Nova Scotia. I want to see that service installed by the government of Canada through the medium of a network already established so that we may look forward to the same kind of service in that province as the rest of Canada enjoys where there are publicly owned stations. I am perhaps biased to this extent, that the group with which I sit believe that service can be best performed by the government of Canada under proper supervision and fully responsible to the Canadian people, whereas small groups who are promoting this matter for the purpose of making a profit are not interested in public service but in furthering their own ends.

It cannot be said that I am interested in this matter from any personal consideration, because the people who are writing to me are not concerned about the organization to which I belong but about the service that is to be rendered, and they have asked me to try to get some information. I will not pursue the matter further. I will simply ask the minister if through his department he will continue to investigate the question and when he has any further information as to the possibilities of going ahead with what the acting general manager intimated would be done in Halifax he will inform the house, or someone who is interested in the question in Halifax.

Mr. ISNOR: Perhaps I may add a word to what the hon. member has said and the minister can reply to both of us at the same time. I am as much interested in complete coverage of Nova Scotia as the hon. member for Cape Breton South. I have sat as a member of the radio committee for the past six or seven years and have endeavoured to follow its proceedings as carefully as possible and to give my best judgment on all matters pertaining to the carrying out of the duties

of the committee, and have passed on suggestions respecting administration so far as the board of governors is concerned.

We in the maritime provinces have not had the coverage which I felt we should have had. Representations were made to the board of governors, and on various occasions the question was brought up in committee. I was happy to have the support of all members, and finally we had a 50,000 watt station, CBA, established at Sackville which was to have given us as complete coverage as was given the rest of Canada. We were pleased to get that, and it has given us fairly good coverage, but the people were not entirely satisfied in certain sections of Nova Scotia and I made suggestions on more than one occasion, particularly when the second network was proposed, that in addition to the sustaining programmes carried by CHNS at Halifax and other stations in Nova Scotia, New Brunswick and Prince Edward Island, a second network should be given to such stations as Sydney, represented by the hon. member for Cape Breton South. I am surprised that the hon. member did not support me in my request for better coverage for that section of Nova Scotia. I also suggested that we might possibly have the dominion network extended to include a station in Charlottetown or in some other section of Prince Edward Island. I understood there was an application before the board of governors in 1938 which was granted but not immediately put into effect. It had to be revised and it was revised. The application was again put before the board of governors and the Department of Transport with a view to giving, as I suggested, greater coverage to the city of Halifax and the surrounding districts. I believe if that suggestion is carried out—and I hope it will be—we shall have greater coverage and better service in sections of Nova Scotia which are not being served as efficiently as they might be without a second station.

I am not sure that the Canadian Broadcasting Corporation itself should spend the money to open up a new station at Halifax if a second privately-owned station could function and give the service which is needed. That is a matter for the board of governors to decide. I do feel that we should have another outlet in Halifax. I have supported it; I am supporting it to-day. I am strongly in favour of increased facilities at Halifax to give a more complete service.

The hon. member for Cape Breton South has stated his position in regard to public ownership. His leader has gone on record as stating that he believes in both public ownership and private ownership of radio. I take the same stand. I have been a strong supporter of the Canadian Broadcasting Corporation. I believe that on the whole we are getting good programmes when one considers that radio has to broadcast for sixteen hours a day. I think we are getting as good programmes as we could get from any other system on the North American continent. It is true that we have not the expensive and high class programmes, but by arrangement with the United States networks, and through the medium of the Canadian Broadcasting Corporation's channels, we have been able to take full advantage of these very fine programmes. We are not in a position to pay for these programmes ourselves. Certain hon. members have criticized the Canadian Broadcasting Corporation this afternoon for extending their commercial activities, for carrying a large amount of advertising. It is impossible for Canada to enjoy that excellent type of programme unless we have the added revenue to produce them. If we are to use the medium of the Canadian Broadcasting Corporation as it was intended, to educate our people, to give them the finer type of musical programmes, then we must of necessity have a greater revenue to provide the people of Canada with those programmes.

We have in Halifax at the present time a fine station, CHNS. It carries the No. 1 network programmes, the Trans-Canada sustaining programmes. In addition they initiate splendid programmes by using local talent to good advantage. But we should have a second outlet carrying the dominion network, or the No. 2 network, which would give us still greater service. There is an opening there that could be used to good advantage if we had an outlet for the second network in Halifax. If the hon. member for Cape Breton South has in mind, as I have, a second station or outlet in Halifax, then I am anxious to cooperate with him and support him. But if he wants to block the granting of the licence which has been on file since 1938 and which I understand was recently renewed, then of course, he and I differ. I am all for greater coverage, whether it is through the recognized Canadian broadcasting channels or through a proposed privately-owned station, in competition with CHNS, but which because of that competition would bring about better programmes and better coverage in our province, particularly in Halifax.

Mr. GILLIS: May I just say one word to the senior member for Halifax? It is not

my intention to block anyone. What I am endeavouring to do is to stop someone from blocking what has already been recommended by the acting general manager of the Canadian Broadcasting Corporation. Evidently that is what is going on. I have exactly the same thing in mind with respect to the establishment of the second outlet as has the senior member for Halifax. I did not mention Sydney for the simple reason that I have no authority to speak for the management of the Sydney station. I do not know whether or not they want to become part of the second network. I do know that they are doing an excellent job. CJCB, Sydney, can I think be received anywhere on this North American continent, because they use both long and short waves.

Mr. ISNOR: I should have mentioned Yarmouth as well.

Mr. GILLIS: I did not suggest that they might be included because I have no authority to do it. They made no representation to me with regard to this matter, but several other people have made representations. I am glad that the senior member for Halifax appears to see eye to eye with me on this question.

Mr. COLDWELL: Let me say just a word, since the senior member for Halifax referred to my views on this matter. I have always said that I believed in both freedom of the press and freedom of the local community station; but I believe we must have a national broadcasting system complete from coast to coast under public ownership and control, and the broadcasting corporation must complete as rapidly as possible its own chain of stations to give service to the people of Canada and to pick up the channels allotted to Canada in the Havana agreement. I have said many times that I believed the high power channels ought to be in the hands of the corporation. The hon. member suggested, although perhaps a little more widely than I would be prepared to accept it, that the local community station ought to be maintained because it can give a local community service. The matter to which the hon. member for Cape Breton South referred was dealt with by the acting general manager of the Canadian Broadcasting Corporation on June 28 of this year in reply to a question of the senior member for Halifax. The question was:

Because of the bringing into being of this second network will it add more outlets of your own at C.B.C. stations?

[Mr. Gillis.]

Doctor Frigon's answer was:

Well, it means that CJBC, Toronto, is now on the dominion network and we are providing now for a provincial outlet in Nova Scotia, Halifax. The report has gone to the minister.

Q. That is, you are making capital expenditure so as to carry out services of the second network?

A. Right.

Q. Are there any others besides the one in Nova Scotia?

A. There is only one station, CJBC, which was not on the network before and which is being placed on the dominion network, and the one which we are building to provide an outlet in Halifax for the dominion network.

From that I took it that this was to be a C.B.C. owned station, when Doctor Frigon made the statement that this station would complete the outlets in Nova Scotia, as it were. My hon. friend suggests that since that time an old charter has been revived and an attempt made to block the building of a station for which arrangements had been made and a transmitter secured. I think that is the point my hon. friend wants the minister to look into and report upon.

Mr. ISNOR: There is no difference between the hon. member for Rosetown-Biggar and myself in regard to coast to coast control by the Canadian Broadcasting Corporation. That was set out in a report brought in in 1932, and finally carried into effect by the establishment of stations in the maritimes. It will be recalled that the report stated that five 50,000-watt stations were to be erected throughout Canada to serve from the Atlantic to the Pacific, to give complete coverage, and we are getting that complete coverage to-day. The only difference of opinion is in regard to the coverage as far as Nova Scotia is concerned. For years I have advocated better coverage in certain sections of my province which did not appear to be receiving the C.B.C. news and other items of interest to which I thought they were entitled. When I spoke a moment ago I mentioned Sydney, Halifax and Charlottetown, because I thought that would give us complete coverage, but I neglected to refer to Yarmouth, the extreme western point of Nova Scotia. I still hope another outlet will be set up in Halifax. To be quite frank, if there is a private company willing to undertake the cost of constructing a station and able to give the service we want, by all means let them go ahead and give us what we have been asking for so many years.

Section agreed to.

Title agreed to.

Bill reported, read the third time, on division, and passed.

SUPPLY

The house in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF TRANSPORT

359. Departmental administration, $425,590.

Mr. GRAYDON: I understand that some little latitude is allowed under this item to discuss railway matters generally, and I do not see any other item in the estimates under which I might properly bring up a matter which should have been mentioned much earlier in the session, when the weather was cooler than it is to-day. I should like to draw to the minister's attention what may seem like a small matter but something that means a great deal to those involved. During the frigid weather those employees of the railways whose duty it is to look after sleeping-car and other tickets have to carry on their work under most difficult circumstances. After watching their work for a year or two, I finally made some inquiries on my own initiative; the matter was not brought to my attention by any of the employees themselves. I found that these men were working under conditions which I do not think should be permitted by the railway companies, and I believe it would be only necessary for the minister to bring the matter to the attention of the companies in order to have the situation dealt with before cold weather comes again. They work in that part of the station just at the entrance to the tracks, where it is very cold and draughty in the winter time. These men have to perform clerical duties and do some writing in addition to their ordinary work as conductors. I believe the minister should give consideration to having some sort of heated booth or office erected for their use. These men should be able to work under conditions as favourable as those that exist at the union station in Toronto, or the station in Montreal. I mention the matter because this seemed to be the only item under which I could bring it up. Last February I was told that some negotiations were under way in order to have the situation remedied, but later on I noticed that it had not been corrected. Therefore I would ask the minister to bring the matter to the attention of the railways so that the conditions under which these men work may be remedied. The stress and strain under which these men work, due to the tremendous traffic, is something which members of parliament who have to travel a good deal may understand somewhat better than some others who do not have occasion to travel as much.

These railway workers deserve high commendation in this period of war. I have said before, and I repeat—and I do this as an old railway man, because in my early days I was employed by a railway company—that there is no group of workers whose tradition is better or who work with better spirit than do the railway workers.

I think the point I have raised need only be brought by the minister to the attention of the company to see to it that this branch of railway workers may operate under more favourable conditions in this time of war. It is bad enough for them to have to handle so much traffic, without having any added burden. Frankly, I do not know how they have done so much. We always considered that even before the war railway workers had plenty to do. But now, in wartime, they are handling at least three times the traffic they had before the war, and they are handling it efficiently and without complaint. In most cases the service seems to be just as good as it was in peace time. Surely these points ought to be sufficient to ensure that this comparatively small improvement be made. Let us have them operate under the best conditions we can give them.

Mr. BOUCHER: I believe what I should like to say at this time might properly be said under this item. The minister will have noticed that yesterday a report was tabled in which the situation in Ottawa, the capital city, was discussed. In that report special attention was drawn to railway crossings in Ottawa. I believe, too, that the condition found in this city is also found in other communities.

When we are considering matters connected with reconstruction and rehabilitation I suggest that it would be wise at this time if the minister were to give special thought to the relocation of tracks, and particularly the providing of overhead rather than level crossings, as they now exist. He might consider particularly the situation in Ottawa, and the detrimental effect these level crossings have on the whole economy of the city.

I believe it is contemplated that large sums will be spent in the post-war period on reconstruction and rehabilitation. I can think of no better way of spending that money than to spend it in making improvements in our transportation systems, and eliminating the dangerous conditions which develop from level crossings in heavily travelled areas. I would urge that the minister give this matter his immediate attention, and that it be drawn to the attention of the railway officials. This is a bad condition, and particularly in Ottawa.

Mr. MICHAUD: May I first of all thank the leader of the opposition for what he has said in respect of the railway employees across Canada. I am sure no one will disagree with him, or with anyone who says that particularly during this time of war the railway employees of Canada have done a marvellous job. In fact, in view of the handicaps under which they have had to labour—shortage of rolling stock, shortage of material and shortage of man-power—it is difficult to understand how it has been possible for them to accomplish this huge task of transportation of not only people but war materials. However, that task has been accomplished, and stands to the credit of the management, as an instance of cooperation between the management and the employees of the railways.

Then, the leader of the opposition has recommended a certain measure of comfort which should be given to some of the railway employees who are detailed to look after passengers at the gates in the Ottawa station. I understand that this matter has been brought to the attention of the operators of the station at Ottawa, and there has been consideration as to the best means of remedying the condition. I hope some means will be found of giving more comfort to these men who have to stand hour after hour, sometimes well into the night, in all kinds of weather.

Then, the hon. member for Carleton has mentioned an interesting subject, involving the cooperation the railways should give the city of Ottawa in elaborating upon the programme to beautify the city. This matter has received considerable attention from both the Canadian National Railways and the Canadian Pacific Railway company. There has been consultation between the officials of these two railways which enter Ottawa, and some progress has been made in connection with reaching an understanding as to how trackage should be relayed.

Another matter which has received attention from the board of transport commissioners is that of level crossings. The condition in and around Ottawa is bad. I am not disclosing any government secret, or any secret of the board when I say that this situation is being taken into account in connection with post-war reconstruction. I know that the citizens of Ottawa, and the managements of the two railway companies are keenly interested in correcting the very bad situation which has developed from level crossings in and about Ottawa.

Mr. CHURCH: I should like to take only a few minutes to refer to the work of the minister's department, and to the general satisfactory war effort of the two railway systems. When war broke out it was predicted by the critics of our railway systems that the last war had been a terrible load for the railways of Canada, and that in this one, which would involve possibly five times the freight and passenger traffic of the last war, the railways would not be able to handle the job. They pointed out that there was a scarcity of rolling stock; difficulty in connection with labour conditions, difficulties in getting war materials, shortages of cars, adverse climatic conditions, and several other factors which would cripple the war effort of our railways. That prediction has proved groundless. So far I have not seen any historical sketch of the part our railways have played in the war effort, but I know it has been a glorious part—and that includes both the large railway systems of Canada. The record has not been written yet, but when it is written it will be one of the most glorious chapters in the history of railroading in Canada, if not on the American continent. Our railway transportation systems, with their subsidiaries, are closely interlocked with those of the United States, and labour conditions and conditions with respect to getting equipment are similar on the railways of both countries. I was glad to see a statement in the National City Bank railway review of the two wars for October, 1943, dealing with the magnificent work that is being done by the railways of the United States and Canada during this war. The review says:

> In world war 1 the railroads buckled under the strain of a traffic burden which, at its peak in 1918, totalled 405 billion ton-miles of freight and 43 billion passenger-miles. In 1942, with 35 per cent fewer locomotives and 26 per cent fewer freight cars, they handled 638 billion ton-miles of freight, an increase of 58 per cent over the 1918 movement, without anything remotely resembling a major car shortage. In the same year they moved 54 billion miles of passenger traffic, exceeding the 1918 volume by 26 per cent.

The splendid survey of north American railways goes on to refer to the impossibility of using the Atlantic because of the U-boats and says that the railroads of the United States and Canada have had to replace the shipping services on the Atlantic and those that formerly used the Panama canal. It gives a fine summary of the organization of the freight and passenger traffic movement and the volume of war traffic in Canada and the United States. I have not seen any similar statement regarding the two railway systems in this country except what is conveyed in the annual budget of the Canadian National Railways and its subsidiaries, which

is referred to a select committee of the house. The Canadian Pacific Railway Company has also done magnificently in moving freight and passenger traffic and in handling ocean and hotel services during the war, and it is a great pity that civil aviation is being divorced from the railways. The great mistake that Britain made between the two wars was in separating civil aviation from railway and water-borne traffic and in giving a monopoly. British railways and ocean shipping have a magnificent record in this war.

I have a suggestion to make to the minister. I have been over in the United States during this war only once or so for an occasional week-end, and I notice that on the New York Central lines running between Buffalo and Cleveland the empire state and others have overcome the shortage of sleeping berths on their trains at night by setting aside two or three coaches in which passengers can reserve chairs for a small increase in the railway fare. We have some very fine railway cars on the Canadian National, not as efficient or as good in rolling stock perhaps as the cars on American railways; we seem to give on the Canadian National American subsidiaries all the good cars and none to Ottawa, but I think we might well reserve a few cars in which chairs could be rented for the night by those who could not obtain a berth. There are many members of parliament who want to leave Ottawa and go home on Friday or Saturday night and who find they cannot get a berth. In the United States you pay a new fare as a railway ticket of about fifty cents for the privilege of getting a seat reserved, where as good a sleep can be had. We could do the same thing on our trains running between Montreal and Ottawa and Ottawa and Toronto, and all over Canada. The trains running, some in the daytime, from Montreal and Ottawa to Toronto and western Ontario pull from twelve to fifteen cars. I do not suggest that we adopt the system they have in the United States here in the daytime, although we could do it in part, but it would be a great convenience at night. There is a great deal of difficulty in getting accommodation at the union station in Ottawa, as well as at the offices on Sparks street, where the railways have such courteous officials. I hope that the minister will see if they can adopt my suggestion.

The conditions at the union station in Ottawa with close tracks and trains running in and out, invite disaster. There should be some better way found of handling the traffic at the station. I referred to this matter in connection with the Ottawa bill. The difficulties are largely due to the war and to heavy traffic, but there should be some way of regulating the passenger traffic so that there will be less danger of accidents. A barrier might be placed in some part of the station where people could say good-bye to those going off on the trains. The station officials are overworked and underpaid and working long hours and doing their best to handle a difficult situation, just as they are at the Toronto union and other stations, but it is a wonder that people have not been injured before now. There is a fine lot of officials at the union station in Ottawa, and I sympathize with them and with the trainmen on the trains. Only a small number of the public are hard to handle and in war the public are apt to be at times critical, and some of their criticism is not fair, as the minister knows. Unless something is done we may have an accident at the Ottawa union station, and it is the duty of the government to prevent accidents. That is all I have to say about the railway system.

I saw a very nice sketch of the minister in a navigation paper the other day and the tributes it paid to the minister were well deserved.

There has been a tremendous loss of life on the highways. Yesterday the announcement was made that there had been five or six hundred level crossing accident deaths, and the announcement was made in Ontario yesterday that in Ontario alone 7,595 people had been killed on the highways in the past few years. I referred to this the other day in connection with the minister's estimates for marine services.

On July 27 I asked the minister a question as to what steps had been taken to prohibit the sale of gasoline for motor launches and other marine craft which carry passengers for hire and which have not been licensed and have not been inspected by any federal authority as to navigation safety. I also asked if the Minister of Munitions and Supply had any control over small craft and what had been done to regulate such craft by refusing gasoline. I have a letter here which refers to the danger to passengers being carried on small boats and motor launches. I am not going to give the name of the writer because he might lose his job. The letter is written from Sturgeon Point and says that over thirty people sometimes crowd into one of these boats and a captain who has been on the lake for a great many years says that he has never seen anything on the lakes so fraught with possibilities of tragedy. He quotes the manager of a very large branch of a bank in Toronto as saying that he had seen over

thirty people in this small boat and he wondered why they were allowed gasoline. There was a disaster at Port Stanley and an accident from this cause at Midland the other day. I do not like to bother the Minister of Munitions and Supply, but he has some control over the gasoline situation and I would ask him to take steps to safeguard the public from this menace.

In conclusion, having travelled on the two railway systems of this country, I wish to pay my tribute to all officers and employees on our two great railways who work so well and have rendered such a magnificent effort in this war at the risk of their lives. An intolerable traffic situation has been brought about by the war and these men have borne the burden and heat of the day. They work long hours at only fair wages, and they handle the public and the very heavy traffic in a magnificent way.

Mr. BLACK (Cumberland): I should like to inquire what headway is being made in regard to the construction of the causeway or bridge over the strait of Canso. I understand that the department and the Canadian National Railways had engineers making a special survey with respect to the construction of this work. Premier MacMillan when he was in Ottawa a few weeks ago advocating the construction of this causeway, gave it as his conclusion that the causeway itself could be constructed for $3,000,000, the drawbridge for $1,000,000 and the diversion of the railway and the building of the track across the bridge and causeway for another $500,000, or a total cost of $4,500,000. What headway is being made in the construction of this causeway? Have plans been prepared so that this work can be proceeded with without delay, at least after the cessation of hostilities?

Mr. MICHAUD: Regarding the remarks made by the hon. member for Broadview with respect to the steamer which was plying on Sturgeon bay without complying with the provisions of the Canada Shipping Act and the regulations made thereunder, for his information I may state that as soon as I received his letter I brought it to the attention of the steamships inspector of the district, and I am informed that either yesterday or to-day the boat is to be inspected under the provisions of the Canada Shipping Act. Also for his information, in view of the number of accidents which have happened lately on inland waters—the waters of the great lakes or the St. Lawrence—I refer to section 387 of the Canada Shipping Act, 1934, part VII, and there I find that it is the duty of each owner of any craft which has to be inspected under the act to apply for inspection and apply for a licence. He can well understand, I have no doubt, that with the long coastline we have it is impossible to retain an army of officers to prevent any person from using a boat for carrying passengers unless the boat is inspected and licensed before passengers are taken. But recently we have tried to use the services of the local authorities, the local police and the mounted police, in order to check on those who violate the regulations and carry passengers in craft which are not safe, or are not inspected, or are overloaded, or otherwise are operating in defiance of the regulations.

With regard to the question asked by the hon. member for Cumberland as to the Canso causeway, for his information I may state that we have received representations from the premier on behalf of the province of Nova Scotia and also from public bodies in the Cape Breton area, and the matter is under consideration. No definite plans have been made. In the past there were some surveys, and attention has been given to the general principle of the proposition, but there having been no detailed surveys, no detailed plans have yet been made. This is a project of such magnitude that it could not be undertaken under present-day conditions, and it will have to await the end of the war before receiving consideration from either the province of Nova Scotia or the dominion government.

Mr. GILLIS: Is not the project of constructing that causeway one which would come within the jurisdiction of the ministry of reconstruction? The reconstruction committee definitely recommended the carrying out of that project as a post-war measure.

Mr. MICHAUD: I believe that when that ministry is organized and is formed, to it will be transferred all projects of this kind for coordination and execution, but I still believe that the duty of surveying and planning, all the technical work required to bring the project to the point of execution, will have to be carried out by those government servants who are particularly qualified to do that work, and I believe that the engineers of the Department of Transport are those who will be entrusted with the duty of making those final surveys, tests and plans.

Mr. GILLIS: It was surveyed back in 1906.

Mr. MICHAUD: Before that.

Mr. BLACK (Cumberland): There is another project of great interest to the people of the maritime provinces, especially Prince Edward Island. The only reason I mention it is that publicity is given by the minister

and his department, or anyway through the press, that engineers have been sent to the maritime provinces to make a survey with respect to a causeway or a tunnel connecting New Brunswick with Prince Edward Island. Has the minister any statement to make as to what progress has been made? Have these engineers actually undertaken this work, in accordance with the publicity; if so, have they reported; if not, when is the report expected?

Mr. MICHAUD: Some attention has been given by the department to the matter of establishing between the mainland—that is New Brunswick—and Prince Edward Island either a causeway or a tunnel, and engineers of the department who in the past have been familiar with the conditions and have carried on surveys have been instructed to renew their investigations. There has been associated with them an eminent Prince Edward Islander, Mr. Lea, who is well known, I am sure, to the hon. member for Cumberland; he has an office in Montreal. Mr. Lea was retained by the department early in the summer and has been doing some work in cooperation with departmental engineers on this project.

Mr. BLACK (Cumberland): Would the minister state the names of the departmental engineers, and also advise the committee whether this Mr. Lea and his associates are actually on the job at the site making surveys, and if they have made any interim report?

Mr. MICHAUD: The engineer from the department who has been entrusted with that work is Mr. D. W. McLachlan. I know that late in the winter or early in the spring, in cooperation with Mr. Lea, he carried on an investigation into ice conditions. I am sorry I cannot say to what extent their work has progressed, because I have not seen any report of the work following the spring investigation.

Mr. BLACK (Cumberland): Another project of very great importance to that part of Canada and to all Canada is the building of the Chignecto canal. This was projected by the early settlers in a small canal hundreds of years ago, and it was followed up from time to time, in the days of Sir Charles Tupper and of H. J. Logan as well as of my predecessor who ably represented Cumberland for ten years, Mr. R. K. Smith. It is recognized that it would have been a great commercial project, and during war years it would have been of great military advantage if we had had such a canal. It would have been partly paid for in avoiding the loss of the steamship *Charlottetown,* the ferry boat that operated between New Brunswick and Prince Edward Island. Had it not been necessary for that ferry boat to proceed all round Nova Scotia, if it could have crossed on this canal, that misfortune would have been avoided. Has the minister a statement to make as to whether the department has taken steps to get information regarding the construction of this very important work?

Mr. MICHAUD: I am just as much interested in the construction of the Chignecto canal as the hon. member for Cumberland, although it happens that I am more remote from the locus than he is. In my opinion it would be quite an improvement to navigation and transportation by water in the east. The project has been receiving the attention of the country for years, ever since confederation, and has been studied by engineers who have made conflicting reports as to the advantage of the canal and the cost. A year or so ago public opinion woke up again and demanded that this construction should be proceeded with as a valuable post-war undertaking. I heartily endorsed that and suggested that the old surveys should be looked up and that a modern plan and detailed estimate of the cost should be prepared. Unfortunately, the engineers of the department who could be assigned to that study have been busy in war work and the little time they have had has been given to the Prince Edward Island project.

Mr. BLACK (Cumberland): I appreciate very much the interest of the minister in this matter. I regard it as very essential from the point of view of the adequate defence of Canada and of the United States in time of war. When this last survey was made at the instance of my predecessor, Mr. R. K. Smith, the cost was larger than expected, and it was felt by many at that time who had investigated the cost that it had been purposely swollen by some in order that there might be greater justification for not proceeding with the construction of the canal. If that was the case in those days, that reason can no longer exist because it has been my experience, especially this session, that if a project costs a few million dollars the public are not interested in it, whereas if it costs fifty million or a hundred million or a billion dollars expenditure or taxation is not a factor at all so far as the reflection of public opinion among the members of the house is concerned and, I am sorry to say, to a considerable extent also, so far as the people are concerned. In the old days the question of cost was a very important and controlling factor, but in

the atmosphere in which we live now it is not a factor at all. I am very glad that the minister approves the policy of constructing this project and will have it looked into, and I hope that before long he can proceed with it. It is certainly one of the major public works in Canada and has been side-tracked for years. Had it been located in central Canada it would have been constructed many years ago; but being a very important work of great significance to the people of the maritimes it has been brushed to one side, so that it remains for us at the present day or for others in the future to have it proceeded with.

Mr. KNOWLES: I rise at this time to seek the support of the Minister of Transport in connection with a matter that I intend to stick with until it is properly settled. In my persistence, I suggest that I am only following the example set twenty years ago by the Prime Minister in a similar situation, and I am sure that no member on the government side can criticize me for doing that. I refer to the case of the Canadian Pacific railway employees whose pension rights have been curtailed or denied because of the time they were out on strike in various parts of Canada in 1918 or 1919. As the minister probably knows, I have already spoken on this matter in the house on two occasions this year, so that it will not be necessary for me to repeat the details I placed on the record on May 1 and on July 24. I hope I can enlist his interest in this cause to the point where he will study the material I placed on *Hansard* on those occasions and the other material he can get in connection with the subject. He may recall that I first wrote to him about one case, which I selected out of many hundreds, on February 8. He was good enough to get in touch with the president of the Canadian Pacific Railway company about that case and he wrote to me a couple of times about it. His second letter was dated March 4, 1944. However, he simply reported to me that the president of the company had explained that technicalities stood in the way of doing anything about the case to which I had drawn his attention. A little later I wrote to the minister again seeking confirmation from him of something I knew to be a fact, namely, that the Canadian National system did the right thing in connection with its employees who were out on strike at Winnipeg at the same time. I refer to 1919. In the minister's letter to me, dated March 28, 1944, the concluding paragraph reads:

> With reference to your second question, Canadian National railway officials inform me that, "participation of Canadian National railway employees in the Winnipeg strike of 1919, does not affect the eligibility for pension, under the rules, of those employees who were involved, and who returned, at the termination of the strike, to their former positions."

That letter was signed by the Minister of Transport. Nevertheless when it seemed that I was not making much headway on this matter by taking it up with the Department of Transport I decided I would see what could be done by treating it as a matter of labour relations, which is what it is. Accordingly the detailed material that I placed on *Hansard* was given during the discussion of the labour estimates, and again I would refer the minister to the debates on the two days which I have already indicated. My reason for rising now is that in addition to the interest that I hope the Minister of Labour will show in this matter, plus the interest that I hope the Prime Minister will display, I should like also to have the interest of the Minister of Transport. I am so thoroughly convinced as to the justice of this case that, as I said when I first rose in my place this afternoon, I intend to stick with it until these men, at least those who are still alive, win their rights.

I have before me the most recent letter that I have received in connection with one of these cases, one that came to my desk this morning. As a matter of fact I receive letters dealing with this matter in almost every day's mail. This is one paragraph from the letter I received this morning:

> Since writing you last one of our machinists here has been retired. He started working in the dining-car service as a boy in 1891. He was apprenticed in 1893 to the machinist trade in Medicine Hat, coming here—

That was to Kenora, Ontario.

> —in 1907. Fifty-three years of service and no pension, and in bad shape with high blood pressure.

I am of the opinion that we must take situations such as that seriously. Here is a man who has given fifty-three years of service to a company. Because of a technicality that the company is able to use, because of participation in a very short strike in 1918—in this case the strike lasted only eighteen hours—this man is denied a pension. My notion is that the minister is sympathetic with the position that I take and that the Minister of Labour and the Prime Minister are likewise sympathetic. They all agree with me that something ought to be done. My hope is that I can persuade these three members of the government not just to display sympathy but to try to do something about it.

Mr. BLACKMORE: Will my hon. friend explain the technicality so that we may understand what it is all about?

Mr. KNOWLES: Yes, I shall be glad to do that. The technicality is that there is a rule, known as clause 8 in the pension rules of the Canadian Pacific Railway company, which says that no one is entitled to a pension unless his last entry into the service of the company occurred before he reached the age of forty years. There is nothing in the rule about strikes. On its own the company made a decision that those who were out on strike in 1918 or 1919 broke their service with the company and that, therefore, when they came back after that they were denied their pension rights if they were over forty years of age. Not only did those who were over forty years of age lose all their pension rights, but those still under forty lost such rights as they might have acquired in the years prior to 1919.

Mr. BLACKMORE: Including seniority?

Mr. KNOWLES: I am not sure at the moment about seniority, but I believe they lost that too. The point under discussion is their pension rights. As an example, we have men who had worked ten years prior to 1919 and who were under forty when they returned to work. They are able to qualify for a pension, but when they retire their pension is computed only on the basis of the years they have worked since 1919. They lose such rights as they had acquired by their work in previous years.

Mr. BLACKMORE: Did the company make the rule?

Mr. KNOWLES: Yes, the company made the rule. As a matter of fact they made it first in 1903 and it was rewritten in the new by-laws that were drawn up in 1936 and came into effect on January 1, 1937.

When I was referring a moment ago to the men who had about ten years' service prior to 1919 I wanted to add that in that group there are a great many returned men of the last war. Those men feel particularly keen about the injustice done to them. I know of several men who had just come back from the front a few days before the strike broke out. Some of them did not want to go back right away; they wanted to wait a few days for a bit of a rest. The company implored them to come in and start work because they were busy. The strike took place in two or three days. As a matter of fact some of the men hardly knew what it was all about. They found themselves out, and in due course they lost the rights that they had built up in the ten years prior to 1919. Those men are in this position: if they had not responded to the company's plea to come back to work, if they had stayed at home for two or three days' rest they would not have been involved in the strike, and they would have retained their pension rights. I might as well be frank and say that these men make comments of this kind: "Is that what we went and fought for? For a private company's right to do this kind of thing to us?" I am told that the ex-servicemen in the employ of the company still resent very keenly the particular injustice that they feel was done to them. They spent three or four years away fighting; they came back ready to take up their jobs with the company and the company wanted them back, but the company takes advantage of rule 8 which is in the pension by-laws and asserts that participation in the 1919 strike is a break in service.

I could take the time to go into the details of the strike, but I do not think it would be desirable. It seems to me that the unanswerable argument as to the justice of ignoring the strike for pension purposes is the action taken by the other major employers who were involved, the Canadian National Railways, the dominion government, particularly the Post Office Department, the Manitoba provincial government and the Winnipeg municipal government whose policemen were out. All these other major employers have completely disregarded participation in that strike so far as pension rights are concerned. I know that some of the C.P.R. men have given up hope long ago of justice being given. But despite that loss of hope they still hang on, still discuss it in their union meetings, still discuss it amongst the servicemen around the Weston shops, and they dare to hope that the government will yet be able to persuade the company that they ought to do the fair and proper thing with them. In the discussions that were had with the union representatives in 1936, 1937, 1938 and 1939 the company used an argument that I do not think was justified, and certainly is no longer valid, namely, that they could not afford it. It was suggested that if the fortunes of the company were better something might be done. Well, the fortunes of the company are a great deal better to-day. The minister will realize that from the figures I placed on *Hansard* on a former occasion. To be fair to these men and to the country I suggest that the company should reconsider its position in this matter.

Mr. BLACKMORE: What does my hon. friend suggest the government could do?

Mr. KNOWLES: I suggest that the very least the government could do would be to get in touch with the company, present the case to them from the point of view that I have presented it in the house, point out what has been done by the other major employers who were involved, and try to persuade the company to do the fair and proper thing. In a moment I am going to point out that once upon a time the present Prime Minister moved an amendment to a bill that was before this house—

The ACTING CHAIRMAN (Mr. Golding): Order. I do not think the discussion the hon. member is carrying on now has anything to do with this item covering departmental administration.

Mr. KNOWLES: I realize that one is not permitted to argue with the Chair, but if the item for the administration of the Department of Transport, which has to do with the transportation systems of the country, does not permit me to ask the minister to intercede with the company on behalf of these employees, I do not know what happens to the rights of members of parliament.

The ACTING CHAIRMAN (Mr. Golding): I do not see that what happened in 1919 has anything to do with the present Minister of Transport.

Mr. KNOWLES: If you have followed me, Mr. Chairman, I have endeavoured to point out that this matter has to do with men who are living to-day, who are in retirement without pension or who are being retired and are losing their pension rights because of the attitude taken by the Canadian Pacific Railway Company, with which I believe the Minister of Transport should have some connection. On the point of order, since it has been raised, let me quote from *Hansard* of April 16, 1920, at page 1330. The speaker on that occasion was the then leader of the opposition, who is now the Prime Minister of Canada. He said:

> Now, sir, there is one court above all others in the land, and that is this court of parliament, and I say that we at this time have it within our power to do justice to men who have had a great injustice done them for a period of ten years. A great wrong has been done a large working class in this country, and I for one purpose to exert every bit of my power as a member of parliament to see that the wrong is righted.

That was the then leader of the opposition speaking in 1920 with reference to a strike that had occurred in 1910.

Mr. MICHAUD: The Grand Trunk strike.

Mr. KNOWLES: Yes, of 1910.

[Mr. Blackmore.]

Mr. MICHAUD: And in 1920 the Canadian National Railways had taken over the Grand Trunk, so that this matter came under the jurisdiction of the government.

Mr. KNOWLES: So the then leader of the opposition thought, but the government of that day did not agree with him.

Mr. MICHAUD: The leader of the opposition at that time was right.

Mr. KNOWLES: And some people in the opposition are right now. At that time, speaking on this matter, again, at page 1330 of *Hansard* for April 16, 1920, the leader of the opposition of that time said:

> When this matter came up the other day it was pointed out that some legal technicality—

The ACTING CHAIRMAN (Mr. Golding): Order. I do not think we should review what went on in 1920. If the hon. gentleman wishes to make a point in connection with his argument, let him get it over with. I still do not think it has anything to do with this item, but whatever point the hon. member wishes to make should be made now.

Mr. KNOWLES: I am amazed at the lack of any desire on the part of government supporters to hear what the present Prime Minister had to say back in 1920. If I had time I could read from this volume I hold in my hand at least sixty pages of argument advanced by the present Prime Minister on this very point.

Mr. MICHAUD: No, not on this very point, although on a point perhaps similar.

Mr. KNOWLES: The minister is right; a similar point, and very similar. The present Prime Minister was then arguing about what had taken place in 1910. I am arguing about what occurred in 1919.

Mr. MICHAUD: The present Prime Minister was arguing in 1920 in regard to what had occurred in 1910, but dealing with a subject matter over which the government had jurisdiction, through the Minister of Railways and Canals. Apparently he exercised his jurisdiction, because the cause of the complaint was removed.

Mr. KNOWLES: But that jurisdiction was not exercised until the present Prime Minister came into power.

The ACTING CHAIRMAN (Mr. Golding): Order. If the hon. member wishes to present his point he might do so now, as briefly as possible.

Mr. KNOWLES: Have I not the right, in arguing a point, to quote from documents which in my opinion support my contention?

The ACTING CHAIRMAN (Mr. Golding): I do not think the hon. member has that right under this item. I honestly do not believe the Minister of Transport has anything to do with the strike on the Canadian Pacific railway in 1919, and it has nothing to do with this item.

Mr. KNOWLES: The situation goes back to 1919, but the situation at the present time affects these men to-day and as long as they live; unfortunately some of them will not live very long because of the treatment they have received. I suggest that the government—

The ACTING CHAIRMAN (Mr. Golding): I suggest that if the hon. member has a point to make, he should make it, as briefly as possible.

Mr. KNOWLES: Let us get the point settled. Am I in order—

The ACTING CHAIRMAN (Mr. Golding): No.

Mr. KNOWLES: —in discussing under the departmental administration of the Department of Transport the fact that employees of a transportation company are, in my view, not getting a square deal to-day?

Mr. MICHAUD: I think the hon. member is out of order because the matter he is trying to bring before the committee does not come under the jurisdiction of this department or of the government. Because it has to do with the relations between a transportation company and its employees it does not follow that it is a matter over which this government or this department has any jurisdiction. That is where the difficulty lies; that is why this grievance has not been adjusted up to the present. Neither parliament nor the government nor the board of transport commissioners has any jurisdiction over relations between the Canadian Pacific Railway company and its employees.

Mr. KNOWLES: I still am not convinced of that. The company operates under the Railway Act, and if we wished—and if as private members we had the power to do so—we could move an amendment to that act concerning this very matter. In 1920, when the bill to which the minister has referred was before the house, the present Prime Minister moved an amendment in these words:

> Any right or interest of any employee of the Grand Trunk Railway Company existing in either the pension system or the insurance or provident society prior to the strike of the company's employees which occurred in July, 1910, is hereby declared not to have been affected by the said strike or any circumstance or condition arising out of or in connection therewith.

The ACTING CHAIRMAN (Mr. Golding): Order. I believe the hon. member would be more nearly right if he brought up this matter under the estimates of the Department of Labour. I still say he is out of order in discussing it in connection with the Department of Transport.

Mr. KNOWLES: If that is your ruling, Mr. Chairman, and you insist on it, I have no option but to abide by it, but perhaps you will give me a minute to conclude what I have been trying to say. I agree with your suggestion that this is primarily a matter of labour relations, and should be dealt with by the Minister of Labour. As a matter of fact I have drawn it to his attention on two occasions in the house and on several occasions outside the house, and I shall continue to press for his intervention. But I suggest it is so important a matter that if the Minister of Labour, in his endeavour to persuade the company to do the right and proper thing, can have the assistance and support of the Prime Minister and the Minister of Transport, the case will be made just that much stronger. I was endeavouring to refer the Minister of Transport not only to the material I have placed on the record this year, but to the Prime Minister's speeches which ran all through volume 2 of *Hansard* for 1920, dealing with a parallel situation. I hope, despite the trouble we have had in deciding whether this matter is in order under this item, that out of the sympathy I am sure the minister has with these men, he will interest himself in the matter, and that he will do his best along with the Prime Minister and the Minister of Labour in making an appeal—let me put it upon that basis—to the company to do the right and proper thing for these men without further delay.

Mr. DECHENE: Mr. Chairman, I crave a few minutes of the time of the committee to place before the Minister of Transport a situation which obtains in part of the constituency I represent, and which also extends into Saskatchewan. Since this is possibly the last opportunity I may have to address this august assembly at this session, and in deference to the large number of French Canadians residing in Athabaska, may I ask permission of the committee to address the chamber in French. I assure hon. members who do not understand that language that there is no political aspect whatsoever to the question I am about to discuss.

(Translation): Mr. Chairman, I wish to support a request submitted four or five years by a large number of people from northeast Alberta for an improved service on a branch line running from the town where I live, Bonnyville, to Beaver river, a distance of about thirty miles. This is an extension of the Canadian National line which is to be built later—immediately after the war, I hope—to connect up with another section of the same system coming from Saskatchewan.

The section I am referring to was built in 1930 and 1931. Grading has been done on a further distance of about forty-five to fifty miles but has never been used. On this branch line only one train a week is run. At every session, for the last four years, during which I have had the honour of representing that part of the country, I have urgently requested the directors of the Canadian National Railways for an improved service. Again, very recently, with the support of one of the ministers, we paid a visit to the directors and the manager of the Canadian National Railways in Winnipeg and Edmonton, but, so far, our request has been turned down because it is claimed that the traffic is not heavy enough to warrant a two-train-a-week service; and I was asking three trains weekly. The reason given by the directors is not acceptable. It is easy to understand that if there is no train there will be no traffic. One train a week is so inadequate that the greater part of what is produced in that district is hauled by truck, and the committee knows that new trucks are very hard to obtain. Trucks that have been used for four or five years are becoming more and more defective.

That is a live stock area. Take, for instance, hogs which are raised in large numbers from Bonnyville to a point in Saskatchewan that lies 35 or 40 miles away. Those among us who raise cattle will readily understand that our people cannot keep those animals longer than one or two days after they are ready for the market. If a hog is over a certain weight the quality begins to decrease. Those breeders are compelled to deliver their hogs at once if they want them to qualify for grade 1, which represents $3 for each animal, and ensures a better classification.

I ask the minister to help us in our representations to the company. Nobody knows better than I the tremendous task performed by the railways and the efficiency with which they are doing it. A great many experienced employees have left the company to fight the great battle and they have had to be replaced by men who had been superannuated. I realize that with the large increase in the number of passenger and freight trains, the railways' task has more than doubled, and I commend them for the work they have accomplished. However, there is such a ground for complaint in that district. That is a matter which affects not only farmers in the Bonnyville area, but also a large number of people as far away as Saskatchewan. I hope, Mr. Chairman, that this committee as well as the minister and his department will support my request that pressure be brought to bear upon the Canadian National so that the people who took up land in such a remote district in the expectation of a railroad that had been promised for ten or fifteen years, may get such a service at least over that distance of thirty miles.

Mr. MICHAUD (Translation): Mr. Chairman, I have a great deal of sympathy for my hon. friend from Athabaska (Mr. Dechene) and for the plan he has just submitted. As I told him, I shall be glad to make a point of pressing this scheme with the railway management. I might be held back by what he just said, namely, that the railway section would connect Bonnyville with the beaver kingdom. I would hesitate to introduce my hon. friend to the beaver kingdom!

Mr. DECHENE (Translation): Oh, no! I don't belong to that family.

Mr. MICHAUD (Translation): Nonetheless, this matter has not failed to attract the attention of my department or of Canadian National Railways officials. There and elsewhere, we cannot satisfy everyone and give them the service they want, and that for two reasons: the first is that there is a shortage of equipment and the second, a shortage of manpower. I have no doubt, however, that when conditions get back to normal, we will be able to comply with the request of the citizens of Bonnyville and of all the good folk represented by the hon. member.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MacNICOL: Mr. Chairman, just before the committee rose at six o'clock I was pleased to hear the minister express sympathy with the project of building a canal across the Chignecto isthmus, the matter having been brought up a little earlier by the hon. member

for Cumberland, who gave, I thought, an interesting and capable review in arguing why the canal should be built. Since I have made a very careful survey, so far as a layman can do, across the isthmus from Baie Verte to the bay of Fundy side, a distance of about seventeen to nineteen miles, I think I ought to say a word in support of the proposal. It is five years since I made my own personal inquiries into the matter. I have always been in favour of the canal being built. It has been a subject which has been before this house since 1870. It was one of the first canal projects proposed in the parliament of Canada, a matter of seventy-five years ago. So that I think it is about time, after seventy-five years of argument, that this job should be got on with.

From my own personal investigations there is—I am speaking from memory—a small chain of lakes, some more or less lengthy, in that region, and when Mr. R. K. Smith was a member of parliament in this house my memory was that I had heard him make a speech on this project, but on looking up *Hansard* I do not think it was during my term here, between 1930 and 1935, but earlier that he gave an exhaustive and well delivered address in favour of the building of the Chignecto canal. He also spoke of these lakes which I saw myself. Mr. Smith argued in favour of building the canal. He stated that it was not a difficult engineering problem from the Baie Verte end until you come to the bay of Fundy, but that there, where the high tides come in, the engineers might find some difficutly. I would say from my own observations that the argument put forward by the hon. member for Cumberland here to-day is a good one. If the canal were built it would save at least five hundred miles in going from the nearest New Brunswick port, which I believe is Shediac, to Saint John, as compared with the present route from Shediac around Nova Scotia to Saint John. That is a big saving in distance and time.

When I referred to this matter on a previous occasion I put on the record the distance that would be saved in going from Saint John to Montreal, and if the canal were built it would provide a much safer route for shipping. I also pointed out what it would mean in going from Charlottetown, Prince Edward Island, to Boston. I think this house should do everything it can to increase the prosperity of the maritime provinces, and here is one way of doing it because a canal across the Chignecto isthmus would shorten the distance between Charlottetown and Boston by hundreds of miles and be a much safer course for ships to follow than going around by the ocean.

Not to prolong the matter I just wish to say, after hearing the hon. member for Cumberland and the sympathetic reply of the minister, that I hope that between now and the next session of parliament—if the minister is minister in the next parliament—he will avail himself of whatever opportunity he has to study the reports of the different commissions, and there have been many from 1871 down to the present time, and study also the plans that have been submitted for the building of this canal. I have examined those plans carefully. Indeed, I took them with me on my journey to New Brunswick to survey the area between Baie Verte and the bay of Fundy. I shall be much pleased, if I am here at the next session of parliament, if the minister is able to submit to the house, if he is then Minister of Transport—

Mr. GRAYDON: It will be handy when he is in the opposition anyway.

Mr. MacNICOL: I shall be glad if he will prepare himself between now and the next session to further this project for building the Chignecto canal in favour of which he has spoken so sympathetically. I am convinced that the country owes it to the maritime provinces. I am convinced that it will bring a larger measure of prosperity to the maritimes than they have to-day. It will provide a much safer and much shorter route and would provide for the producers on the bay of Fundy, such as the plaster rock miners and the coal mining people in my hon. friend's riding of Cumberland, a much shorter, safer and faster route from the coal mines and plaster rock mines to the main markets of central Canada. We should do everything we can to encourage greater trade, faster trade and more trade between all of the maritimes and upper Canada.

Mr. MICHAUD: I am glad that the Chignecto canal project has become a national project rather than a maritime or local one through the support—and the enlightened support—of the hon. member for Davenport. I am sure that he has full knowledge of the possibilities of this canal as a national project to improve communications between the maritimes and from the great lakes around the coast to New England and other United States ports. It would provide a shorter and a safer route, would be of great benefit to trade and would improve relations between different parts of Canada and the United States.

The hon. gentleman is right in saying that the building of the canal has been mooted for many, many years, definitely since confedera-

tion, since 1870. I find on looking at the report that was made by a commission in 1933 that the project has been studied by several different commissions ever since 1822. At that time the cost of the project was estimated at $208,000. In 1933 there was a report on three different projected routes and the cost of these routes varied from forty to sixty million dollars. Even if the cost of building such a project to meet the requirements of the twentieth century and the requirements of navigation in these modern days should be higher, I think the investment would be a good one, and if the expectations of the hon. member for Davenport materialize I hope to be able to lay before this house a proposal with a view to implementing the different requests that have been made for the building of this canal, which I am convinced would be a great asset to the transportation system of Canada.

Mr. NOSEWORTHY: Now that we are on this item, could the minister give me some information regarding the employees on some of these canals? I have particular reference to the Welland ship canal, Williamsburg, Cornwall, Chambly, and Lachine canals. I understand that there are three shifts kept in charge of the canals, with one man in charge of each of them. I have found in different parts of the country that the wages and salaries paid these men vary from one canal to another.

The CHAIRMAN: Order. I do not want to interfere, but there will be items dealing with the canals which the hon. member has mentioned. We are having a fairly general discussion, and we are on administration now. I should like to keep within the item which we are on at the moment, because we can have this discussion when we come to the appropriate items.

Item agreed to.

Administration of the Transport Act—
360. Board of Transport Commissioners for Canada—administration, maintenance and operation, $285,105.

Mr. BLACKMORE: What is the function of this board of transport commissioners, and what have they done for the Dominion of Canada in the last two years to justify what we have spent on them? The minister might tell us who they are.

Mr. MICHAUD: The duty of the board of transport commissioners for Canada is to perform the functions vested in the board by the Transport Act and by the Railway Act, with the object of coordinating and harmonizing the operations of all carriers engaged in transport by railways, ships, and up to this date, aircraft. It will be noted that there is no duty assigned to the board in respect of transportation by motor trucks or motor vehicles, or by other methods of transportation except railways and ships.

The personnel of the board consists of one chief commissioner, one assistant chief, one deputy, and three commissioners. The main functions of the board and the personnel of the board are to administer the several sections and provisions of the Transport Act and the Railway Act which have regard to coordination of traffic, rates of transportation both of persons and goods, safety appliances and devices, and generally coordinating the functions of the respective railways and ships engaged in transportation.

Mr. BLACKMORE: Could the minister tell us anything which this board has done within the last two years that is worth while?

Mr. MICHAUD: I would respectfully refer the hon. member to the reports of the board, which have been tabled in this house and are available, and which enumerate in detail the different applications made to the board, giving a report of the hearings and the decisions. They are quite numerous. The report contains sixty-three pages, and I cannot be expected to read it all. It was filed and it must have come to the notice or the attention of the hon. member.

Let me give some examples of the matters which come under the attention of the board:

General order 635, an order made on January 12, 1943, with regard to the transportation by express of acids, inflammables, oxidizing substances, samples of explosives, et cetera;

Another ruling made in January, 1943, in the matter of the Express Traffic Association of Canada for permission to make shipments of trench mortar bombs, methods of boxing, packaging, weight, and methods of loading on cars;

Another order made on October 30, 1942, respecting the matter of transportation of explosives;

An application made by the Railway Association of Canada for an order amending the uniform rules governing the determination of visual acuity, colour perception, and hearing of railway employees;

Order amending regulations for the transportation of explosives and other dangerous articles by freight;

Applications made by the Great Northern and Northern Pacific railway companies and

their subsidiary companies for an order approving the conditions limiting liability to be printed on their free annual and trip transportation over their lines;

Regarding emergency shipments by railway express of ammunition;

Application by the Express Traffic Association of Canada re handling of samples of explosive;

Again, rules regarding the transportation of explosives, and the use of black powder kegs for transportation of black powder;

Application to permit the transportation of explosives in paper bags;

Again, transportation of explosives and other dangerous articles;

Regarding rates to be charged for transporting individuals over the railroads.

There are a large number of orders which were made by the board on application of several interests, parties, railway associations, manufacturers, and railway employees.

Mr. BLACKMORE: How long has it been since the board of transport commissioners reviewed the freight rate schedules which obtain in western Canada?

Mr. MICHAUD: I cannot give the exact date. I have not that information before me.

Mr. BLACKMORE: Would the minister suppose that it has been attended to within the last ten years?

Mr. MICHAUD: Oh, yes. I believe there have been applications within the last few years. I am not so sure that there was a general revision of the rate structure within the last ten years. The board acts generally on applications by interested parties.

Mr. BLACKMORE: I should like to draw to the minister's attention a case in point. To illustrate the highly discriminatory freight rates that exist with respect to western provinces like Alberta and Saskatchewan, one can ship 100 pounds of barbed wire by rail from Montreal to Vancouver for 75 cents but if one wishes to send the same barbed wire from Montreal to Edmonton it costs $1.98. The whole freight rate structure affecting Alberta and Saskatchewan is shot through with absurdities like that. The time is overdue when something should be done about this matter, and I believe this board ought to go to work on it and make sure that certain provinces are given a better chance to live.

Mr. MICHAUD: The board is constituted for the purpose mentioned by my hon. friend and any public body or person having any complaint or grievance regarding freight rates can submit that grievance to the board. They will hear the complaint and pass upon it and adjust the situation to the general freight rate principles that prevail in the country.

Mr. BLACKMORE: Can the experts in the department tell the minister of one or two cases that have been referred to the board within the last five years in which there has been an adjustment in favour of Alberta or Saskatchewan?

Mr. MICHAUD: I do not know of any, but if there were any applications or representations and a hearing has been held and a ruling given it will appear in the annual report of the board of transport commissioners, which is tabled in this house each year.

Mr. BLACKMORE: As a member of parliament I appreciate being referred by the minister to certain reports, but being himself a member he knows that if the members of this house undertook to read one-half of the reports that are put into their hands there would not be very many members; there would be so many corpses. We have to depend upon ministers to give us an idea of the essential features of the reports that are submitted by them. I appreciate the answers that the minister has given, but I repeat, the time is overdue for a revision of the freight rates in western Canada so that they will have a less injurious bearing upon Alberta and Saskatchewan. I do not know about the other provinces but I speak for those two.

Mr. MICHAUD: It is up to the hon. member to present his grievances to the board and they will be given every consideration.

Mr. BLACKMORE: I give notice now to the board of transport commissioners that grievances will be laid before them before long.

Mr. CASTLEDEN: Will the minister give a short explanation of the reason why freight rates from Montreal to Vancouver should be so much less than from Montreal to Calgary?

Mr. MICHAUD: Does the hon. member want the freight rates for export or for home consumption?

Mr. CASTLEDEN: Home consumption.

Mr. BLACKMORE: And export.

Mr. MICHAUD: As between freight rates for export and freight rates for inland carriage there is a difference that has been recognized by transportation and shipping companies and all public bodies. There is a differential between commodities that are moved for export and those that are moved for home

consumption. The matter has been argued many times within the last twenty-five or thirty years, but the principle has never been changed, namely, that there should be a differential. As to the differential in rates on goods transported for home consumption as between Montreal and Vancouver on one hand and between Montreal and Calgary, on the other, I cannot give any explanation why there should be a differential, if there is any. Of course, in considering the freight rate structure of Canada competition between rail transportation and water transportation must be considered. There are competitive rates and there are rates that are not competitive. As regards the rates between two points which are served by both rail and water, since water rates are always lower than rail rates the railways have to make their rates between such competitive points the same as water rates in order to get business.

Mr. BLACKMORE: The view is generally held by people who are well informed that the freight rate structure in Canada in many respects establishes a tariff wall around Alberta, both importing and exporting, and there is no joke at all about it. The situation in Saskatchewan is just as serious. Anyone who imagines that a sound Canadian economy can be erected on a situation like that is capable of imagining pretty extreme things. I repeat, the time has come for a thorough overhauling of these rates.

Mr. HAZEN: The hon. member for Lethbridge asked for the names of the board of railway commissioners. On page 195 of the estimates giving particulars of items, there appear the names of a number of officials and employees, but I cannot tell from reading the list which of these persons are members of the board. Would the minister give us the names and under what items on page 195 their salaries appear.

Mr. MICHAUD: The employees of the board mentioned on page 195 of the estimates are properly employees of the board and come under item 360. The salaries of the personnel of the board of transport commissioners are statutory and for that reason the names do not appear in the estimates. The chief commissioner is Colonel J. A. Cross, K.C.; the assistant commissioner, Mr. W. H. M. Wardrope; the deputy chief commissioner's position is vacant.

Mr. CASTLEDEN: Will the minister give the salaries?

Mr. MICHAUD: The chief commissioner's salary is $12,500, the assistant chief $9,000, the deputy chief $8,000. The three commissioners each receive $8,000, and they are Mr. J. A. Stoneman, Mr. G. A. Stone and Mr. Frank M. MacPherson.

Mr. CASTLEDEN: Where in the estimates does that expenditure appear?

Mr. MICHAUD: The salaries of the board of transport commissioners for Canada are found at page 45 of the estimates. The letter (S) means statutory.

Item agreed to.

Canals service—

361. Canals service administration, $39,460.

Mr. NOSEWORTHY: What are the classification, duties and remuneration of the men on the ship canals, the Welland canal, the Williamsburg canal, Cornwall canal, Soulange canal and the Lachine canal?

Mr. MICHAUD: Does the hon. member mean the ship canals or the ships operated by the department?

Mr. NOSEWORTHY: I am asking for the classification, duties and wages of the men in charge of these ship canals?

Mr. MICHAUD: I have not before me the list of the employees of each canal. I have here a list of the employees as classified by the civil service commission as to their employment or position. We have six superintending canal engineers; one at $5,220; three at $4,620; one at $3,960; one at $2,790. We have one assistant superintending engineer at $4,500; three senior assistant engineers, two at $3,300, one at $3,180; three assistant engineers on the Welland canal, three at $3,420; four assistant engineers, three at $2,700, one at $2,640; one junior engineer at $2,160; one canal superintendent, Lachine, at $3,300; one canal superintendent, grade 1, Welland ship canal, $3,780; one assistant canal superintendent, grade 2, Welland ship canal, $3,420; one assistant canal superintendent, grade 1, Welland ship canal, $3,060; one canal superintendent, grade 4, $2,640; three canal superintendents, grade 3, three at $2,280; five canal superintendents, grade 2, four at $1,800, one at $1,755; two canal superintendents, grade 1, one at $1,615, one at $1,440; one senior electrical draftsman at $2,160; one senior draftsman at $1,800. It is all printed at page 196 of the estimates. The reason for the differentials is first of all the difference in the length of service; second, the difference in classification. The reason for the difference in classification is that it has been considered that on some canals the duties are much more responsible than on others, for example, the Welland canal

as compared with the Grenville canal. There is a difference between the amount of the work and the extent of the responsibility and the classifications required for the position.

Mr. LOCKHART: What was the amount of the movement of freight through the Welland ship canal in the last three years?

Mr. MICHAUD: I shall give the freight tonnage. In 1938 it was 12,629,054 tons; in 1939, 11,729,553 tons; in 1940, 12,906,474 tons; in 1941, 13,230,175 tons; in 1942, 11,108,121 tons, and in 1943, 10,018,990 tons.

Mr. LOCKHART: Does that mean the movement both east and west?

Mr. MICHAUD: That is the total movement.

Mr. HAZEN: What did it cost to operate and maintain the Rideau canal last year and what was the tonnage of freight that passed through it?

Mr. MICHAUD: The tonnage of freight was 1,551 tons and the cost $183,980.

Mr. HAZEN: Is that the cost of operating?

Mr. MICHAUD: And maintaining.

Mr. HAZEN: That includes the repairs and so on?

Mr. MICHAUD: Yes.

Mr. HAZEN: Can the minister break down these figures into operation and maintenance?

Mr. MICHAUD: I am sorry I have not here a detailed statement of the cost of operation as distinct from the cost of maintenance, but last year we spent about $8,000 on repairs and we estimate that the expenditure for the current year will be about the same. The balance is for operation.

Mr. LOCKHART: Does the Trent canal come under the minister too? Has he the total expenditure there, and the tonnage?

Mr. MICHAUD: Last year the tonnage was 34,564, and it cost us $214,336 to operate.

Mr. HAZEN: What is the nature of the tonnage that goes through the Rideau canal?

Mr. MICHAUD: Sand, coal, wood—

Mr. HAZEN: Through the Rideau?

Mr. MICHAUD: I am told so. I believe the majority of the boats are pleasure yachts.

Item agreed to.

Canals service—

364. To provide for expenses in connection with the St. Lawrence ship canal surveys and investigations, $5,000.

Mr. FULFORD: This is a very small sum, and I should like to know what it is for. I presume all the necessary surveys have been made, and perhaps some of this is for office expense. I feel very keenly that we must keep abreast of the times with regard to improvements in the St. Lawrence ship canal, for I know of nothing that would be of more benefit to the Dominion of Canada in the rehabilitation and reconstruction period after the war than the construction of the St. Lawrence ship canal.

Mr. MICHAUD: This appropriation is for the purpose of investigations by the Canadian temporary great lakes and St. Lawrence basin committee; second, to cover the expense of metering the flow of the St. Lawrence river when flow conditions are such as to make this work necessary. The Canadian temporary great lakes-St. Lawrence basin committee was appointed by the government of Canada on October 24, 1940, to cooperate with a similar committee appointed by the government of the United States in preliminary and other investigations for that part of the great lakes-St. Lawrence basin project located in the international rapids section of the St. Lawrence river. The estimate is considered sufficient to keep up to date the mass of data that has been accumulated during past years on the St. Lawrence waterways project.

Mr. FULFORD: The joint committee is still in existence?

Mr. MICHAUD: Yes.

Mr. CASTLEDEN: Has any report of the findings of that committee been published recently?

Mr. MICHAUD: I believe the reports are issued from time to time in the form of government papers, through external affairs, and either tabled or made public. They are the reports of an international joint committee and have to be issued through the state departments of the respective countries.

Mr. CASTLEDEN: There has been a statement published within the last year?

Mr. MICHAUD: I think so. If the hon. gentleman requires it, if he will apply to the department they will secure copies for him.

Mr. LOCKHART: What is the total amount that has been expended on surveys and investigations up to the present in connection with the St. Lawrence scheme?

Mr. MICHAUD: The total expenditures amount to $956,766.71.

Mr. BLACKMORE: Would the minister name for us all the canals involved in this item, the number of canals in Canada which are affected by this item?

Mr. MICHAUD: There are no canals here.

The CHAIRMAN: This has to do with the St. Lawrence ship canal.

Mr. MICHAUD: I want to understand what my hon. friend requires. We are considering item 364, to provide for expenses in connection with St. Lawrence ship canal surveys and investigations.

Mr. BLACKMORE: I wanted the canals involved in the items we have just passed; I am afraid I did not hear them.

Mr. MICHAUD: The canals are as follows:

Murray canal
Ontario St. Lawrence canals, H.Q.
Cornwall canal
Williamsburg canals
St. Peters canal
Quebec canals, H.Q.
Carillon and Grenville canals
Chambly canal
Quebec canals, dredges
Hungry Bay dyke
Lachine canal
St. Anne's lock
St. Ours lock
Soulanges canal
Rideau canal
Sault Ste. Marie canal
Trent canal
Welland canal.

Item agreed to.

Canals service—
365. To provide for the carrying out of flow measurements and other expenses connected with the department's supervision and control over the hydro electric power development of the Beauharnois Light, Heat and Power Company, Limited, $2,500.

Mr. MAYHEW: I should like to ask a question on this item and to make a statement to the minister, arising out of a speech I understand he made early in the year, in which he said that Canada was not going to have a merchant marine service of her own. In other words, he indicated that the ships Canada has built during the war will be sold and probably operated outside Canada.

Mr. MICHAUD: To what item is the hon. gentleman referring?

Mr. MAYHEW: Item 365.

Mr. MICHAUD: This item has to do with flow measurements and so on in connection with the Beauharnois Light, Heat and Power company. I think my hon. friend intends to refer to item 366.

Item agreed to.

[Mr. Michaud.]

Marine services—
366. Marine service administration, $15,542.

Mr. MAYHEW: I wish to ask the minister a question on this item. In doing so, I am being consistent with the stand I took in 1940 and 1941, when I maintained that Canada should have a merchant marine service of her own. I was quite satisfied with what was going on, until I read the statement by the minister about the first of the year that the service would not be continued. I am not asking that the government operate these boats, but I maintain that Canada should have a merchant marine service of her own, sufficient at least to carry some of her merchandise from Canada to overseas ports.

As I understand it, we now have seventy-five boats built in Canada, totalling about 542,000 tons. These are administered by the Park Steamship company. Fifteen of those boats are oil tankers; fifty-one are 10,000-ton boats and nine are 4,700-ton boats. That is the total capacity of Canada's merchant marine at the present time, and I maintain that it is not sufficient for our requirements.

I do not wish to delay the committee too long, but I shall take time to give some indication of what tonnage will be required in Canada in the very near future—in fact, as soon as we can get to it. Prime Minister Churchill said some time ago that in Great Britain they were going to build 3,000,000 houses, and more recently he has announced that they will be building 5,000,000. We have noticed reports as to damage in England at the present time, and it is possible that the amount mentioned by Mr. Churchill would not be any more than sufficient.

I wonder how many of us realize just what 5,000,000 houses in Great Britain mean in the way of construction, and the supplying of lumber, most of which will have to come from Canada. It means that if the housing plan upon which Great Britain is embarking is to be carried out they will have to build a house in Great Britain every twenty seconds for ten years. That will mean that an enormous amount of lumber from Canada will have to be secured. Quite recently they placed an order for two billion feet, one billion of which is to be supplied in each of the next two years. More than 300 boats will be required to carry that item alone from Canada to Great Britain. Then, to name only a few of the other larger items, 7,500,000 tons of wheat will have to be moved from Canada, and that will require another 250 boats. So that, all told, I claim that Canada should have at least 5,000,000 tons of shipping operating out of Canada, and at the very minimum we should have 500 of

those 10,000-ton boats. Up to the present time we have only seventy-five operating, and fifteen of those are tankers.

In my opinion our position has changed entirely since the last war. During that war the Scandinavian countries were neutral, and as a result they built up a large merchant fleet. The consequence was that their flags were seen flying in every port of the world. Many of their ships were coming to Canadian ports. To-day the situation is entirely reversed. In this war their merchant boats have pretty well disappeared, and ours have come in. We have built a fleet—possibly a small one—of our own. In addition to that we have now in Canada a large personnel trained in sea-going occupations, men who will wish to follow the sea when the war is over.

So that, as I say, the situation is now entirely changed. As nearly as I can estimate it, it will require about 40,000 men to transport Canadian goods to foreign countries. How many of those 40,000 men are going to be Canadians? Canadian boats flying the Canadian flag and operated by Canadians should be in every port of the world. I am not saying that our Canadian boats should carry every bit of lumber or every bushel of grain shipped from Canada. Certainly we might have to get some outside service. But we should be carrying at least a fair proportion in our own boats, and bringing back a fair proportion of materials from abroad.

In my view Canada can no longer stand idly by and see this service go to ships outside Canada. Now is the time for us to take advantage of the situation, and now is the time for the government to declare a policy. I say this, despite the fact that we entered the merchant marine service some time ago and, I understand, lost somewhere in the neighbourhood of $100,000,000. But that was a puny effort, an effort which in my opinion was destined to nothing but failure, because there was no strength in the organization and no vigour behind it, and the class of boats put into the service were not the boats which could perform the services required.

Only yesterday we debated a bill setting up export credits, to help in connection with the export of our goods. But there is no export credit that is as important to a Canadian exporter or producer as the fact that there will be a regular service from Canada to every port in the world. In our own small way in British Columbia we export to Australia and New Zealand, and before the war we exported to Japan, China and, to some extent, to South Africa. That trade, however, was only intermittent. The South African service was very poor, and we had to depend almost entirely on foreign boats.

That is all I wish to say on the matter to-night, but as long as I am in the house I am going to advocate giving a chance to our sailors who have learned to sail the seas, and to love it. These men will want to stay at that work, and they should have an opportunity of operating our boats, carrying our goods, and carrying our flag and our good will to all parts of the world.

Mr. STOKES: I should like to describe to the minister a condition I have found at our public dock in Belleville, Ontario. Practically all the facilities at that dock are appropriated by one firm. As I recall it, the dock was erected in 1935 by an expenditure of public money, and I would understand that it was erected for the use of the general public. I contend that it should be made available to the public. I have noticed that at the present time there are upwards of 3,000 tons of soft coal covering practically the entire surface of the dock. This pile is replenished as quantities are taken out of it, with the result that the content remains practically constant. The entire length of the dock is covered with the coal, right out to the water's edge, leaving only a bare catwalk along the front.

This situation renders it impossible for other coal dealers in our city successfully to tender on contracts with our large purchasers of coal for public buildings. It is an indisputable fact that only those having the advantage of water-borne freight can compete successfully on orders of that kind. This is a condition which has stood for some considerable time, and one which merits supervision better than it has had up to date.

Mr. MICHAUD: With regard to the Belleville dock I understand that it is operated under a local board. We have received no complaint through the board as to the facilities of that dock being monopolized by one firm, but I can assure the hon. member that we will look into the complaint, and if it is possible to remedy the situation we will see that it is remedied.

M.. STOKES: The minister has no record of the dock being leased to anybody?

Mr. MICHAUD: No; we would not have that information here.

Mr. STOKES: I know there is a harbour board in the city, but they are subject to the control of the department.

Mr. MICHAUD: They do not file any reports as to who leases the facilities. They

manage their own affairs locally. But we will look into the nature of the complaint and bring it to the attention of the board.

Mr. HATFIELD: Are any of the *Lady* boats in service?

Mr. MICHAUD: There are two, but they are not in the merchant service. They are in war service.

Mr. GILLIS: The hon. member for Victoria (B.C.) has raised a very important question as to the maintenance and expansion of our merchant marine service after the war. Several times I have heard questions asked in the house of different ministers as to the policy of the government with respect to the merchant marine service after the war, but as yet we have received no definite answer as to the government's intentions. I think this would be a good time to hear from the government just what it proposes to do in the matter. I heartily endorse everything that the hon. member for Victoria (B.C.) has just said, and there is no need of my repeating it. Would the minister mind taking five minutes to inform the committee as to the policy of the department with respect to the maintenance and expansion of the merchant marine service after the war? Are the government doing any thinking about it? Have they any policy on it?

Mr. MICHAUD: There is quite a divergence of opinion as to what will become, after the war, of the merchant ships built and owned by Canada. It is impossible to state at the present time. But there is no difference of opinion as to whether Canada should retain as many of these ships as can be used for the trade of Canada. Whether our Canadian merchant marine should be operated by the government or by individuals or by private companies is another matter.

The opinion I expressed last January was my opinion as between operation of the Canadian merchant navy by private control and operation under government control. At the end of this year we are going to have close to three hundred merchant ships owned by Canada. Some are leased and operated by our allies. Some are operated by a crown corporation, Park Steamships, and some by the Canadian National Steamships. After the war Canada will have a large merchant marine, close to three hundred ships, we hope. Before the war we had thirty-seven. So that the number of Canadian merchant ships registered in Canada has increased almost ten times since the war began. I agree that most of these ships will be required for carrying out of this country the goods which will have to be exported, and some of them will no doubt be bringing back return cargoes, but no one who has had any experience or has any knowledge of shipping can expect that our imports and exports will all be carried exclusively by Canadian ships. That is an impossibility.

Mr. MAYHEW: I did not advocate that.

Mr. MICHAUD: No, I know, and I have never advocated doing away altogether with the Canadian merchant marine. The opinion I expressed was based on our experience after the last war, when the government operated the ships. I still believe that all our merchant ships will be needed and will be operated after the war. But as to a definite policy governing the future, that has not yet been determined by the government. It is under consideration and has been for some time by a committee of civil servants, experts, and we have not yet received the final report of the committee to enable us to determine what policy should be followed after the war.

Mr. MAYHEW: I am sure that the statement just made by the minister will be appreciated by the people of Canada, because this is the first time that Canada has been given any idea that we shall have three hundred merchant ships in the Canadian service by the end of the year. I would refer the minister to a return tabled in the house on May 3, which speaks about the Canadian National steamship company. That company has six 4,700-ton boats out of the sixty altogether that are being operated. The Canadian National Steamships have six of the smaller boats.

Mr. GILLIS: We certainly do not want to repeat the mistakes of the last war. There is no doubt in my mind that after the last war the Canadian merchant navy was sabotaged in the interests of private shipping companies. We certainly should guard against anything of that sort this time.

I, too, am glad that the minister has at least said something definite on the matter. What we are now discussing is a very important part of our post-war plans, and definite plans should be being made now as to what we are going to do in the matter of maintaining and expanding the Canadian merchant marine. Study should be given now as to how we can best utilize the ships which we have built with the taxpayers' money with a view to providing, among other things, opportunities for those who have taken to the sea since the war began, and who may desire to follow that calling after the war. I have heard it stated several times in the house, and I think rightly so, that Canada is going to

play a great part in the first four or five years after the war in helping to feed and rehabilitate European countries, and perhaps the British isles to some extent, and I think these three hundred ships, with the crews now employed on them, if they want to follow that vocation, might very well be utilized in that service. Now is the time that someone should be studying the matter and laying plans so that we may be able to go into that phase of rehabilitation, ready to carry out our plans immediately after the war is over.

I have no intention of pursuing the matter further. I have read a good deal and have files about what happened to the Canadian merchant marine after the last war, and it is not a nice story. I believe it is very well known. We need to guard against a repetition of this experience. As I say, it is not a matter of deciding whether operations are to be carried on under a system of private enterprise or under government ownership. If the Canadian government now own these ships, they have spent the money which has trained the personnel that are operating them; if the government is going to make millions of dollars available to UNRRA for the purpose of rehabilitating the European continent, it should be the responsibility of the Canadian government to see to it that every bit of machinery they now have should be utilized. If private shipping companies want to go into the business for commercial purposes, that is entirely up to themselves. We now have an organization which should be fully utilized, and whether we intend to continue it for years after the war is over is something which can be determined as we go along. In the post-war period the whole organization should be used to its fullest extent, and now is the time to plan and be ready.

Mr. MICHAUD: As I have already said, this problem is being examined by what we consider the best talent that can be got together, to give it consideration and make a report upon which the policy of the government will be based. There is no intention on the part of the government to sabotage any ships of our merchant marine. There is, however, one point I would bring to the attention of the hon. member. He spoke of forty or forty-five thousand men being employed or finding employment in our merchant marine after the war. When one remembers what number of men is required to man one of these ships, I cannot see the possibility of utilizing forty-five thousand men. Admitting that after the war we shall still have our complete quota of ships built during the war, the number will be not more than three hundred, and it takes only fifty men to man one of these ships, so that at the most fifteen thousand men will find employment. That is the utmost number we can expect to employ even if we keep our merchant marine intact and all our ships are returned to us after the war.

Mr. MAYHEW: I should like to correct a statement. I said that forty thousand men would be required to move the goods produced. That does not mean to say, forty thousand Canadians. I followed that up by asking how many of these will be Canadians?

Mr. BLACK (Cumberland): I am interested in the statement that the minister is going to maintain a merchant fleet of three hundred ships after the war. I should like to have a statement from him as to whether in operating this fleet he will maintain the wages of the crews who will operate them at a scale that is appropriate to Canadians. If, in so doing, he comes in competition with low scales of wages of competing ships, how is he going to deal with that situation. How is he going to compete with the ships of Great Britain—not that that will be so very difficult, although heretofore they have operated with a much lower wage scale than is acceptable to Canadians—and with the Norwegians, the Swedes, the Finlanders, the Greeks? Last of all I would ask the hon. member for Victoria (B.C.) how he would propose to operate these ships in competition with the Japanese or other orientals whose scale of living is very much lower than is acceptable to Canadians.

It is all very well to say that we want to operate these ships—I am in agreement with that sentiment—to carry our own products. But we have the financial problem of how we are to get paid for our goods and how we are to be paid for the carrying of these goods. I assume also that Canada will insure these goods along the lines of the bill which was recently before this committee, so that we shall furnish our own insurance and it will no longer be business for other countries. Is it that all we shall ask the motherland and other countries to do is to pay for Canadian goods shipped by us in our own bottoms, manned by Canadian crews and insured by ourselves? I should like the minister to explain how we shall be able to maintain a proper scale of wages in the operating of these ships and enable importing countries pay for our products.

Mr. MICHAUD: The hon. gentleman has just touched upon a very important angle of the whole problem, and one of several items which have to be taken into consideration, and indeed are being considered, by the board

which is now studying our post-war merchant shipping problem. I know it will be difficult to adjust all these factors which enter into the whole problem, and it is impossible to state what will be done until the committee has studied the subject from its various angles and has presented to the government a suggestion which may have to be integrated in the general policy to be adopted by the government.

Mr. POTTIER: Just a word on that. I quite agree that there are two principal difficulties which will be encountered. The first was referred to by the hon. member for Cumberland, and is connected with the varying rates of wages and standards of accommodation which the crews of other countries have. It is true that a number of countries before the war started were running ships at one-third of the cost at which Canadians could operate. There are countries which have a lot of shipping tonnage, members of whose crews would bring their food and their own dishes and the like in a trunk across the Atlantic, looking after themselves, at an expense of a few cents a day for maintenance, while we were trying to set up standards for our ships which are wholly out of proportion with the standards of these competitors, so much so that, as I said, our ships were costing from the point of view of personnel about three times as much as the ships of other countries which I need not name and which have a large tonnage.

There is another problem. You cannot expect to have your ships go into a country to take your goods and bring back their goods with your shipping on every occasion. They want to have a shipping fleet and to transport their goods in their own ships. The problem is full of difficulties. I can quite understand that it will need a lot of study, and I hope the committee will find a solution.

Item agreed to.

Marine service—

369. Marine service steamers, including icebreakers—maintenance, operation and repairs, $1,585,400.

Mr. HATFIELD: How much is spent under this item on icebreaking in the St. Lawrence river?

Mr. MICHAUD: We do not estimate the cost of breaking the ice in the season; we simply have the cost of operating the ships. Last year through the Quebec agency we spent $420,450 in the gulf of St. Lawrence,

[Mr. Michaud.]

and the estimate for this year is $509,100. The boats are operated through the Quebec agency.

Mr. HAZEN: The amount expended last year under this item was $1,376,000. How much of that amount was spent in opening up the St. Lawrence river for navigation last spring? When did the actual icebreaking operations commence last spring in the St. Lawrence river?

Mr. MICHAUD: For many years it has been necessary to keep the channel open around the Quebec bridge throughout the season. In the middle of January the *N. B. McLean* which is the largest icebreaker in the service, starts its journey toward Montreal to open the channel, and a few weeks afterwards two other icebreakers, the *Ernest Lapointe,* and the *Lady Grey* are used in opening up the channel from the Quebec bridge to Montreal, reaching Montreal around April 29 for the opening of navigation. Three icebreakers are assigned to that job every winter.

Mr. HAZEN: Out of the $1,376,000 spent last year, how much went for that particular purpose? I am asking not only the actual cost during the time the icebreakers were working in the river but the total cost.

Mr. MICHAUD: The cost of operating the *N. B. McLean* last year was $170,620; the *Lady Grey,* $30,000, and the *Ernest Lapointe,* $55,250. That is for the whole year. Icebreaking takes about one-third of the season. The ships were operated one-third of the year breaking ice in the St. Lawrence.

Mr. HAZEN: In addition to the actual cost of operating these three icebreakers, I suppose there would be some other expenses.

Mr. MICHAUD: The total estimated cost of icebreaking in the St. Lawrence last year was $103,778.24.

Mr. HAZEN: I notice that $120,000 is to be spent for war risk insurance on canals this year. Last year none appears to have been spent. Why is that large expenditure being made for war risk insurance on canals in this country this year?

Mr. MICHAUD: Last year the total war risk insurance for all government services appeared in one item, passed by the house in the supplementary estimates. This year each department has been assessed by the Department of Finance and we had to allocate the assessment to the several services of the department.

Mr. HAZEN: To whom was it paid?

Mr. MICHAUD: The Department of Finance.

Item agreed to.

Marine service—

370. Construction, maintenance and supervision of aids to navigation, including salaries and allowances to lightkeepers, $2,065,176.

Mr. BLACK (Cumberland): I wish to bring to the attention of the minister a complaint with respect to the failure to appoint a lighthousekeeper in my constituency on the Ile au Haute, at the head of the bay of Fundy. Mr. John T. McCormick is the person to whom I refer, and from information I have, the greatest discrimination has been practised against him by the department or by someone in the government service. This position of lighthouse-keeper became vacant in the ordinary course. The previous occupant had given good service, had reached the retiring age and retired, and the civil service commission advertised for applicants. A number of applications were received and examinations were held. Mr. McCormick headed the list of applicants. He was recommended for appointment by the civil service commission and notified of his appointment subject to confirmation by the department. He was notified at that time that he must vacate within seven days the position he held. That position was captain or mate with the merchant marine in the north Atlantic service. I believe he was drawing about $240 a month in this position. The remuneration attached to this position of lighthouse-keeper is much less, but it had the attractive feature of permanency. He agreed to accept it. He was a man of good character and had splendid service in the last war. I believe he had and still has the support of every returned man in the county of Cumberland. He gave up his position and to this day has not been confirmed in the appointment.

After leaving his position with the merchant marine service, he waited around for some months expecting to be notified to report for duty. He obtained temporary employment on the provincial police force of Quebec. That shows his standing and his capabilities. My complaint is that there has been gross discrimination against him as a returned man of the last war. This man is entitled to the position and to compensation by the department because he had been notified that he must vacate the previous position he held. I bring this complaint to the attention of the minister and the committee. If the minister is not able to reply to-night I ask him to look into the case and see that justice is done to Mr. MacCormack.

Mr. MICHAUD: I have no recollection whatever of this case. There are 1,139 lightkeepers in the service. Most of them were appointed by the civil service commission. I have no recollection of having seen any correspondence or of ever having the matter brought to my attention. However, I shall look into the case.

Mr. BLACK (Cumberland): I think the minister's department is responsible. His appointment had been recommended by the civil service commission or the Department of Transport. He was told that he must vacate, within seven days, the position he was holding, which he did. He waited for weeks and months and now two years for confirmation by the minister's department of his appointment to this position.

Mr. MICHAUD: I shall look into the matter and let my hon. friend know the reason why the man has not been appointed.

Item agreed to.

Marine service—

381. River St. Lawrence ship channel—contract dredging in the St. Lawrence river and Montreal harbour, including cost of administration—capital, $989,500.

Mr. HAZEN: Of this amount how much was paid for contract dredging in the St. Lawrence river and Montreal harbour and to whom was it paid?

Mr. MICHAUD: The contract for dredging amounted to $838,831.34 last year. It was paid to Marine Industries Limited.

Mr. HAZEN: In the public works estimates there are a number of items under the heading of "dredging" in different parts of the dominion. Why does this item appear under transport and not under public works?

Mr. MICHAUD: The St. Lawrence ship channel has always been administered by the Department of Transport. Some years ago the policy of deepening the channel to thirty-five feet and a width of five hundred feet was adopted. The contract will be finished this current year.

Mr. HAZEN: It includes not only the St. Lawrence river but the Montreal harbour as well?

Mr. MICHAUD: That is the designation of the work. I doubt that there was any dredging done in the Montreal harbour last year. There was dredging of the channel within the limits of the harbour of Montreal.

Mr. STIRLING: Would the minister explain why "cost of administration" comes in this item and the following one, which is also for

the river St. Lawrence ship channel? It seems to be a considerable amount of administration.

Mr. MICHAUD: Item 381 is capital expenditure and item 382 is the annual cost of administering and maintaining the ship channel after the contract work has been done.

Mr. LOCKHART: Item 379 was passed while I was out of the committee. Would the committee revert to it for a moment? In the course of a statement made in the house either to-day or yesterday in connection with an accident in which a Canadian boat was involved, I believe the minister promised that an inspection would be made and a full report given. There are many boats of various kinds carrying passengers, some of which are similar to the boat involved in this accident, and I should like to be assured that a rigid inspection is made to ascertain what boats are perhaps not fully equipped. Or is the matter allowed to drift during this period of war? I have in mind some boats that should be carefully checked in order to prevent further accidents on our chain of waterways. It is no use locking the stable door after the horse has been stolen; these inspections should be made before the boats are permitted to carry passengers. I am wondering if a careful inspection is made in each case.

Mr. MICHAUD: This afternoon I partly explained the situation to the hon. member for Broadview. Under the Canada Shipping Act there is an obligation upon any person who wishes to operate a boat in which passengers are to be carried to have that boat inspected, and to obtain a certificate of seaworthiness which also will determine whether or not the boat carries proper life-saving equipment. However, it is impossible to prevent some people from operating craft which are unseaworthy. We have a staff of forty inspectors in the department at present, and we are eleven short. We cannot get people to take these jobs. Some of our inspectors left to undertake war work. We have advertised for competent people to take these positions, but have received no replies.

Mr. LOCKHART: Did I understand the minister to say that he was eleven inspectors short?

Mr. MICHAUD: Yes.

Mr. LOCKHART: Probably that accounts for the fact that in some cases inspections have not been made for quite some time.

[Mr. Stirling.]

Mr. MICHAUD: That may be so. We have advertised through the civil service commission in an attempt to fill these jobs, but have received no applications.

Mr. HAZEN: For how long is a licence granted?

Mr. MICHAUD: One year.

Mr. HAZEN: Is any penalty provided if the equipment is found deficient?

Mr. MICHAUD: There is no penalty provided for deficient equipment, but there is a penalty for using a boat that has deficient equipment. Lately we have tried to enforce the law by employing the services of the Royal Canadian Mounted Police, and we have found many unseaworthy craft which have been condemned. We are trying to keep them tied to the docks, and to advise people not to use them.

Mr. HAZEN: Have charges been laid against any of these ship owners?

Mr. MICHAUD: Yes. An accident occurred not long ago; an investigation was held, and on the report of the commissioner I found the matter sufficiently serious to bring it to the attention of the attorney general of Ontario. In that case I know a charge has been laid and an arrest made.

Mr. SENN: Does this steamship inspection apply to pleasure craft as well as to commercial craft of all kinds? It seems to me that from time to time there has been a great deal of confusion on the great lakes in regard to small boats, some of which are used as pleasure craft and some partly for pleasure and partly for fishing. I wondered if they were all subject to the same inspection and the same regulations.

Mr. MICHAUD: Any craft that charges a fee for carrying passengers has to be inspected and licensed, and must have the proper life-saving equipment.

Mr. SENN: But a great many boats used as pleasure craft do not carry passengers for hire. I was wondering if they are also required to obey these regulations, to be inspected regularly and to obtain licences, the same as the other boats. I should imagine the boat concerned in the serious accident on lake Erie not long ago would be in the same class.

Mr. MICHAUD: They must be certified as to the sufficiency of their life-saving equipment.

Mr. SENN: I have had some experience with this matter, and I know that some of the fishermen on the great lakes are not fully

aware of just what equipment is required, because to some extent it varies with the size of the boat. I suppose it is the responsibility of the fishermen themselves to ascertain what is required by the regulations?

Mr. MICHAUD: Yes.

Mr. SENN: What measures are taken to acquaint the fishermen generally with what is required?

Mr. MICHAUD: I have here a copy of the public notice that is posted on every dock and in customs offices where licences are issued.

Mr. STIRLING: How many licences have been cancelled during the past year because the equipment was found to be faulty?

Mr. MICHAUD: I know of no cases in which boats, having been licensed, later on during the term of the licences were found to be short of equipment. Licences have been refused to a number of boat owners because of deficient equipment, but I know of no licence that has been cancelled because the owner did not have the proper equipment.

Mr. STIRLING: The minister has said that the licence is for the period of one year. Is it automatically renewed at the end of the year?

Mr. MICHAUD: No. The boat has to be inspected every year before the licence is issued or renewed.

Mr. SENN: Sometimes the inspection is delayed. The matter of the pulling of tail shafts has been a live question in my district from time to time, because it is an expensive operation to put a boat in dry dock and have the tail shaft removed and put back. Does the department still insist on the regulations that were in force a short time ago, under which tail shafts have to be pulled and inspected every so often?

Mr. MICHAUD: Within the last few years the inspection branch has been allowed quite a degree of latitude in regard to inspections and the enforcement of regulations. But I think it is left to the discretion of the inspector of the district to keep watch on the ships licensed in that district.

Item agreed to.

Marine service—
382. River St. Lawrence ship channel—administration and operation, $186,880.

Mr. BLACK (Cumberland): Before this item is carried I should like to discuss an item called earlier, namely 374, having to do with the administration of pilotage. I would bring to the attention of the minister complaints with respect to pilotage officers at Pugwash in my constituency. I understand that recently a serious complaint was passed on to the department officials with respect to pilotage service at that port. Steamers using that port, because of incapacity or carelessness on the part of some of the pilots, have been allowed to ground. Other ships have been notified that the port of Pugwash cannot accommodate them.

This has been protested by the citizens of Pugwash, the board of trade. Other pilots of experience have declared that there is no difficulty whatsoever in these ships utilizing that port. It appears that the port commissioners have authority to designate the pilot officers, and they have dismissed experienced officers for personal or other reasons, with the result that the pilot work has been restricted to men who have not given the service the ships require. Has the department had any complaints respecting the services rendered by the commissioners or pilot officers at Pugwash, in recent years? If the minister is not in a position to give the information to-night I would ask that he have the matter investigated in order that shipping may be able to utilize Pugwash, which is one of the best natural ports in the maritime provinces. A smaller amount has been spent at that port to assist nature than has been spent at any other point of comparable size in the maritime provinces, and it should not be discriminated against or injured because of the incapacity of pilots or port commissioners.

Mr. MICHAUD: I do not recollect having received any complaint, nor do I remember the matter having been brought to my attention. All I know is that at the port of Pugwash there are three pilots who last year took in $529.38 in dues.

Item agreed to.

Railway service—
383. Repairs and expenses in connection with the operation and maintenance of official railway cars under the jurisdiction of the department, $39,825.

Mr. HATFIELD: Is this for the operation of private cars for railway officials, or private cars for government officials?

Mr. MICHAUD: These are railway cars.

Mr. HATFIELD: How many private cars are there in operation for railway officials?

Mr. MICHAUD: There are three government cars, and two for the governor general.

Mr. HATFIELD: Why should there be an increase in this item in war time?

Mr. MICHAUD: War risk insurance of $450 is taxed by the Department of Finance.

Mr. HATFIELD: I thought there was an effort made to eliminate private cars for the duration of the war? Why should officials have private cars during wartime?.

Mr. MICHAUD: I believe there is an act of parliament authorizing private cars. They have been in the service for some years past.

Mr. HATFIELD: That is not any reason why they should be used in war time. They would require more fuel, and more men would be required to operate them.

Mr. BENCE: Are these private cars being used by members of the government? For example, if a member of the government, such as the Minister of Fisheries, wishes to make a trip to western Canada, does he use one of these cars for that purpose? Or would some other member of the administration use a private car, in the same manner as was done in peace time? If that is so, I suggest that the use should be considerably curtailed, in view of the fact that the trains are now greatly overloaded, and the further fact that we are having enough difficulty in connection with passenger and freight service at the present time.

Mr. MICHAUD: They are not used to the same extent as they were prior to the war.

Mr. GRAYDON: Are there any portions of the rights of way of either the Canadian Pacific Railway company or the Canadian National Railways where coaches in which there are chair cars are still being used? I know they have been taken off from Toronto to Ottawa and from Toronto to Montreal, and I am asking if on any other portions of railway these chair cars are still in use.

Mr. MacNICOL: They are used from Toronto to Chicago.

Mr. MICHAUD: I understand they are used on a few pool trains between Quebec and Montreal.

Mr. MacNICOL: And right through to Chicago.

Mr. GRAYDON: I ask the question because travellers between Toronto and Montreal and Toronto and Ottawa have lodged the complaint that while the chair cars have been taken off on those runs—and they have no objection to that in war time—those chair cars are still in use between Montreal and Quebec. That is causing some difficulty, and one can readily understand how quickly the public would suspect discrimination in a situation of that kind. I suggest that an explanation ought to be made, because I was not sure of the situation. I have not been on a chair car for so long I scarcely remember what one looks like. This is a situation which would seem to require an explanation.

Mr. MICHAUD: This is a matter between the transport controller and the railway passengers association, which operates those cars.

Mr. MacNICOL: But those chair cars are used between Toronto and Windsor and Detroit, and I presume they go right through to Chicago, because I have ridden on them lately. I know they are on in the mornings from Toronto, as far as Smiths Falls.

Mr. BENCE: I should like to pursue the question I was asking a moment ago with respect to the use of private cars by ministers of the crown. I suggest that in view of the difficulties I referred to with respect to transportation generally, surely during war time the ministers of the crown can travel in compartments or lower berths just as easily as anybody else. In peace time no doubt it was a very pleasant custom to use these private cars and one that did not inconvenience the railways or the country. In the particulars of this item I notice that four stewards and three porters are retained continually to look after these cars. That is a small number, comparatively speaking, but there is a tremendous shortage of this very type of man. I believe that the administration would be well advised to discontinue their private cars in war time. Would the minister give us some indication of the number of times the private cars have been used by ministers of the crown during the year, say, which has just passed?

Mr. MICHAUD: I have not that information.

Mr. JACKMAN: Has the minister the mileage which these cars covered during the year?

Mr. MICHAUD: No.

Mr. GARDINER: I might state for the benefit of the hon. member for Saskatoon City that so far as I am concerned I do not use a private car.

Mr. HAZEN: Are these private cars hauled free of charge by the Canadian National Railways?

Mr. MICHAUD: Yes, and on the Canadian Pacific Railway.

Mr. HAZEN: On both railways they are hauled free of charge?

Mr. MICHAUD: Yes.

Mr. LaFLAMME: Are they not official cars for the use of officials?

Mr. MICHAUD: No, they are for use of the members of the government and the governor general.

Mr. BURTON: The hon. member for Saskatoon City has said pretty much what I was going to say, Mr. Chairman, when I was trying to catch your eye. I have no objection to the two private cars for the governor general, although I do not think they should come under this particular item. But so far as the four private cars for cabinet ministers are concerned, with stewards and porters and all this and that, keeping the cars ready for instant service, I agree with what the hon. member for Saskatoon City has said, that it is not necessary in war time. I would like to press this matter a little further. The Minister of Agriculture has said that he does not use these private cars. Which ministers do use them and to what extent?

Mr. MICHAUD: The Prime Minister has one car allotted to him, and there are two general official cars. Then there is one that has been owned by the Department of National Defence since the last war.

Mr. BURTON: Who has used these cars?

Mr. MICHAUD: Some of the ministers when they feel that they need them on government business.

Item agreed to.

Railway service—
384. Hudson Bay railway—Construction and improvements—capital, $19,000.

Mr. BENCE: Mr. Chairman, I think we might follow the practice we followed last year and discuss this item in conjunction with item 385, as both have to do with the Hudson Bay railway. This is a matter of considerable importance to the province of Saskatchewan and the city of Saskatoon from which I come. I should like the minister to make a statement as to the present position with respect to making good the deficit—I think that is what it is called—on the road. Each year there is an appropriation in the estimates to take care of contingencies during the succeeding year. Last year the item for that purpose was only $200,000, whereas the year before it was $490,000. I presume the railway must have been operating at a much greater profit during last year. I am a little disappointed to see that we have to provide $300,000 to make up the difference between the expenditures and the revenue during the year ending March 31, 1945. The minister should make it perfectly clear that this does not give a true picture of the situation. It may have been that when the item was reduced from $490,000 to $200,000, the amount of the deficit was underestimated. I wish the minister would give us a picture, if he can, of the position of the Hudson Bay railway at the present time, showing the operating profit or loss, if any, last year and generally indicating the position from this particular angle so that we who come from western Canada may know exactly what the picture is in that respect.

Mr. MICHAUD: Last year we voted $200,000 to take care of the deficit. In 1942-43 we had a surplus of $112,120.75. We did not have to expend the appropriation for that year. In 1943-44 we had a deficit of $347,872.90.

Mr. BENCE: I am very happy to see that there was an operating profit in 1942-43.

Mr. JACKMAN: No. What he said was that he did not use the whole appropriation. Is that not right?

Mr. BENCE: What I should like to know is why we had a surplus in 1942-43. Was that a real surplus?

Mr. MICHAUD: Yes.

Mr. BENCE: That is what I understood the minister to say.

Mr. MICHAUD: I will give the gross revenue and expenditures for the last three years. In 1941-42 the revenue was $117,881.15, and the expenditures $577,740.43, making a deficit of $459,859.28. In 1942-43 the revenue was $1,113,914.14, and the expenditures $1,001,793.39, or a surplus of $112,120.25. In 1943-44 the revenue was $660,152.21, and the expenditures $1,008,025.11, making a deficit of $347,872.90.

Mr. MacNICOL: The reason for the surplus in 1942-43 was that our American cousins in that year were building their new airport at Churchill and there was a tremendous traffic through the Pas to Churchill, all up and down that road. In 1943-44 the airport had been completed and the traffic was proportionately reduced, also the revenue.

Mr. JACKMAN: Is there any report issued by the Hudson Bay Railway company so that members of the house can see it? Just in that connection I should like to suggest that inasmuch as this railway is operated, as I understand it, by the Canadian National Railways, under their supervision, for the Hudson Bay Railway company, and indirectly

for the government, the report of this railway should be submitted, along with the reports of the Canadian National Railways, the T.C.A., and Canadian National (West Indies) Steamships Limited, to the regularly constituted parliamentary committee on wholly-owned government railways. I hope that the minister will give some consideration to that suggestion, and perhaps he would make an answer to it now. For instance, I think this committee, and the railway committee, if it had it within its purview, would be interested to know why it was that in 1942-43 this railway, with an income of $1,113,000 and expenses of just $1,000,000, was able to show $112,000 profit, and yet in 1943-44, with an income of $660,000—$400,000 less—the expenses were actually, if I gathered the minister's figures correctly, a few thousand dollars higher. How could it be that with $400,000 less revenue the expenses actually went up, so that in 1943-44 there was an operating deficit of $347,000? How could that happen?

Mr. MICHAUD: A large amount went into maintenance for that year.

Mr. JACKMAN: For 1943-44?

Mr. MICHAUD: Yes.

Mr. JACKMAN: And how much was the maintenance in 1943-44 over 1942-43, when the volume of traffic was considerably higher in the earlier year?

Mr. BURTON: It appears to me that our American cousins have sense enough to use a road which we ourselves do not use as much as we should. We have that road there and it has not in the past been made use of to the extent that it should have. I contend that it was a good thing for the united nations' cause that we had that road there, and Americans have made good use of it and have shown its value. I suggest to the minister that we seriously consider more adequately utilizing that road in the future.

Mr. BENCE: I endorse the suggestion which was just made by the hon. member for Humboldt, and at least part of what was suggested by the hon. member for Rosedale, with respect to furnishing the railway committee with all the information which is available concerning this railway. This is a very important project as far as western Canada is concerned. The government has invested a lot of money in it, and I think it should be continually searching for ways to make this endeavour a paying proposition. I believe that in the interests of the country generally and in western Canada in particular it is very important that the administration continually have their eyes on this venture for the purpose of seeing in what way more use of it can be made in order that we shall not have these continual deficits year after year. Like many who come from western Canada I believe that good use can be made of the railway and that it can be converted into a profitable venture.

Mr. BLACKMORE: How much wheat was shipped over the Hudson Bay railway last year?

Mr. MacNICOL: Nothing in the last five years.

Mr. MICHAUD: None for the last three years.

Mr. BLACKMORE: Why is that?

Mr. HOWE: No convoys.

Mr. MICHAUD: If I lived in Alberta or Saskatchewan I might know it, but I suspect that there are no convoys to take the wheat out of Churchill. I understand that there is no consumption of wheat at Churchill, that the wheat which is being shipped over the railway is for export from the port of Churchill, and for the last three years, for obvious reasons, no convoys have gone to Churchill to take the wheat to Europe.

Mr. MacNICOL: What my hon. friends on this side of the chamber have been saying about the use of the road is important, but at the present time it cannot be used as an export route, for the reason which the minister has just announced. I made a very careful survey of the whole area from the Pas to Churchill. At Churchill, I might say, there is a wonderful elevator which was built by the Minister of Munitions and Supply. It is one of the finest elevators in the world, but it cannot be used now, for the reason outlined, that no convoys are available to ship wheat from the port to the old country. The explanation of the increased freight revenue during 1942-43 is quite simple. The Americans were building a great airfield there. It was mentioned here the other day in a report that these airfields are to be taken over. A tremendous traffic was going on; it was almost impossible to get from the Pas to Churchill, but of course when the airfield was completed that traffic slowed up, and for that reason in the following year the freight was much less.

I endorse what some of my hon. friends have said regarding this route. It is to be hoped that after the war the magnificent elevator will be put to good use in handling western wheat.

Someone said that Canada put a lot of money into the road. Well, Canada did, but

the three western provinces alone put nearly fifty million dollars into it. The Dominion of Canada put in a lot of money, but the major portion was contributed by the three western provinces. I sincerely hope that after the war things will so develop that the road can be used commercially for the exportation of wheat.

Mr. BLACKMORE: Who owns this railway at the present time?

Mr. MICHAUD: The people of Canada.

Mr. BLACKMORE: Are all the shares in the hands of the dominion government?

Mr. MICHAUD: It is not an incorporated company; it is a public work built by the country and owned by the country, and it is operated for the country by the Canadian National Railways.

Mr. BLACKMORE: How much wheat was shipped out of that port in 1939 and in 1938?

Mr. MICHAUD: In 1939, to the value of $154,142.16.

Mr. BLACKMORE: It sounds like an appallingly small amount for a national railway, does it not? Could the minister give an explanation why more was not shipped out in 1939? Was more shipped out in 1938?

Mr. MICHAUD: Yes; $236,000.51.

Mr. BLACKMORE: How much wheat was shipped out of Canada in the meanwhile by other railway routes?

Mr. MICHAUD: I do not know.

Mr. BLACKMORE: This seems on the face of it altogether too small an amount of wheat to be shipped out of that port. Western Canadians have the idea that this railway is being damned with faint praise; in other words, that it has been sabotaged. We should like to have some information from the minister to reassure us that such is not the case.

Mr. MICHAUD: If my hon. friend will guarantee that the wheat when delivered at Churchill will be taken care of, I will guarantee that more wheat will be shipped over that road.

Mr. BLACKMORE: Could the minister give us any reason why the wheat when it gets to Churchill could not be taken care of?

Mr. MICHAUD: Because the shipping companies will not take it out of Churchill.

Mr. BLACKMORE: Why not? We want to find out the reason for that. That is what we are here for.

Mr. MICHAUD: They prefer to ship over other routes.

Mr. BLACKMORE: There must be some other reason why the company prefers to ship over other routes. There seems to be plenty of evidence that the railway is a good one and that there is a good route through Churchill. Why should we find so little grain carried over that route? Why should shipping companies be averse to using it?

Mr. MICHAUD: Surely the hon. member is aware that the government does not route grain or other goods. The owners or shippers or buyers ship their own goods by whatever way they see fit and over such routes as are cheapest to them and whereby they can get their goods to the point of destination quickest and cheapest.

Mr. BLACKMORE: The Department of Transport exercises no influence in that regard. Is that right?

Mr. HOWE: Perhaps I may be allowed to speak for a moment with reference to a route that I know fairly well. A transportation route is an avenue that is open to the shipping public. There are several avenues for wheat from the west. There is the avenue to Fort William and Port Arthur and down the great lakes and the St. Lawrence to Montreal and then to the ocean. The Hudson bay route is an alternative. The use of the route depends on the cost of shipping grain from point of origin to point of consumption, which may be in the United Kingdom or on the continent. Grain will follow the cheapest route, and an eighth of a cent a bushel is sufficient to transport grain by one route or another. The Hudson bay route is there, and it depends on its effect on prices whether grain is shipped by that route or the other. If the cost of shipping by the head of the lakes and through the great lakes gets out of line, the least bit above the cost of shipping by Churchill, shippers will use Churchill. I think that since the west has the protection of the route it is not very serious whether large volumes go by that route every year. If rates on the great lakes are high, a very large volume moves through Churchill; if rates on the lakes are low, a small volume moves through Churchill. It is an alternative route, and the western producer has a choice of routes and therefore can take advantage of whichever route is cheapest.

Mr. BLACKMORE: The railway is merely an instrument in the hands of the Canadian

west for preventing exploitation by any companies that might be transporting Canadian wheat.

Mr. HOWE: It has that effect, yes.

Mr. BLACKMORE: If that is the light in which we are to look on the route, then it is well that we should know that. We know the amount of money we are spending for the maintenance of that route as an insurance against exploitation.

Mr. PERLEY: I am glad to see that there is an increase in the expenditure on this railway and the terminal at Churchill. Some of it may be to make up the difference between earnings and the cost, but I think the minister would be well advised to see that the route is kept in order so that when the war is over it will be ready to serve the public. I think it will prove to be one of the great outlets for western Canada, one of the very best and cheapest. We had before the committee on agriculture this year a statement with respect to grain shipped from there. Last year the elevators were full of Canadian wheat board grain, and a great deal of it was shipped out and the capacity filled again. But, as has been pointed out, owing to convoy service now, they cannot use it for shipping grain. I heard the head of one of the largest steamship companies in Britain say a year or so before the war broke out, speaking in Regina to the board of trade with reference to this route, that there was no question in the world that, with the improvements in radio equipment and direction for shipping, that port could be kept open for three months longer than it has been up to the present time and that it would serve as a great route so far as shipping grain to Britain is concerned. The cost would be nearly three to four cents a bushel cheaper and that would be in its favour. But at the present time the chief shipping interests are centred at Fort William and Port Arthur and they would naturally direct a great deal of their shipping there. As an outlet for western Canada it is one of the coming routes. One of the largest shipping concerns in Britain declares that after the war, with the improvements that have been made in radio equipment for directing ships, that port will be available for shipping for three or four months longer in the year. I am glad to see the minister increasing the estimates, and I hope the route will be kept in proper repair so that when the war is over it will be available.

Mr. BURTON: What the Minister of Munitions and Supply said a moment ago with regard to grain moving according to where the shippers and exporters desire it to move holds water to a certain extent, because we know that certain departments of government do from time to time encourage trade in one way or another. We have different departments of government that encourage the flow of trade one way or another, and there are many of us in the west who agreed in years gone by that not enough encouragement was given in that respect. I might mention insurance rates. It has been the opinion of many of us for many years that this is a property that belongs to all the people of Canada and we are prepared so to continue it; but we should make proper use of it. The hon. member for Davenport expressed the view that the people of western Canada paid for the road long before it was built, and I say to the members of the committee that when the war is over, if the government does not make any more serious effort to see that full use is made of it than has been made in the past, then consideration should be given to the idea of turning the road over to the three prairie provinces in some way so that they can see that proper use is made of it.

Mr. MICHAUD: I accept the offer.

Mr. JACKMAN: The minister did not ascertain from his assistants the amount of maintenance and repairs for the two operating years 1942-1943 and 1943-1944. I will not press him for it if he will undertake to have the report of the railway along with the report of the Canadian National Railways and the other wholly-owned government corporation, tabled at the meeting of the railway committee when it convenes each parliamentary year.

Mr. MICHAUD: I have data here for the years from 1938 to 1943.

Mr. JACKMAN: I want just the last two years. I do not understand how it is that the operating expenses remain the same but the gross revenue increases substantially.

Mr. MICHAUD: Operating expenses, salaries and wages, 1942-43, $219,069.11; 1943-44, $229,227.75.

Mr. JACKMAN: They are substantially the same.

Mr. MICHAUD: Does the hon. member wish the figures for equipment and rentals?

Mr. JACKMAN: If the minister will undertake to have the report of the Hudson Bay Railway company submitted to the railway committee each year I will not question him any farther at the present time.

Mr. HOWE: It is included in the railway report.

Mr. JACKMAN: Of the Canadian National Railways?

Mr. HOWE: Yes.

Mr. JACKMAN: A break-down of operations?

Mr. HOWE: Certainly.

Mr. JACKMAN: I do not recall seeing it. It may be in the report of the Department of Transport.

Mr. MICHAUD: It is mentioned in the annual report of the Department of Transport, but not in detail.

Mr. JACKMAN: I believe that this committee should have the detailed report, more particularly that the railway committee should have a complete break-down of the operating expenses and revenues of the Hudson Bay Railway, the same as in connection with the Canadian National Railways, the Canadian National (West Indies) Steamships and the Trans-Canada Air Lines. I do not see any reason why the Department of Transport should not agree to the figures being presented to the railway committee each year so that we may understand the nature of this company.

Mr. MICHAUD: I shall ask the railway to try to comply with the request.

Mr. JACKMAN: You are the railway; ask yourself and agree to it.

Item agreed to.

Railway service—

386. To provide for the construction of an icebreaker—railway car—highway vehicle— passenger ferry vessel for the Prince Edward Island car ferry service estimated to cost $4,500,000. Amount required for 1944-45—capital, $2,400,000.

Mr. DOUGLAS: What progress has been made in the construction of the new car ferry and what is the approximate date on which it will be ready for service? Since the icebreaker *Charlottetown* was lost in 1941 our people have been very patient in not pressing the department unduly for a new boat because they knew that all the shipyards were busily engaged in building ships of war. The present car ferry had a bad accident in March of last year at a time when a great many cars of certified seed potatoes were waiting to be transported to western Ontario and the United States where the seed was required for early planting. Every hon. member of the committee realizes that our transportation problem dates back seventy-five years. While we have made a good deal of progress in that time, I am sure the department will agree with me that we are now entitled to the best boat that money and material can build.

Mr. BLACK (Cumberland): I should like to follow the statement of the hon. member for Queens with respect to the construction of this new boat. We had a considerable discussion on it earlier in the session and in previous sessions. Is the minister prepared to reassure the committee that the boat will be completed and ready for service for the winter season of 1945-46? We in the maritime provinces recognize that Prince Edward Island has not had adequate transportation services since it came into confederation. Improvements have been made at different times, but an unnecessary calamity overtook that province in the loss of the steamship *Charlottetown.* Many people believe that there has been undue delay in securing a new boat. We are pleased to learn that a contract has been let for a new boat. Most of the people in the maritime provinces regretted to learn that this boat was being built to burn oil, which is in decreasing world supply. We shall need a market for the output of the coal mines of the maritime provinces in the years following the war and there was great disappointment that this boat was built to burn oil instead of coal. Is any recompense being provided for producers of potatoes and other farm products in Prince Edward Island who were unable to ship their products last winter because of the lack of shipping facilities and who had for that reason to take a reduced price? I understand that a claim has been entered for recompense for the loss they have sustained because they were unable to ship their potatoes at that time. I should like a confirmation from the minister as to whether this new ferry is a two-way boat, that is, with propellers in both ends so that it will not have to turn at the Borden port and at the Cape Tormentine port. That is the class of boats that were built to operate as ferries in Nova Scotia when I was minister and was able to authorize the construction of such boats for that purpose in Nova Scotia.

Mr. MICHAUD: In reply to the hon. member for Queens and the hon. member for Cumberland I am pleased to state that the contract for the building of a most up-to-date modern car ferry to run between Cape Tormentine in New Brunswick and Prince Edward Island was signed on the last day of March, 1944. The contractor proceeded immediately to get together the material which would enter into the construction of the ferry. I was informed by the contractor a couple of weeks ago that the work was proceeding according to schedule; that he has been successful in getting the steel plates in sufficient quantity

and at the proper time to get the hull together in schedule time. I am pleased to say that the engines which will go into this complicated construction will be manufactured in Canada. The subcontractors for the engines have reported that their manufacture is progressing on schedule. So far nothing has been brought to our attention that would delay the completion of the ship by the end of October, 1945, according to the contract.

Mr. BLACK (Cumberland): Did the minister reconsider the type of power plant to be used in this ferry? I understood that some assurance was given by him or by his department that this matter would be reconsidered, with a view to utilizing coal, our native fuel.

Mr. MICHAUD: Great attention was given this question, but the marine architects who were engaged to design that boat have not recommended the installation of coal-burning engines. Therefore the boat will be equipped with diesel engines.

Mr. BLACK (Cumberland): Were any other architects consulted as to utilizing coal and the ordinary steam power plant that is used in other boats of this type?

Mr. HOWE: Is my hon. friend aware that Prince Edward Island is quite likely to become a great producer of oil?

Mr. BLACK (Cumberland): I hope that may be so, and I am told there are possibilities that my county of Cumberland may become a great oil producer also. But it is recognized that there is a world shortage of oil at the present time. We had evidence before the committee on reconstruction and reestablishment that the supply of oil in sight will be sufficient for only fourteen years at the present rate of consumption. Therefore, with coal supplies sufficient for hundreds of years right at hand, it seems only an ordinary business precaution to give the preference to coal rather than oil, even if the hope of the Minister of Munitions and Supply should be realized, as I hope it will be, and a great oil reservoir should be found on Prince Edward Island.

Mr. MacNICOL: I am going to say something about this item, although I would not have done so if I had thought the minister could get through his estimates in toto to-night. I have made several trips to study this matter of transportation between the mainland and the island, and I should like to satisfy myself that this new ship is of the proper design. I must admit that from its picture it is a fine looking ship. I would remind the minister that between St. Ignace and Mackinaw, the strait between lake Michigan and lake Huron, a strait a little over nine miles wide, in the winter time gets badly clogged with very heavy ice. I believe that strait is approximately the same width as Northumberland strait. I should like to know if the department saw to it that the designers of this new ship of ours consulted those who were conversant with similar conditions, and with the designers of the six boats that cross from St. Ignace to Mackinaw. One of these boats, I believe it is the *Sainte Marie,* appears to load and unload at both ends. The ship is so designed that the main deck front end can be lifted up to allow the railway cars to roll off. I do not know whether this new ship is of the same design. Perhaps in the opinion of the architect or engineers who designed the new ship, their design is the only type that can safely navigate this strait. If that is the case, their judgment should be accepted. But if a ship could be designed to load and unload at both ends it seems to me it would be able to take on and discharge its cargo much more rapidly than the new ship may be able to do. I am not going to criticize the new boat in any way, for it seems to be very smart. It is a big ship, with tremendous power; it has nearly three times the power of any of the fine ships that cross from St. Ignace to Mackinaw, but its internal design must be totally different from that of those ships which cross the difficult nine-mile Mackinaw strait in the winter time, where ice piles up so high that two or three ships have propellers fore and aft to cut through ice.

Every ship in service on Mackinac strait, even the smallest one, will carry more automobiles than this new ship will carry. According to the figures submitted by the department, the new ship will carry only sixty motorcars. I hope the time will come when motor traffic to and from the island will amount to many more than sixty automobiles per trip. In contrast, the smallest ship crossing the strait of Mackinac carries seventy-two automobiles, while one of the largest carries one hundred and eleven almost twice as many as this new ship is designed to carry. Then this new ferry is designed to carry only nineteen railway cars. That may be sufficient; I do not know whether a train going to Prince Edward Island would consist of more than nineteen cars, but I hope the time will come when trains going to and from that island will have twice that many cars. These ships crossing from St. Ignace to Mackinaw carry as many as twenty-four railway cars.

All I am going to say is that the island is entitled to the best this country can give it,

and I know we have a sympathetic minister. We have not always had ministers who were as sympathetic to the island, but the present minister is, and I hope he will look into the particular matters I have drawn to his attention. There is no reason why the capacity of a brand new ship should be so much smaller than the capacity of the smallest ship on the Mackinac strait route. This new ferry is to be 372 feet 6 inches over all, while the smallest ship crossing the strait of Mackinac is about 250 feet long, but has greater automobile and car capacity. Why is that? Does the strait of Northumberland require a ship so strongly built, or with a much greater capacity for passengers? I note that the passenger capacity is larger, and I am glad of that because this is a glorious island.

Mr. MICHAUD: What is the draught of the Mackinac ships?

Mr. MacNICOL: The smallest one is twelve feet aft, and the largest one is twenty feet aft. I have looked into the matter very carefully because, like other hon. members, I have long felt that the island has not had what the fathers of confederation promised it. I realize that the minister is sympathetic, and as long as he is in power he will, I hope, see that they get more than they have been getting.

As I said a moment ago, the largest boat, *Chief Wawatam,* is 4,500 horse-power, and the horse-power of the new Canadian ship is 12,000. That is a very heavy horse-power, and the speed of sixteen and a half knots is good. That is a smart speed at which to cross the strait. May I congratulate whoever is responsible for that speed, because the old *Prince Edward Island* had a knotage of only 12½. The islanders—they like to be called the islanders —are entitled to the fastest and most up-to-date transportation which can be secured between the island and the mainland.

I know if the minister examines the docks at Borden and Tormentine he will say, the same as I did, after careful examination, "These docks are not what this great country of Canada should provide for this magnificent and beautiful island, for its traffic to and from the mainland." If I were designing a dock—and of course I am not a dock architect, although I have seen many docks in Europe and on the North American continent—I would certainly see to it that boats could go into and out of the dock much more rapidly than they can to-day. If conditions would permit it—and I do not say they will permit it—I would have ships that would load at one end and drive straight off the other end if desirable. I should like inquiries to be made about that. This might not be suitable at that point, but if it is we should certainly have it that way.

The minister, being sympathetic to the island and its rights, should not hesitate to pay the cost to have adequate and proper docks built at Tormentine and Borden, so as to increase speed in loading and unloading. He ought not to hesitate during his term of office to see to it that the islanders get what they have been asking for for such a long time, and that is fast traffic, fast loading and fast unloading. All this will help commerce. At the present time it is almost too much for the ordinary tourist to take a big car over there. I have been over several times with my car, and I have never crossed on boats crossing that strait without becoming furious before I got off at either end of the crossing. I do considerable travelling, and a lot of driving; I have driven several hundred thousand miles, and I become furious when I have to go along on an upper deck and drive my motorcar around a narrow passage.

While there is still time—and I believe there is time—we should see to it that this fine new ship, with its beautiful design, is built with regard for speed of loading and unloading at each side of the strait. This should be considered, even if it will cost more money, because it would give the islanders a fair deal. Let us not worry about a few extra dollars, because this is not an investment for only one year. It is for many years. The docks can be vastly improved for greater speed in loading and unloading. I suggest that the designer, or whoever is responsible, should visit many other places to see how quickly loading and unloading can be carried out. For instance, he could go to Toledo, to discuss the matter with the Toledo Shipbuilding company, which perhaps has had much experience in building such ships for such purposes.

I am glad that a Canadian company is building this ship, and that Canadian workmen are doing the work. There is no reason why we cannot build as good ships here as are built anywhere else, and there is no reason why our workmen cannot do as good work as other workmen are doing—and I know they can do it. Therefore I am very happy indeed that the ship has been built in Canada by Canadian workmen, and designed by a Canadian designer.

If it is at all possible the minister should look into this matter to have some alterations in design if practicable, so that the number of cars crossing that channel may be greater than called for in the design. Sixty is not enough. I am referring, of course, to motorcars. The

number of freight cars to go aboard the ship when crossing the channel should be more than nineteen. That is not enough, either.

A large amount of money is being spent—not too much, but certainly a large amount. But I would say that even more should be spent, if required, to give the island people a square deal.

Mr. BLACK (Cumberland): Mr. Chairman, before the minister answers I have a question to ask. It is represented to me that a ferry boat was put into service on lake Ontario, since the beginning of the war, and that it is a boat of dimensions perhaps larger than those of the new ferry serving Prince Edward Island. That boat is powered with coal—not Canadian coal, but coal brought in from the United States.

The ferry boat now under discussion is being designed to use oil which, in all probability, will also be imported, despite the fact that in the post-war years the coal mines of Nova Scotia will be more anxious than ever to secure a market for their product. Has the minister any information with respect to that new ferry boat? If not, will he make inquiries and advise the committee at a later sitting?

Mr. MICHAUD: I have no information regarding that new ferry boat, the name of which has not been given to me. But I know that the most modern icebreaker that is being built in the United States is built on exactly the same principle as the one which has been designed for Prince Edward Island.

I can assure the hon. member for Davenport that all the considerations he has set forth have been taken into account by the department, the architects and the engineers, and we are trying to give the island the best boat Canada can produce, and a boat which will give service under the conditions under which it will have to operate. The boat could not stand a draught of more than nineteen feet.

Mr. BLACK (Cumberland): How many feet?

Mr. MICHAUD: Nineteen feet. So that the boat has to carry its load and its own machinery, and has to develop enough power to break the ice.

Mr. MacNICOL: Will the docks require alterations?

Mr. MICHAUD: The docks required will be taken care of.

Mr. BLACK (Cumberland): Is this boat designed to go both ways, back and forth?

[Mr. MacNicol.]

Mr. MICHAUD: It will go back and forth, but it will turn around.

Mr. BLACK (Cumberland): It has not propellers at both ends?

Mr. MICHAUD: It has an icebreaker bow.

Mr. MacNICOL: It will have propellers at both ends.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, August 4, 1944

The house met at eleven o'clock.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 181, for the relief of Ruby Violet Gainsford Moorhead.—Mr. Boucher.

MONETARY CONFERENCE

INQUIRY AS TO PRESENTATION OF REPORT ON BRETTON WOODS MEETING

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to know from the Minister of Finance when we may expect that a report will be given to the house with respect to the international monetary conference recently held at Bretton Woods.

Hon. J. L. ILSLEY (Minister of Finance): I have not given that subject consideration. I will look into it over the week-end and see whether the situation is such that some report can be made to the House of Commons next week. I do not know how the matter stands. I have voluminous reports of the proceedings and of the proposals and recommendations, which I have not yet had an opportunity to read.

SEVENTH VICTORY LOAN

INQUIRY AS TO DATE OF OPENING OF CAMPAIGN

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to ask the Minister of Finance as to the date of the commencement of the seventh victory loan campaign. I will

tell the minister frankly why I am asking the question. First, we are nearing the end of our parliamentary session, and the opportunity will not be given to ask the question later on. Also, a number of people have mentioned the possibility of a general election this fall, and a victory loan drive coming in October or November, as the case may be, so that there might be a concurrent loan campaign and a general election campaign. I should be glad to know the government's position in this matter.

Hon. J. L. ILSLEY (Minister of Finance): I do not think we can escape, whatever happens, a victory loan campaign in October. The date is not set, no terms of the loan or anything of that kind are decided upon, but our scheme of financing is a victory loan campaign each six months, and it is certainly our intention to appeal to the people for funds again in October some time. Whether these plans will be changed I cannot say at the moment, but our present intention is as I have stated.

ALCOHOLIC BEVERAGES

CHARGE OF MONOPOLISTIC ACTION BY CANADIAN-UNITED STATES DISTILLERS—PROCEDURE IN QUESTIONS ON ORDERS OF THE DAY

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to draw the attention of the government to a front page story appearing in the Toronto *Globe and Mail* which states that it has been charged before the United States Senate liquor shortage investigating committee that there is a combine of powerful liquor interests in this country cooperating with the same interests in the United States to secure a monopoly of the entire liquor business of this country and of the United States. Will the government consider investigating this under the Combines Investigation Act and, it may be, later on by a royal commission?

Right Hon. W. L. MACKENZIE KING (Prime Minister): It will be necessary to see the article first and ascertain what authority there may be for these representations. After that step has been taken the government will consider the matter further.

I should like to say, about questions which are asked in the house in the morning, that I notice a good many hon. members who have the opportunity which some others have not of reading the *Globe and Mail* or the *Gazette* or some other paper just before the house meets, then come forward with questions to the administration based on what appears in the morning papers. I submit that questions of that kind should be placed on the order paper. The government has something to do besides reading the *Globe and Mail* and the *Gazette* and other papers before meeting the house at a morning sitting. Our attention must not be diverted from the business of government by newspaper reading in the early hours of the day.

Mr. COLDWELL: I believe that this is the first time I have ever referred to an article in the *Globe and Mail*,—

Mr. MACKENZIE KING: I am not referring particularly to my hon. friend.

Mr. COLDWELL: —but the session is drawing to a close, and to place a question on the order paper means that it might not be dealt with before the house rises. That is my reason for asking this question on the orders of the day.

Mr. GRAYDON: May I follow up what the Prime Minister said to the hon. member for Rosetown-Biggar. There are, I think, some other considerations which the Prime Minister omitted to mention. One is that this house has not had during the sessions of the war a private members' day. Many important matters arise which news services such as the two papers mentioned and others, bring to the attention of hon. members from time to time, and which have to be brought up in the house. I do not think that at any time during this session there has been any abuse of privileges of this kind, although the government, I realize, are naturally anxious not to have a barrage of questions. We are trying to keep within the bounds of propriety, but at the same time it is necessary to make inquiries of the government from time to time with respect to these matters. The Prime Minister speaks about having something else to do than read the *Globe and Mail* and the *Gazette*. It would do him no harm if he read both more often.

Mr. MACKENZIE KING: Perhaps I should say to my hon. friend that I was not in any way trying to indicate to the house what it should or should not do, much less to take away any rights from private members. What I have just said would apply if we had had private members' day regularly this session as we have had in other sessions. My point was that it is impossible for the government, between the time its members rise in the morning and the meeting of the

house at eleven o'clock, to read, nor should they be expected to read, through whatever may appear in the newspapers published in Toronto or Montreal or elsewhere so as to be in a position to answer questions based upon representations made therein. Apart from that, I think that these questions, if they are important enough, should under the rules of the house, be placed on the order paper. That is all I wish to say.

LABOUR CONDITIONS

HELP FOR WESTERN WHEAT CROP

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): Yesterday I directed a question to the Minister of Labour with respect to a serious situation in western Canada in connection with harvest help, but owing to the confusion he did not answer me. I would call his attention again to the matter. There is a very serious situation in Saskatchewan where they need 8,000 or 10,000 extra men to assist in taking in the harvest. Can the minister give any information on the subject to-day?

Hon. HUMPHREY MITCHELL (Minister of Labour): Last year we were faced with the same problem. As I recall, the then member for Weyburn moved the adjournment of the house in connection with what he considered a matter of urgent public importance. We got the crop off in western Canada last year and we got if off in Ontario and the maritimes with some difficulty in view of the man-power situation which confronts every nation that is doing its duty in the present war. I am confident myself that we shall get the crop off in western Canada as we did last year. Last year we had a movement from Ontario to the western country. It was a movement of such a character that we reached the stage where the western people said, "We don't want any more help." We intend to follow the same policy this year. In addition to that, the crop condition in the Dakotas is not as good as it was in years past. We anticipate a movement from the Dakotas into western Canada to swell the tide of harvesters engaged in the work of getting the crop off this year. In connection with that movement we are paying return transportation costs both from Ontario and from the Dakotas, and of course there is the policy that has been in operation for the last two years, of leave where possible from the armed forces. I am convinced that the cooperation that has been displayed in the past and is being manifested at the present time will satisfy my hon. friend and the result will be that the crop will be got off in western Canada.

CANADIAN FORCES

HOSPITAL ACCOMMODATION FOR RETURNED WOUNDED PERSONNEL

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I wish to direct a question to the Minister of Pensions and National Health. Owing to the alarming reports in regard to the lack of accommodation for our wounded who are returning from Normandy and Italy, and the fact that he announced two or three days ago that he has taken over hostels in Peterborough and Kingston for the purpose, I wonder if he would tell the house why it should be necessary in the fifth year of the war to scurry about to get accommodation in any old building for our wounded.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): The hon. gentleman, typically, did not pay me the courtesy of giving me any notice of the question. I may say to him that we have been giving sustained and careful attention for very many months, indeed, years, to the whole question of adequate hospital accommodation for all our casualties in the dominion, not only through the Department of Pensions and National Health but in conjunction with the three ministers of national defence and in conjunction with all experts of all the departments. I regard the article that appeared to-day in a certain journal as thoroughly vicious, malicious and indefensible. Our preparations in regard to hospital accommodation are considered to be amply adequate and we are taking every possible precaution, according to the advice of gentlemen who are as well qualified medically as the hon. member for Parkdale.

Mr. GRAYDON: My hon. friend used the word "malicious". If I remember correctly, that was one of the words he asked the hon. member for Parkdale to withdraw the other day.

Mr. MACKENZIE (Vancouver Centre): I applied it to an article in a paper outside. It is not applied to any member.

Mr. CASSELMAN: Put on the steam roller; it doesn't matter.

Mr. BRUCE: I would ask the hon. member to withdraw the word "malicious."

Mr. MACKENZIE (Vancouver Centre): I have no intention in the world of following the example of the member for Parkdale.

Mr. BRUCE: You would not be following my example by using that word, because I have not used it

WESTERN BEEF PRODUCERS

CONDITIONS RESULTING FROM DRY WEATHER IN SOUTHERN ALBERTA

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): May I direct two questions to the Minister of Agriculture. First, will the minister tell the house what measures he is taking to meet the feed situation facing beef producers of southern Alberta because of the drought conditions prevailing in that area? Secondly, has the minister considered the advisability of buying from southern Alberta producers the beef and lambs and of shipping them to the east where feed is ample?

Hon. J. G. GARDINER (Minister of Agriculture): I received yesterday afternoon the communication which was referred to by the hon. member for Lethbridge, from the Cardston Cooperative Association, and I have written to them this morning stating what the usual practice is in connection with matters of that kind. We are making and have been making since the beginning of the summer full investigations in connection with prairie farm assistance as to what the nature of the crop is, and I intend to check that immediately when I go to the west in a few days' time. In addition to that, the practice in the past has been, and so far as I know it still is the policy, both provincially and federally, that when there is a shortage of feed grain in any particular locality application is made to the provincial government for any assistance that is required to move grain from one part of the province to another. If the job becomes one that is so considerable that the provincial government cannot undertake it, then means of access to the federal government is always open to the provincial government, and I would suggest therefore that if there are any conditions such as have been spoken of by the hon. member for Lethbridge so far as the southern part of Alberta proper is concerned, the procedure is for those who are interested to make representations to the provincial government and they in turn no doubt, in due course, will make whatever representations to us they see fit. So far as the matter of cattle is concerned, there is a much higher floor price established now under the present arrangement in connection with all kinds of beef than has ever been established in any preceding year and a provision is made under which, even if it is not necessary for the government to enter the field itself, stock can be handled to better advantage this year than in any previous year. I suggest that any live stock organization in the west ought to take advantage of that fact and proceed to market their live stock in the best possible way and if there is any necessity for government consideration of any difficulties that may arise I am sure that consideration will be given.

INDIAN AFFAIRS

REPRESENTATIONS AS TO APPLICATION OF MILITARY REGULATIONS

On the orders of the day:

Mr. G. H. CASTLEDEN (Yorkton): I wish to direct a question to the Minister of Mines and Resources. What decision has been reached with regard to the requests from the Indian convention at Ottawa on June 7 last with reference to the enforcing of compulsory military regulations on the treaty Indians of this country?

An hon. MEMBER: Put it on the order paper.

Mr. CASTLEDEN: The Indians are being called up at the present time.

Hon. T. A. CRERAR (Minister of Mines and Resources): The matter is still under consideration.

BUSINESS OF THE HOUSE

PROCEDURE IN DISCUSSION OF EXTERNAL AFFAIRS

Right Hon. W. L. MACKENZIE KING (Prime Minister): The business for this morning is the discussion of the estimates of the Department of External Affairs. On Fridays His Honour the Speaker leaves the chair for the house to go into committee without any question being put; but I believe it would suit the convenience of hon. members, and also enable the debate to proceed in a more orderly fashion, if I were to introduce a motion that His Honour the Speaker do not leave the chair until there has been a general discussion on the question of external affairs. If that meets with the approval of the house, I would move that the provision of standing order 28 in relation to Mr. Speaker leaving the chair on Fridays without putting any question, be now suspended in order to allow general discussion on external affairs. This would mean that after hon. members have had a chance of speaking on external affairs and delivering such addresses as they may have in mind, His Honour the Speaker could then leave the chair and the house go into committee and take up the various items in detail.

Mr. SPEAKER: Mr. Mackenzie King moves:

That the provision of standing order 28 in relation to Mr. Speaker leaving the chair on Fridays without putting any question be now suspended in order to allow general discussion on external affairs.

Mr. GRAYDON: This is the first intimation that I have had of this motion. It had not occurred to me that the discussion on external affairs would be in the nature of a full dress debate. That was not my intention, in any event. After the Prime Minister had made his report I intended to ask him a number of questions on the commonwealth prime ministers' meeting. I fancy that the situation which has now developed would throw the whole matter into a full dress debate, thus preventing the asking of such questions as I had in mind. If the Prime Minister and the government can see their way clear to agree to it, I see no objection to Mr. Speaker leaving the chair and the house going into committee; those who desire to make speeches could do so, and those who wish to ask questions would feel free to get in the usual way the information required. I would hope the Prime Minister will see his way clear to do that.

Mr. MACKENZIE KING: First of all, may I apologize to my hon. friend for not having mentioned to him my intention to introduce this motion. As a matter of fact it only occurred to me as I was on my way in to the house that a request of the kind would likely be made, if I did not anticipate it by such a motion. It has been customary on previous occasions to have a general discussion carried on in this way, and I wished to accommodate hon. members in that regard. I am perfectly willing not to press the motion but to go into committee at once if that is the wish of hon. members opposite. However, I think it is advisable—

Mr. GRAYDON: I think we did that last year.

Mr. MACKENZIE KING: When we are in committee I should like, first of all, to make a statement that will review to some extent the progress of the war, and the steps that have been taken to plan machinery for peace settlement. I desire to anticipate as much as I can the questions that are likely to be asked. I think I know the subjects that hon. members are most interested in being informed upon, and I shall try to anticipate them in the statement that I make before the discussion continues.

[Mr. Mackenzie King.]

Mr. COLDWELL: I think this is a very good suggestion. It will make the debate more orderly after the Prime Minister's statement. I believe the house would support it.

Mr. MACKENZIE KING: It is entirely for the house to say.

Mr. STIRLING: It does not seem to me that this is a desirable change to make in what we have been accustomed to in the past. I know of no reason for departing from the procedure we have adopted in past sessions. As the Prime Minister has said, he did not give any intimation to the opposition of the suggestion that he has now made, nor does he exhibit any desire to use the force of his majority to put it through. I take it that he is ready to withdraw this motion if it does not met with the approbation of the house. I can see more in favour of having the discussion in the way in which we have had it in previous years than I can see in favour of the method now introduced. The Prime Minister has not advanced any arguments in favour of this method other than that the idea recently occurred to him and possibly it would put the debate on a better plane. I rather doubt that.

Mr. MACKENZIE KING: May I say to my hon. friend that my motion does exactly what has been done in previous years.

Mr. STIRLING: No.

Mr. MACKENZIE KING: If my hon. friend will look over what has been customary in the debate on external affairs—and that has been the chief reason why I made this motion to-day—he will see that before the estimates were considered in detail there was a general discussion with the Speaker in the chair. It was because I expected, unless I made a motion of this kind, my attention would immediately be drawn to the fact that I was departing from the custom of previous years that I anticipated a possibility of this kind. But the house itself regulates its own business, and possibly it might be understood that, after I have made my statement, hon. members will have an opportunity to make statements of their own if they so desire before we go too much into detailed discussion. In that way we can carry out the objective even though we have no formal motion. In those circumstances I am quite prepared to withdraw the motion.

Motion withdrawn.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

36. Departmental administration, $410,189.

Right Hon. W. L. MACKENZIE KING (Secretary of State for External Affairs): May I say first of all that I regret that the discussion on external affairs matters should have been delayed until this particular stage of the session. No one regrets that more than I do, but it has been due to circumstances over which I personally and the government have had little or no control. Possibly the circumstance that accounts most for the fact that external affairs matters are being discussed now rather than earlier in the session is that I was obliged, as hon. members know, to leave Canada for a month to be present at a meeting of prime ministers in London. That absence was responsible for some matters of legislation being held up for final decision until after my return. The government naturally felt it important to bring forward this legislation as rapidly as possible. The important debates that took place on other subjects also consumed a great deal of time—the debate on the address, later the debate on the war appropriation, which was a very lengthy one, the debate on the budget; all these matters had to be disposed of in the sequence to which I have referred. Then, as hon. members are aware there was a good deal of social legislation, legislation in which it was necessary for me to give my time almost exclusively to the house in the course of the discussions. There were the matters related to the creation of the Department of Veterans' Affairs, the Department of National Health and Welfare and the Department of Reconstruction, and later the legislation with respect to family allowances. These matters have occupied the time continuously up to the present, together with some other matters of importance.

However, I think any inconvenience that may have been caused is more than offset by the extent to which matters of external relations have been discussed throughout the session, not all at once but at different periods. In time of war questions relating to foreign affairs will come up almost every day, in one way or another, and this session has been no exception in that regard. For example, a large portion of the debate on the address was devoted almost exclusively to matters pertaining to foreign affairs. I believe hon. members will recall that during that debate some very important questions with respect to cooperation within the empire, and the like, were discussed at great length. Again on the war appropriation measure matters pertaining to foreign affairs were discussed at length, and to a lesser extent on some other measures. The fact that the meeting of the prime ministers in London was concerned largely with foreign affairs had the result that members of this house were fully informed of the position taken by Canada at that conference, as far as it was possible to have the discussions made public by the reports that came from the conference itself, and which were released here. Then we have received here the prime ministers of New Zealand and Australia, who discussed very freely and openly matters relating to the conference, Canada's position as compared with that of the other countries, and so on. On all these matters I think hon. members are as fully informed as they would have been if this discussion had taken place at an earlier time.

Then I should remind hon. members that from time to time I have been asked to make a statement on some particular aspect of foreign affairs, and in most cases I have been able to give the statement so desired. In addition many returns have been asked for, and a very large number of questions have appeared on the order paper. These returns have been brought down; the questions have been answered, and in that way I believe hon. members have been kept fully informed as to the outstanding aspects of policy and matters of which they would wish to have knowledge in relation thereto. However, this morning I should like to follow the custom that has prevailed in previous years, and very briefly review the progress of the war since I last made a statement, anticipating as well as I can the subjects on which I think hon. members will wish to have further information.

It is now almost two years since the first major offensive by forces of the united nations began a new phase of operations. This phase carried the allied war effort across the great divide from uncertainty of victory on the one side to certainty of victory on the other. The initiative then seized, in the Solomons, in the western desert, then in North Africa, has never been relaxed. Rather has it been maintained and greatly extended.

Two months ago the war of liberation was carried to one of the many parts of Europe which had been under Hitler's control for nearly four years. While the northwestern wall of the nazi-controlled fortress was being breached, and the breach held, the gigantic summer offensive of the armies of the Soviet Union has hurled back the enemy on a scale never dreamed of in modern warfare. With the exception of a limited area in the Baltic republics, the Soviet forces have recovered

nearly all the territory which was occupied by nazi forces following the treacherous invasion launched on June 22, 1941. This tremendous drive is now being carried across Polish soil into Germany itself. In Normandy the great struggle for liberation is being fought out by combined United States, British and Canadian forces. The next few weeks, if not days, may witness battles which will go far to decide the fate of the German stronghold now beset from east and west and south.

When I reviewed the progress of the war last July it was on the very eve of Canadian landings at Pachino, in Sicily, at the beginning of the battle for the liberation of Italy. Following a campaign of thirty-eight days, which saw the complete defeat of German forces on that island, Canadian forces were in the van of allied landings on the mainland. The unconditional surrender of Italy shortly after removed this unhappy partner from the axis alignment. In the heavy fighting which pushed the nazi forces steadily northward, Canadian troops have had an important part. At the beginning of 1944 the 1st Canadian division was supplemented by other units, and by the establishment of headquarters of a Canadian corps in the field. In May this Canadian corps reached its full fighting strength, and up until the liberation of Rome it took part in many important actions.

The Canadian corps was and is a part of the British 8th army. It was moved secretly from the Adriatic front to engage the enemy. The move had decisive results. In the landings both in Sicily and Italy, and in many subsequent operations, concentrations of the Royal Canadian Air Force and ships and men of the Royal Canadian Navy have cooperated fully and effectively. In like manner the Royal Canadian Air Force and the Royal Canadian Navy have cooperated fully and effectively in the invasion of Europe from the north. Wherever they serve, from now until the day of final victory, we may be sure that all the armed forces of Canada, rigorously trained and superbly equipped, will continue to strike telling and relentless blows in the cause of the world's freedom. I might also mention the heroic and far-reaching service on the part of Canada's merchant navy, which throughout the war has played a vital role.

The spectacular progress of the Red armies in pushing back the German enemy, and the initial successes of the allied armies in Normandy and Italy, should not obscure the importance of allied offensives elsewhere. In the battle of the Atlantic increased air coverage over vital routes and new methods of combat have made possible a greater concentration of weapons against the U-boat menace than ever before. The bridge of ships upon which victory depends has been kept intact. The menace of the U-boat may never entirely disappear during war-time. Since the beginning of the year, however, in the north Atlantic, the number of U-boats sunk by the combined resources of escort vessels, carrier-based aircraft and land-based aircraft has been at least five times the number of merchant ships lost by enemy action.

In the western Pacific, Japanese forces are being steadily hemmed in and driven back from the fringes of a vast area of sea and islands. It is of interest that in an area where what at first was a war of survival, and for many months a war of attrition, has now become in part a war of liberation. In a part of Netherlands New Guinea, for example, Netherlands civil affairs officers are already at work in the first sizeable area of Dutch soil to be wrested back from the Japanese. United States task forces have been reducing Japanese outposts by the occupation of strategic islands, of which Saipan, Guam and Tinian are recent examples. The air war against Japan has been pursued actively from land as well as from sea. From lately-constructed bases in China new super fortresses of the United States 20th air force have rained destruction on some of the most important industrial areas under Japanese control. On land also, on the Indo-Burmese front, dogged efforts are being made to whittle down the Japanese lines and keep open the supply routes to China upon which her own military effort against Japan now so largely depends.

As might be expected, the weight of Allied bombing over Europe, the relentless patrolling of European seaways, and now the actual fighting on land, have aroused the resistance movements. These movements have been kept alive through underground channels in many European nations whose governments are in exile. It is known, for example, that full-scale fighting by underground warriors in some parts of France has engaged large numbers of nazi troops who might otherwise be serving elsewhere. In Yugoslavia the "partisan" forces serving under Marshal Tito have taken control of extensive areas, and at least one constituent assembly has met in the midst of a country still outwardly under nazi domination. In still other countries, always at great personal risks, organized sabotage of transportation and communication facilities has slowed down the enemy's plans. These underground forces have played a vital part throughout the war in hampering the enemy,

and in the war of liberation now entered upon in earnest, they will continue their efforts ever more strongly for victory.

Recent events in Finland and Turkey are significant of the crumbling of the German positions at both ends of the eastern front.

Behind this bare recital of offensive successes and operational gains lies a meritorious story of realistic planning for the strategic needs of total war. A year ago I spoke of the then public achievements of the latest meetings at Casablanca and at Washington between Mr. Churchill and President Roosevelt. Last August there was the historic conference at Quebec, and between August and the end of the year there followed meetings at Moscow, Cairo and Teheran. Of the outcome of these meetings I should now like to speak briefly.

It has been said that Casablanca and Quebec were primarily "councils of war", where strategic decisions of the highest importance were taken involving the war in Europe and the war in the far east. It was the war still at the planning stage, but all of the combined declarations of 1943 were calculated to impress the neutral nations of Europe, and even more the German satellite states, with the determination of the allied powers to stop at nothing short of victory over the axis.

The organization of total war for victory always has had some contemplation of the period following the end of hostilities. This necessity is reflected in the communiques issued following the Cairo and Teheran meetings, where for the first time in this war the Generalissimo of China and the Premier of the Union of Soviet Socialist Republics were brought into direct conference with Mr. Churchill and President Roosevelt.

The Cairo meeting made it clear that Japan would be fought and defeated, and that those possessions which were added by force of arms to the empire of Japan over the past half-century would be taken from her. The meeting at Teheran envisaged the early prospect of frontal attacks upon the nazi stronghold in Germany—attacks from the east and south and west. The United States, Great Britain and the U.S.S.R. did not go so far as to specify what losses a defeated Germany was to suffer. But some guidance on this point had been given by the meeting at Moscow, at the end of October, of the foreign ministers of the Soviet Union, the United States, and Great Britain. Dealing with the case of fascist Italy, then already but a glimmering remnant of Mussolini's once-pompous empire, Mr. Molotov, Mr. Hull and Mr. Eden stated that:

> Allied policy towards Italy must be based upon the fundamental principle that fascism and all its evil influences and emanations shall be utterly destroyed, and that the Italian people shall be given every opportunity to establish governmental and other institutions based upon democratic principles.

The Moscow conference gave many leads for the future organization of a peaceful world order. In particular, in a four-power declaration to which China also was a party, these nations pledged their joint efforts to bring about the unconditional surrender and disarmament of their common enemy, and to take all necessary measures to provide against the violation of terms imposed upon that enemy.

They likewise agreed not to use their military forces after the war in other states except after joint consultation, and to confer with each other and other united nations on the regulation of post-war armaments.

To carry on cooperation in war time as collaboration in peace time, Great Britain, the United States and the U.S.S.R. further expressed their "unanimous recognition . . . that it was essential in their own national interests and in the interest of all peace-loving nations to continue the present close collaboration and cooperation in the conduct of the war into the period following the end of hostilities, and that only in this way could peace be maintained and the political, economic and social welfare of their peoples fully promoted." With this objective in mind they set up two continuing bodies, representing the three powers to which have been given important functions. The European advisory commission has been established in London to make joint recommendations to the three governments regarding armistice terms and the nature of the post-war supervision to apply to Germany. The advisory council for Italy with headquarters in the liberated zone has already been set up. Provision was made for representation on the council of the French committee of national liberation and the governments of Yugoslavia and Greece.

Perhaps of greatest continuing interest was the so-called Moscow declaration on general security. In outlining a part of the pattern of post-war international society, the three nations envisaged the necessity of establishing a general international organization, based on the principle of the sovereign equality of all peace-loving states and open to membership by all such states, large and small, for the maintaining of peace and security.

On the strength of these several conferences, there is hope that the united nations will carry into the post-hostilities period the machinery of military, political and economic collaboration which has been so extensively developed under stress of war.

The first object of our external policy must continue to be to win the war, and to win it at the earliest possible day. It is more true than ever, more urgent than ever, that we in Canada should bend all our efforts to the supreme task of winning victory at the earliest possible moment. We have now been fighting, on a scale of increasing magnitude and intensity, for more than four years. Of the people of Canada as a whole, I think it can be said that we have never mistaken or doubted the real issue in the world-wide struggle. For this reason the planning which has shaped the war effort of Canada since 1939 has been constantly aligned with the changing needs of war. This planning has been directed towards victory for the united nations. It has also been concerned with the responsibilities which will fall to Canada on the morrow of victory, and with the tasks of Canada as an emerging world power in the society of free nations.

I shall now speak more particularly of post-war world organization.

We are rapidly approaching, if we have not already reached, the military climax of the war against Germany. We are at or near the peak of our effort, when the courage and resolution of every service man and every civilian is being put to the severest test. The Canadian Navy and the R.C.A.F. have long been heavily engaged against the enemy, but never before in such numbers at the same time. Most formations of the Canadian Army are now in action in Italy and in France in the midst of the ordeal for which they have prepared themselves so patiently and so well.

At times like these it is hard to look beyond the immediate fortunes of the fields of battle and consider with a detached mind the problems which we must solve after military victory is won. The price paid for victory has indeed been high during the five long years of war. It will be still higher before fighting stops. We must see that what we get for that terrific price is not the bitter fruit of disillusionment. We must spare no effort to secure a result which will bring peace and prosperity in our time, and in the time of those who succeed us. We must turn our minds, even in these days of military climax, to the organization of peace with the same sort of vigour and determination that has been devoted so successfully to the organization of war.

The organization of peace was one of the chief subjects which was discussed at the meeting of commonwealth prime ministers in May. Mr. Churchill on May 24 gave to the British House of Commons an outline of the views which had been considered at that meeting. President Roosevelt in a statement of June 15 indicated that he had a similar conception of the means which should be adopted to give effect to the fourth paragraph of the Moscow declaration of last autumn. A lot of hard thinking is being given to these problems in Moscow, in London, in Washington, in Ottawa and in the other capitals of the united nations. Mr. Cordell Hull has announced that they will be discussed in Washington this month by representatives of the four largest powers.

I said in the House of Commons last January that it was indeed true beyond question "that the peace of the world depends on preserving on the side of peace a large superiority of power so that those who wish to disturb the peace can have no chance of success." In recent weeks the Germans have added to their armoury of weapons a new instrument of blind destruction, the use of which may serve to underline the thought which I then expressed. The "flying bomb" of to-day is a weapon in its infancy. If it is developed with all the resources and ingenuity of modern science, we may find in a few years that it has become an engine of war which without warning and in no time at all could be used to destroy peaceful countries from afar. The weapon which the Germans are using so indiscriminately against southern England may be as crude in performance in comparison with its successors as was the tank first used in battle on the Somme in September, 1916, in comparison with the latest tanks now in production.

We must indeed preserve a large superiority of power on the side of peace. We shall have that power among the united nations from the hour of victory. We must keep it in the first place to disarm our enemies and prevent a revival of barbaric militarism in their countries. We must keep it also not only to meet dangers from other quarters which might arise, but to further constructive solutions of the problems which give rise to such dangers.

Canadians should, I think, approach these great questions of the organization of security with two main objects in mind: first, that the methods adopted should be as effective as can be contrived; and, second, that they should safeguard the interests of Canada and commend themselves to the Canadian people so that they can secure steady public support.

There is no constitutional cure for the diseases of international society. Indeed, perhaps one of the errors into which many people fell between the two wars was to feel that the establishment of the league of nations had somehow itself removed the danger of war.

The league was an institution which provided a method and occasion for international co-operation. Without the will to cooperate through the league machinery on the part of countries possessing a large superiority of power, the league could not succeed. It used to be said, in the language current at Geneva, that what was the matter with the league was its lack of universality. This did not mean that a league to which some states did not belong was ineffective; it did mean, however, that unless all or nearly all the most powerful states belonged to the league and accepted its basic principles the league machinery was inadequate to prevent the possibility of war.

We should be able to make a better start now. The four greatest states among the united nations have joined in the Moscow declaration and there can be no doubt that the rest of the united nations fully endorse its terms. In the organization of power it is for the most powerful states to take the lead. This is a correct application of the functional idea of international organization. The outlines of the plan which are now emerging involve a constitution generally similar to that of the league of nations, including an assembly in which all member states would be equally represented and a council consisting of representatives of the greatest powers, together with a few other members. Great emphasis is being placed on the authority of the council as the central agency for watching over the peace of the world and initiating action to remove threats of war and other causes of serious disagreement or dissension.

If the council is given these large powers—and I do not question the need for making it an effective centre for initiating action—its composition becomes a question of great importance. The suggestions made by President Roosevelt and Mr. Churchill, which are indeed implicit in the Moscow declaration, are that China, the Soviet Union, the United Kingdom and the United States should always be represented on the council. In function of maintaining world security the part of these countries is so vital that one must unhesitatingly agree. It is also suggested that there should be added, by a process of election or selection yet to be worked out, a number of representatives of other states who would have temporary membership on the council and it is to this question that I wish to direct attention.

The cooperation of the greatest powers is necessary to maintain peace. They must co-operate not only with each other but also with other states of lesser power. Especially among our European allies the memory of the Munich agreement of the autumn of 1938 is still vivid. In the circumstances which prevailed then, the Munich agreement may have been the best means of postponing war with Germany. In it, however, two great powers bought from Hitler and his Italian partner, at the expense of a small country, time to prepare themselves for war. Unless the smaller countries can play their due part in the new international system, there will be ever present the fear that great powers may settle their differences at the expense of the smaller countries. The mere existence of such a fear would in time greatly prejudice the whole scheme.

What then should the due part of the lesser countries be, especially in connection with this question of the composition of the new world council? The simple division of the world between great powers and the rest is unreal and even dangerous. The great powers are called by that name simply because they possess great power. The other states of the world possess power—and, therefore, the capacity to use it for the maintenance of peace—in varying degrees ranging from almost zero in the case of the smallest and weakest states up to a military potential not very far behind that of the great powers.

In determining what states should be represented on the council with the great powers, it is, I believe, necessary to apply the functional idea. Those countries which have most to contribute to the maintenance of the peace of the world should be most frequently selected. The military contribution actually made during this war by the members of the united nations provides one good working basis for a selective principle of choice.

I have emphasized the necessity of basing world security on the maintenance of a large superiority of power. Between the two wars too many people in too many countries placed too much faith in general promises like those in the Kellogg pact, in expressions of good will, in constitutional mechanisms. The world has been disillusioned, but the reaction in the other direction can go too far. If the new world system is conceived in terms of power alone, peace may be kept for a time, but not for long. If it is to last and broaden out from precedent to precedent it must embody a dynamic idea and ideal. The concentration on security, and on the need to marshal overwhelming force to meet threats to security, is not enough. Security from war is indeed essential, but real security requires international action and organization in many other fields—in social welfare, in trade, in technical progress, in transportation, and in economic development. The general aim must be to lower

the temperature of nationalism, while preserving its good features, and thus to diminish national rivalries and reduce the importance of frontiers. This requires that there should be a wide and fruitful area of collaboration, including the continuance of part of the elaborate system of war-time cooperation which we have built up among the allies under stress of danger.

It is perhaps natural that after so many weary years of war some people, looking back perhaps to the high hopes of twenty-five years ago and recalling their disenchantment, should take a gloomy view of what can be accomplished. We must not fear the future. Canadians have every right to be proud not only of what their country has achieved but of what it can achieve. We must not on the other hand think that everything will be simple, that in facing the issues both at home and abroad we can slip into easy ways, and postpone decisions or leave the decisions to other and more powerful states. The opportunity is great, perhaps the greatest that has ever faced mankind. So too will the effort be great which is required to take advantage of the opportunity. Men in all countries will need to make that effort if success is to be attained.

We and the other nations of the commonwealth already have with the United States what Mr. Churchill has called a "fraternal association." Inside the commonwealth we already have between its members the type of international relations which we hope to see in wider fields. Many times in recent months, though not too often, there has been described and praised the intimate system of collaboration which prevails within the commonwealth. There is little that I should add to-day, although I think it would be desirable for me to place on record, as I did in an address before the two houses of parliament in London, the methods of cooperation between different parts of the commonwealth which we believe will best serve to bring about the unity of policy which is desirable for us to have in all matters of imperial concern, and also best serve to keep as largely together as may be possible the points of view of all nations in regard to policies that may make for future peace.

On one point, however, I have noticed since my return from the meeting of prime ministers in London a tendency in certain quarters in Canada to revive controversy over an issue which has been settled. This is the issue whether the British commonwealth should seek always to speak with a single voice and should be permanently represented as such on the new world council.

[Mr. Mackenzie King.]

Right Hon. Peter Fraser, the Prime Minister of New Zealand, was questioned on this by the press when he was recently in Ottawa. He answered:

> There is no question about any of our prime ministers or countries delegating to the United Kingdom or any other dominion the right to speak for our respective countries. That is fundamental. . . . Cooperation, solidarity, help in peace and war, yes, but not subordinating any opinions that our respective governments arrive at.

In response to a further question about the possibility that the commonwealth should act as a unit in the world security organization, Mr. Fraser said:

> I think that would destroy the whole idea of world organization. I may say this, that there is no British leader I have ever heard who has put that point.

I should like to add to what Mr. Fraser said a few observations of my own. Inside the commonwealth we can and do manage as a rule to reach agreement on the general lines of policy which our governments should pursue in dealing with major issues. We find it possible to agree because we have the will to agree and cherish similar international ideals and purposes. If, however, the countries of the commonwealth had to reach agreement by some political process yet to be devised, so that all were bound to carry out a single policy, there would be a very different story. The world council is to be an executive body. It must be capable of prompt and single-minded action. The United Kingdom, which is indisputably a great power, will sit on the council in its own right, and its influence there will be enhanced by its special relationship with the countries of the commonwealth. The United Kingdom representative will, however, be responsible to London and will take his instructions from London alone.

Supposing we were to change this so that he would become a representative of the British commonwealth, should he have to withhold action until he has received instructions from half a dozen governments? What should he do if these instructions were in conflict? Should he follow the majority opinion even if it is violently opposed by the government, parliament and people in one or more commonwealth countries? At the very best, action would be delayed and decisions blurred. At the worst we would run the risk of rendering the commonwealth impotent in international affairs and perhaps of disrupting it.

I say to the few in Canada who have advocated such a change that the prestige abroad of the British commonwealth was never higher than it is to-day. The prestige is based upon a belief that in the British commonwealth there has been evolved a

unique alliance of a peculiarly tough and enduring kind whose members act together not because they are under any strict obligation to do so but because they have the will to act together. Our friends abroad, furthermore, have discovered that the primary objects for which the members of the commonwealth act together are objects which can be shared by other countries of good will. They realize that the commonwealth is not a power bloc exploiting its own interests but a group of like-minded nations whose close association has in the past formed, and should form in the future, a most reliable element within the framework of the world order.

Here, Mr. Speaker, I think I had better repeat what I said in London on May 11 last in addressing both houses of parliament. It bears on the important question of commonwealth and world cooperation; and the statement carries with it in this House of Commons the greater authority in that it was made before the entire world, and also because since that statement was made the common sense of it has been generally admitted and proclaimed, and that not in this country only, but in Britain, in the United States and in other countries as well.

I said at that time, and repeat to-day:

It is of the utmost importance to the commonwealth that there should continue to be the greatest possible cooperation among its members. In like manner, it is, I believe, of the utmost importance to the future of mankind that, after the war, there should be the greatest possible cooperation among the nations of the world.

Our wartime cooperation is not the product of any formal institutional unity; it is the result of agreement upon policies of benefit to all. Moreover, they are policies that make an appeal "to all sorts of men in all sorts of countries", provided only they are men of goodwill.

If, at the close of hostilities, the strength and unity of the commonwealth are to be maintained, those ends will be achieved not by policies which are exclusive, but by policies which can be shared with other nations. I am firmly convinced that the way to maintain our unity is to base that unity upon principles which can be extended to all nations. I am equally sure that the only way to maintain world unity is to base it upon principles that can be universally applied. The war has surely convinced all nations, from the smallest to the greatest, that there is no national security to be found in the isolation of any nation or group of nations. The future security of peace-loving nations will depend upon the extent and effectiveness of international cooperation.

It is no less true that it is not the great powers only that are needed to defend, to preserve, and to extend freedom. We should be false to the freedom for which we are fighting if, at any time, we failed to remember that no nation liveth unto itself; and that nations, great and small, are members one of another.

It is not merely the security of nations that is indivisible. Their prosperity also is indivisible. Few would wish to return to the years before the war, when almost every nation sought economic security in economic isolation from its neighbours. What happened was that the economic security of all nations was destroyed. Now is surely the time for the world to realize that, just as no nation of itself can ensure its own safety so no nation or group of nations can in isolation ensure its own prosperity.

For my part, I profoundly believe that both the security and the welfare of the nations of the British commonwealth and, in large measure, the security and welfare of all peace-loving nations will depend on the capacity of the nations of the commonwealth to give leadership in the pursuit of policies which, in character, are not exclusive but inclusive. How far such policies can be successfully pursued will, of course, depend on the extent to which other nations are prepared to pursue similar policies. But let us, at least, wherever that is possible, give the lead that is in the interests of the world as a whole. . . .

Over many years, Canada's relations with the United States have been especially friendly. Throughout the war, we have followed the path of cooperation. We like to think that our country has had some part in bringing about a harmony of sentiment between the United States and the whole British commonwealth. That harmony is the foundation of the close military collaboration which is proving so fruitful in this war.

It will ever be a prime object of Canadian policy to work for the maintenance of the fraternal association of the British and American peoples. When peace comes, it is our highest hope that the peoples of the British commonwealth and the United States will continue to march at each other's side, united more closely than ever. But we equally hope that they will march in a larger company in which all the nations united to-day in defence of freedom will remain united in the service of mankind.

The leader of the opposition intimated that he might wish to ask me some questions in regard to the meeting of prime ministers in London. As the house is well aware, the meetings were of a highly secret and confidential character. They were concerned with matters pertaining immediately to the war and also with questions relating to world organization in the post-war era. At the time of the conference the press was very anxious to obtain detailed information of what was taking place at the different sessions, but it was not possible to have that information given except to a very limited extent, and at the meetings of the prime ministers themselves it was thought advisable that a statement upon which all could agree be given out at the end of the meeting and that this would be the best way in which to inform the world of those matters which had taken place at the meetings and which it was believed should be made public. I think therefore it would be advisable for me at this time to read to the house—it is not very long—the text of the declaration which was signed by the five prime ministers who were present at the conference. That

declaration is dated May 16, 1944, and it will give the house in a broad way what I think will answer any questions that may be in the minds of some hon. members:

We, the King's prime ministers of the United Kingdom, Canada, Australia, New Zealand and South Africa, have now for the first time since the outbreak of the war been able to meet together to discuss common problems and future plans. The representative of India at the war cabinet, and the Prime Minister of Southern Rhodesia, have joined in our deliberations and are united with us.

At this memorable meeting in the fifth year of the war, we give thanks for deliverance from the worst perils which have menaced us in the course of this long and terrible struggle against tyranny. Though hard and bitter battles lie ahead, we now see before us, in the ever-growing might of the forces of the united nations, and in the defeats already inflicted upon the foe by land, by sea and in the air, the sure presage of our future victory.

To all our armed forces who in many lands are preserving our liberty with their lives, and to peoples of all our countries whose efforts, fortitude and conviction have sustained the struggle, we express our admiration and gratitude. We honour the famous deeds of the forces of the United States and of Soviet Russia and pay our tribute to the fighting tenacity of the many states and nations joined with us. We remember indeed the prolonged, stubborn resistance of China, the first to be attacked by the author of world-aggression and we rejoice in the unquenchable spirit of our comrades in every country still in the grip of the enemy. We shall not turn from the conflict until they are restored to freedom. Not one who marches with us shall be abandoned.

We have examined the part which the British empire and commonwealth of nations should bear against Germany and Japan, in harmony with our allies. We are in cordial agreement with the general plans which have been laid before us. As in the days when we stood all alone against Germany, we affirm our inflexible and unwavering resolve to continue in the general war with the utmost of our strength until the defeat and downfall of our cruel and barbarous foe has been accomplished. We shall hold back nothing to reach the goal and bring to the speediest end the agony of mankind.

We have also examined together the principles which determine our foreign policies, and their application to current problems. Here, too, we are in complete agreement. We are unitedly resolved to continue, shoulder to shoulder with our allies, all needful exertion which will aid our fleets, armies and air forces during the war, and therefore to make sure of an enduring peace. We trust and pray that victory, which will certainly be won, will carry with it a sense of hope and freedom for all the world. It is our aim that, when the storm and passion of war have passed away, all countries now overrun by the enemy shall be free to decide for themselves their future form of democratic government.

Mutual respect and honest conduct between nations is our chief desire. We are determined to work with all peace-loving peoples in order that tyranny and aggression shall be removed or, if need be, struck down whenever it raises its head. The people of the British empire and commonwealth of nations willingly make their sacrifices to any cause. We seek no advantages for ourselves at the cost of others. We desire the welfare and social advancement of all nations and that they may help each other to better and broader days.

We affirm that after the war a world organization to maintain peace and security should be set up and endowed with the necessary power and authority to prevent aggression and violence.

In a world torn by strife we have met here in unity. That unity finds its strength, not in any formal bond but in the hidden spring from which human action flows. We rejoice in our inheritances, loyalties and ideals, and proclaim our sense of kinship to one another. Our system of free association has enabled us, each and all, to claim a full share of the common burden. Although spread across the globe, we have stood together through the stress of two world wars, and have been welded the stronger thereby. We believe that when the war is won and peace returns, this same free association, this inherent unity of purpose, will make us able to do further service to mankind.

Winston S. Churchill, Prime Minister of the United Kingdom of Great Britain and Northern Ireland.

W. L. Mackenzie King, Prime Minister of Canada.

John Curtin, Prime Minister of the Commonwealth of Australia.

Peter Fraser, Prime Minister of New Zealand.

J. C. Smuts, Prime Minister of the Union of South Africa.

Now I turn from a consideration of European affairs to speak for a moment of Canada and the pan-American union. That is a subject that has been brought up at different times in this house. During the debate last year on the estimates of the Department of External Affairs, and since then from time to time in public discussion, reference has been made to the pan-American union and in some cases the opinion has been expressed in favour of Canadian membership in that union. The constitution of the pan-American union confines membership to the twenty-one American republics. Some alteration would therefore be necessary in the present terms of membership before Canada could be admitted. A prerequisite to any action by Canada would of course be the reception of an invitation from the present members for Canada to join the union. Quite apart from these technical and formal aspects of the situation, I am convinced that Canadian participation in such an organization could be based only upon a wide general appreciation in this country of the purposes and responsibilities of the pan-American union. I am not convinced that such appreciation now exists. A recent sampling of public opinion on the subject of Canadian membership revealed that very many of those questioned do not know what the pan-American union is. It might perhaps be suggested that those who favour our participation might best serve their cause by helping

to create a wider understanding of the various aspects of this subject among the people of Canada. In the meantime, the matter is not being overlooked by the government. In this connection it may be recalled that no formal meeting of the pan-American union has been held since 1938, the ninth conference, which was to have assembled in 1943, having been postponed because of the war. If our hemispheric neighbours find it advisable to postpone such conferences in war time it is not unreasonable to suggest that Canada should delay active consideration of this topic until the world conflict is ended. At that time, moreover, we can take whatever action may seem appropriate in the light of post-war developments in the realm of international organization.

Mr. GRAYDON: I take it from what the Prime Minister has said that there has been no formal or informal invitation to Canada with respect to membership or sitting in on the pan-American union.

Mr. MACKENZIE KING: I do not know just what may be included as an informal invitation, but a good many kindly-disposed friends have intimated how helpful it might be if Canada were a member of the pan-American union; but I would say that no invitation has been extended by the union. It should not be thought, however, that we are unaware of the value of increasing cooperation and friendship with the other governments of the western hemisphere. On the contrary, we are steadily developing our contacts with them on every appropriate occasion and in a variety of ways. Last autumn, for example, we had the pleasure of entertaining such distinguished political leaders of Latin American states as the Foreign Minister of Chile and the President of Haiti. At various times in recent months members of the Brazilian section of the United States-Brazil joint defence board, scientists, members of parliament and business men have also visited Canada. Members of the Mexican, Chilean and Brazilian delegations to the Bretton Woods conference have recently visited Ottawa. Such visits are most helpful in furthering friendly relations. I regret that war-time conditions make it impossible for members of this government to accept many of the invitations for return visits which have been so cordially extended to them. The fact that we have elevated our missions in Brazil and Chile to the rank of embassies, that we have established this year an embassy in Mexico and arranged for the exchange of ambassadors between Canada and Peru, is further proof of our appreciation of the importance of progressively increasing and strengthening our political relationships in the western hemisphere. Our trade commissioner service is being maintained at a high state of efficiency in the Latin-American countries. The government also looks with favour upon the presence of Canadian officials and experts at technical and scientific conferences of a pan-American character. Canada has been represented in Mexico City at a conference on demography, in New York at a conference on cartography, and in Santiago at a conference on criminal jurisprudence. It will likewise be represented at the fifth pan-American highway conference to be held at Lima, Peru, in the near future. In May last, at the invitation of the United States, Canada sent an observer to the first conference of commissions of inter-American development. These contacts, modest and limited though they necessarily must be, have all helped to bring about a better knowledge of Canada in the countries of Latin-America and of those countries among our own people. The new and closer relation with the American countries which have been stimulated and encouraged by our association in the war against the axis powers will, I believe, continue to develop to our mutual advantage in many fruitful ways.

May I refer to the question of Canadian nationals in enemy hands, on which questions have been raised once or twice during the present session? During the debate on the immigration estimates on June 5, a number of questions were asked by hon. members about the arrangements for the protection and relief of distressed Canadian nationals in enemy hands. The fact that the item for reimbursing the Swiss government for these relief payments appeared in the estimates of the immigration branch, rather than in the estimates of external affairs, may have been the cause of some misunderstanding. The Department of External Affairs, through the protecting power, endeavours to keep in touch with Canadian nationals in enemy hands and authorizes, where necessary, the payment of relief by the representatives of the protecting power. Such relief is made in the form of a loan and is subject to repayment from assets or income which the individual beneficiary may have in Canada. Frequently, when they are able to do so, the family in Canada of a person receiving relief are ready to reimburse the government. The vote for relief of the distressed nationals abroad has been for many years in the estimates of the immigration branch. This procedure goes back to the days when our immigration representation abroad was much more extended than that of the Department of External Affairs. It has been convenient to leave it there, as the immigra-

tion branch have an organization in Canada which has proved useful for keeping the individual accounts and making collections.

It appeared in the discussion on the immigration estimates that some members thought that the payment of relief to distressed nationals was handled by the International Red Cross. This is not so. It is the protecting power alone which represents us in enemy territories and which acts on our behalf for the relief of our nationals. The International Red Cross is essentially a neutral body concerned mainly with the welfare of prisoners of war and internees, collectively rather than individually, and regardless of nationality.

I should also like to answer a little more fully questions which were then asked as to the number of Canadian nationals in enemy hands. The first is Europe. The Minister of Mines and Resources gave the figure of eight hundred persons receiving assistance in Europe. This is the number of separate accounts received from the Swiss up to August, 1943, for relief paid to persons or families in Europe. Many of these accounts are for the relief of two or more persons. In addition there are many Canadians who are not receiving relief and others who are, but for whom accounts have not been received. It is not always clear on our records how many married couples or families are listed under one entry, and of course we cannot say how many Canadians have managed to carry on without appealing to the protecting power for assistance.

It is impossible to give any close estimate of the actual number of Canadian nationals in enemy hands, even in Europe. If members of families of Canadian nationals are counted singly, the figure for France, Germany and the Low Countries may approach three thousand—this figure does not, of course, include prisoners of war or merchant seamen. These are the countries on which we receive a good deal of information from the protecting power. Our information about Canadians in Norway, Denmark, the countries between Germany and Russia, and the Balkans, is more uncertain.

Altogether there may be some three to four thousand Canadians in enemy occupied Europe, the figure depending to a great extent on how we define "Canadian". A figure of four thousand would probably include all British subjects whose connection with Canada is closer than with any other part of the commonwealth.

Some three hundred Canadians were reported by the Swiss as interned in August 1943. They were then, and still are, at two or three well-known camps. This figure does not take account of a good number of persons previously at liberty on the coastal areas of France who have been evacuated to the interior. It is understood that many of these are now living in small towns and that their movements are restricted, but very little information about this evacuation is available and no lists of persons moved have so far been received.

The rates of relief paid by the protecting power to Canadian nationals at liberty in Europe are based on the standard considered necessary for a reasonable subsistence. Special payments are authorized in case of emergency, for sickness, for provisions for winter clothing, et cetera, in accordance with needs. The rates are established in consultation with the other governments of the commonwealth and are the same for all British subjects. In Europe they work out at approximately $66 per month for an unmarried person, $100 per month for husband and wife living together, plus $13.20 additional for each child up to a family maximum of $132.00. Payments above these rates are authorized in certain districts where the protecting power has informed us that they are inadequate.

An allowance of $6 to $10 each per month, depending on the camp in which they are interned, is also paid to Canadian civilian internees.

Now as to the far east. If the information about Canadians in Europe appears scanty, the information about Canadian civilians in Japanese hands is even less adequate. Some 1,200 Canadians have been reported by the protecting power in Japan and Japanese occupied areas of China and the Philippines. There are hardly any reports on Canadians in Malaya.

We have received reports on the internment of some two hundred Canadians by the Japanese, but from information received from other sources it is believed that very few persons of European descent remain at liberty in Japan or in territories under Japanese control. The restrictions on their movement appear to vary from place to place but, in general, their situation differs little from that of internment, although in some places it is believed they are allowed a certain amount of freedom of movement within restricted areas.

As to the total number of Canadians in Japanese hands, estimated on the same basis as for Europe, we can regard a figure of between 2,000 to 2,500 as a probability. Again this does not include prisoners of war.

One of the difficulties of affording assistance and protection to our nationals in Japanese hands is that the Japanese government has so far not permitted the protecting power to

place representatives in charge of our interests except in Japan proper and in the Shanghai area. In Japan and Shanghai the representatives of the protecting power have been authorized to make relief payments on a scale approximately the same as in Europe. The Swiss have not so far been able to present any accounts for these payments. It is known that the Japanese have made some difficulties from time to time but it is believed, or perhaps I should say hoped, that relief has again reached these Canadians. In areas where the Swiss have not been permitted by the Japanese to exercise the functions of a protecting power, some relief is understood to have reached our civilians through the International Red Cross, through representatives of the Vatican and through an arrangement made by the Swiss with the Japanese government. No information is available as to the amount or regularity of the payments.

In conclusion I should like again to remind the house of the debt of gratitude we owe to the Swiss. They have taken seriously their responsibility as protecting power for our interests, and their representatives of all ranks in enemy territories have worked untiringly, sometimes amid great difficulties, to protect our interests and to care for our nationals.

Mr. GRAYDON: If I may ask my right hon. friend one question, I believe some Canadian nationals have been repatriated from Japan. Is the Prime Minister in a position to indicate how many have been returned to this country since the beginning of the war?

Mr. MACKENZIE KING: As hon. members are aware, there have been two exchanges in which some of our nationals have been returned to this country. I am informed that something like 220 would be the number who have been repatriated.

Mr. GREEN: Are any further exchanges in contemplation?

Mr. MACKENZIE KING: There is no announcement I can make at the present time on that matter, I am afraid.

Now may I speak of persons of Japanese origin in Canada. On several occasions the view has been expressed by residents of British Columbia that the rest of Canada does not appreciate the Japanese problem, and that it has been left as virtually the sole responsibility of their province. The fact that in 1941 of the 23,149 persons of Japanese race in Canada, 22,096 lived in British Columbia, undoubtedly made the people of that province particularly aware of the problem, and I can equally say it made the people of other parts of Canada less aware of how great the problem was. It cannot be said that during the war the government of Canada has left the question on the doorstep of British Columbia. It has taken primary responsibility. I should like now to say, and to emphasize the statement, that the government recognizes that the problem is one to be faced and dealt with not merely by British Columbia but by the whole country. The provinces have their particular sphere of responsibility. I wish to make clear, however, that the government does recognize that the problem is one to be faced by the whole of Canada as a Canadian problem. It is on this basis that the matter has been approached.

The government has had certain basic principles before it in formulating the policy which I wish to present to-day. In the first place, it recognizes the concern felt by British Columbia at the possibility of once again having within its borders virtually the entire Japanese population of Canada. In the past that situation has led to acrimony and bitterness. That the feeling is general in British Columbia has been made evident not only by the remarks of hon. members from that province but also through representations received from many west coast organizations and individuals. In view of that concern, it is felt that it must be accepted as a basic factor that it would be unwise and undesirable, not only from the point of view of the people of British Columbia but also from that of persons of Japanese origin themselves, to allow the Japanese population to be concentrated in that province after the war.

Secondly, account should be taken of the fact that for the most part the people of Japanese race in the country have remained loyal and have refrained from acts of sabotage and obstruction during the war. It is a fact that no person of Japanese race born in Canada has been charged with any act of sabotage or disloyalty during the years of war. For the future protection of those who have remained loyal, as well as to eliminate those who have shown that their true allegiance is not to Canada but to Japan, the government is of the view that persons of the Japanese race, whether Japanese nationals or British subjects by naturalization or birth, who have shown disloyalty to Canada during the war, should not have the privilege of remaining in Canada after the struggle is terminated. That is a second principle that is considered to be fundamental.

Thirdly, the government is of the view that, having regard to the strong feeling that has been aroused against the Japanese during the

war and to the extreme difficulty of assimilating Japanese persons in Canada, immigration of Japanese into this country should not be allowed after the war. It is realized, of course, that no declaration of this type can or should be attempted which would be binding indefinitely into the future. Nevertheless, as a guiding principle in the years after the war, it is felt that the migration of Japanese should not be permitted.

Finally, the government considers that while there are disloyal persons to be removed, and while immigration in future is undesirable, and while problems of assimilation undoubtedly do present themselves with respect even to the loyal Japanese in Canada, nevertheless they are persons who have been admitted here to settle and become citizens, or who have been born into this free country of ours, and that we cannot do less than treat such persons fairly and justly. The interests of Canada must be paramount, and its interests will be protected as the first duty of the government. It has not, however, at any stage of the war been shown that the presence of a few thousand persons of Japanese race who have been guilty of no act of sabotage and who have manifested no disloyalty, even during periods of utmost trial, constitutes a menace to a nation of almost twelve million people. Those who are disloyal must be removed. That is clear. Surely, however, it is not to be expected that the government will do other than deal justly with those who are guilty of no crime, or even of any ill intention. For the government to act otherwise would be an acceptance of the standards of our enemies and the negation of the purposes for which we are fighting.

These are the principles that have seemed to the government worthy of acceptance as the basis for a reasonable and equitable policy in disposing of this vexatious problem. The exigencies of the future may dictate modifications or alterations.

I should add that in handling the Japanese problem we shall attempt, in so far as it seems desirable, to maintain a policy that in a sense can be considered as part of a continental policy. The situation in the United States in a great many essentials is the same as our own, and to the extent that it seems desirable we shall endeavour to ensure that our policy takes account of the policies which are being applied south of the border. There is no need for an identity of policy, but I believe there is merit in maintaining a substantial consistency of treatment in the two countries.

I might now mention the tentative measures which it is proposed to put into effect in order to carry out a policy based upon the principles I have indicated. The first and, in a sense, the fundamental task is to determine the loyal and the disloyal persons of Japanese race in Canada. The entire policy depends upon this being done. To some extent, of course, the task has been carried out through the examination and internment of suspicious or dangerous persons. It cannot be assumed, however, that all those who have been interned are disloyal. Some may have merely misunderstood their dispossession from their property in the protected zones and, as peaceful and honest Canadian citizens, may have striven to protect and retain what they considered to be rightfully theirs. Undoubtedly some of these cases exist. Misunderstanding is not the same as traitorous intent, and a stubborn defence of one's own property is not necessarily disloyalty. On the other hand there may be persons who have committed no act to justify their internment but who are in fact disloyal. What is clearly needed is the establishment of a quasi-judicial commission to examine the background, loyalties and attitudes of all persons of Japanese race in Canada to ascertain those who are not fit persons to be allowed to remain here. The commission I have referred to should, I think, be established in the fairly near future, in order that it may begin what will be a large and important task. The result of the work of the commission would be to establish a list of disloyal Japanese persons, some of whom will be Japanese nationals, some British subjects by naturalization, and some British subjects by birth. The government's intention would be to have these disloyal persons deported to Japan as soon as that is physically possible. Prior to deportation British subjects falling within this class would be deprived of their status as such. By the terms of the peace, Japan can be compelled, whether she wishes it or not, to accept these persons. There may also be some persons who will voluntarily indicate a desire to proceed to Japan. For these no further examination would be necessary. Whatever their national status, they would be allowed and encouraged to go as soon as they can.

Once the examination has been carried out, there will be established a list of Japanese persons who are loyal to Canada. Those persons, if they have been properly admitted to this country, and wish to remain here, should be allowed to do so. However, as I have said, they should not be allowed once more to concentrate in British Columbia. To prevent such concentration, measures of two types can be taken—a maximum can be set on the

number of persons of Japanese race to be allowed to return to British Columbia, and persons of Japanese race can be given encouragement to move and remain elsewhere. It would be most undesirable, I believe, to establish a permanent barrier to the movement within Canada of persons who have been lawfully admitted to Canada or who are nationals of Canada. That would raise the possibility of discrimination and restrictions on movement to and from provinces which might have most unfortunate consequences in the future. Even the establishment of a temporary limitation would be undesirable in principle, but as a practical question of policy it may well be inescapable.

There is little doubt that with cooperation on the part of the provinces it can be made possible to settle the Japanese more or less evenly throughout Canada. They will have to settle in such a way that they must be able to pursue the settled lives to which they are entitled, and that they do not present themselves as an unassimilable bloc or colony which might again give rise to distrust, fear and dislike. It is the fact of concentration that has given rise to the problem.

The sound policy and the best policy for the Japanese Canadians themselves is to distribute their numbers as widely as possible throughout the country where they will not create feelings of racial hostility.

It is not my intention at this time to enlarge further on this matter. There are questions of detail still to be considered. There may also be modifications of policy which further investigation will show to be necessary. However, the lines of development to which the government will endeavour to adhere will be in general those which I have outlined. We must not permit in Canada the hateful doctrine of racialism which is the basis of the nazi system everywhere. Our aim is to resolve a difficult problem in a manner which will protect the people of British Columbia and the interests of the country as a whole, and at the same time preserve in whatever we do, principles of fairness and justice.

In respect to this particular matter may I add that I have just given hon. members figures showing the numbers of Canadian nationals who are under the control of the Japanese in Japan at the present time. Having in mind that fact, the fact that a number of our Canadain soldiers are interned in Japan, it has seemed the part of wisdom to me to be very guarded in what I would say on this subject of Japanese nationals in this country. I am sure hon. members will see the necessity of keeping that essential feature very much in mind. Until the war is over there are possibilities of all kinds of cruel recriminations as a result, if not of actions, possibly of statements or suggestions. I think therefore it would be in the interests of all that in discussing this matter further—if indeed it is necessary to do so—that particular fact be kept very much in mind.

Hon. members have expressed the desire to have some information with regard to embassies which have been created, and a word about our diplomatic relations.

From time to time announcements have been made in the house as to the opening of new diplomatic posts, the elevation of legations to embassies, and the accrediting of new heads of missions. Perhaps it would be helpful to give a brief summary of the past year's developments.

Since my statement of last July, diplomatic missions have been established in Ottawa by four countries: Sweden, Turkey, Mexico and Peru. We have exchanged ambassadors with Mexico. Sweden and Turkey have established legations, with the understanding that Canada is not likely to be able to reciprocate until after the war; Peru is represented by a chargé d'affaires pending the arrival of an ambassador. We are about to open an embassy in Lima. An ambassador has already been designated, in the person of Doctor Henry Laureys, who was our high commissioner to South Africa for some years.

Another development has been the elevation of several Canadian posts abroad, and of corresponding foreign posts in Ottawa, from the rank of legation to that of embassy. Our first exchange of embassies was, appropriately, with the United States. That change in status occurred last November. Since then we have raised to the same rank our posts in China, Brazil, the Soviet Union and Chile. In return, there are now in Ottawa ambassadors from those countries and also one from Belgium. Our representative in Algiers carries the personal rank of ambassador.

While this development toward the accrediting of ambassadors rather than ministers has importance, I do not think it should be overemphasized. The functions of ambassadors and ministers are the same, and any real differences in their position that may have existed historically have now practically disappeared. The secondary rank hitherto held by our representatives has, however, I think, sometimes led to misunderstanding in foreign

countries. Canadian representatives abroad will now hold a rank which is in accord with the international position of Canada.

The change is in line with the policy in other diplomatic services. There has been an international trend toward removing the distinction between embassies and legations by doing away with the latter. In 1938 the United Kingdom had 31 legations and 13 embassies; to-day they have only 19 legations but 25 embassies. The United States in 1938 had 32 legations and only 13 embassies; to-day those figures are almost reversed—16 legations and 33 embassies. Canada will soon have 7 embassies and 9 legations, instead of the 14 legations we had a year ago. It is apparent that the development of our diplomatic corps is in keeping with a general tendency.

I might add that, in my own view, the trend toward the elimination of differences in formal rank and ancient gradations is a desirable one. Just as government in general has to deal more and more with detailed and intricate problems that did not present themselves a few decades ago, so diplomatic representatives have increasingly to handle matters that are complex and often technical.

In conclusion may I say that the growing status of Canada among the united nations has been reflected in many ways: through the extension of our diplomatic representation among the united nations; through the elevation to embassies of several of our missions: through our share in the joint and combined planning agencies for war and for the post-hostilities period; through the operation of Canadian mutual aid; but, above all, it has been reflected by the skill and valour of Canada's fighting men on many fighting fronts.

In addition to our concern to bring about victory at the earliest possible day, we must do everything we can to see that a just and enduring peace is created and maintained. In no way can this be more effectively achieved than by the furtherance of social justice in our domestic and foreign relations, and in fostering to the utmost international understanding, cooperation and good will.

To help in bringing into being a new world order, whole nations will have to be liberated, entire civilian populations given food and clothing and the means of reestablishing themselves in useful occupations. Behind these great tasks of liberation and reconstruction and all that is involved in the new world order lies the realization that it is to those valiant men and women who have carried the battle into the enemy's camp and to all who have accorded to them the needed support that we owe the preservation of those freedoms which it is the genius of our nation to cherish and enhance. It is because of their courage, their privations and their sacrifices that our nation has been sustained and the very lives of our people protected. It is for them above all others that we must endeavour so to shape our policies for the future that all who have served and incurred sacrifice in this war may hereafter have abundant opportunity, security in mind and body and, with both, the fullest measure of well-being and worthy achievement that our concept of a new order can afford.

Mr. H. C. GREEN (Vancouver South): Mr. Chairman, it has always seemed to me that one of the main sources of the great strength of those countries which are truly democratic is the ability to discuss problems as they arise, to discuss them with patience and without acrimony and in many cases to reach common ground. In Canada at this time that strength means a great deal to us. I believe that by a process of discussion, by means of articles in the press and by study by various groups, the Canadian people are working out a foreign policy with which the great majority can agree and fully support. I am of the opinion that even the Prime Minister has improved a great deal in his outlook on foreign policy because of the discussions that have taken place in the house within the last year or two and also by reason of articles that have appeared in the press and the general interest on these questions that has been shown throughout the country. The position taken by him at the recent conference in London was a little better than I might have expected by reason of these discussions, although I certainly do not say that I agree with all the statements he made in London or that I think the stand he took there was the proper one for a Canadian prime minister to take.

In approaching the subject of foreign policy for Canada we must realize that it is hard for the Canadian people to be realistic about foreign affairs. It is hard for the members of the Canadian House of Commons to be realistic. There are many reasons for this, one being our comparatively sheltered position. We are a neighbour of the most powerful nation in the world, a nation which is friendly to us and a nation for which we have not only respect but considerable affection. Then we have been sheltered also by Great Britain, by the British fleet. That has been true also of the United States; they have been partly sheltered by the British navy. Because of our geographical position, because of the ties we have with our brother and cousin nations,

Canadians have lived a sheltered life in so far as foreign affairs are concerned. Then we have never been under attack, and that makes it difficult for us to be realistic. It is true there was some shelling on the west coast by a Japanese submarine and some sinkings on the east coast by German submarines, but fortunately Canada has not known what it is to be attacked by the enemy as has been the case with Australia. Australia and New Zealand, and of course Great Britain, have known what it means to be attacked by the enemy.

To-day I approach this subject from the point of view of present conditions. We are well on the way to victory over brutal enemies who have threatened not only our lives but our whole civilization. We have been through some very dark days in the last few years. This is particularly true of the family of British nations which at one time stood alone. We have been thrown closer together as a family of nations than ever before, and in turn that family has been drawn closer to the United States. Then we have hundreds of thousands of young Canadians abroad fighting and dying every day beside young men from the other empire nations, from the United States and from the other united nations, young men of Canada who are bringing great honour to their homeland.

Another fact which we must consider is Canada's great growth in strength during the war years. This has been due to our geographical position and to many other reasons, but in any event we have grown a great deal stronger than we were before the war. We have produced tremendous quantities not only of manufactured goods but also of foodstuffs. We are on excellent terms with all the other united nations. We have always been on good terms with other nations, but the fact that we have aided our allies with our mutual aid measure, and that we have taken our share in the establishment and operation of the united nations relief agency, has increased goodwill for Canada among the other nations of the world. With its increase in strength our nation has grown in influence, and I agree with the Prime Minister when he says that we can be a world power.

Now we have first of all to win the war, as he has mentioned. To that job of winning the war let me add a further job, seeing that justice is meted out to criminals for the crimes they have committed during the past few years. I am afraid that once the war is over there will be a lot of noisy persons in Canada who represent only a fringe of our people—the noisy fringe, shall I say—who will at once begin to advocate that we forget everything and show mercy and all that sort of thing. I do not believe that you can establish a world peace on the basis of mercy without justice. Justice must be meted out to certain people in the world, and I hope that Canada will not forget that fact.

In addition to winning the war we have the problem of maintaining peace in the world. The world has grown very small, largely because of the development of aircraft. While the world has grown smaller, the methods of destruction have grown larger. Therefore we face a frightfully difficult problem in the ensuing years. Finally we face the problem of setting up an international organization which will maintain order in the world for many generations to come. Approaching the question of a foreign policy for Canada with those different facts in mind, I propose to give to the committee a few thoughts on Canadian foreign policy.

Mr. MACKENZIE KING: It might be of interest to hon. members to note that to-day happens to be the anniversary of the first great war. It is of interest that we should be at this moment discussing matters of external affairs.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. GREEN: Mr. Chairman, before the committee adjourned at one o'clock I had made a few introductory remarks dealing with the broad facts which one should bear in mind in approaching this question of Canada's foreign policy at this particular time; and this afternoon I propose to give expression to a few thoughts with regard to that foreign policy.

The first thought is really in the shape of a question, and it is this: What is the destiny of Canada? Or it might be put in another way: What should be the objective of Canada's people for the future? There are some people in this country who think that Canada's destiny is to be a leader of the small nations. That I assume would mean that we would have perhaps fifteen or twenty million people. Many of the public men who seem to have that thought in mind stress the words "autonomy", "independence" and "sovereignty". I have here a press dispatch from the Vancouver *News Herald* dated January 19 of this year containing a report of a speech made by the president of the National Liberal Federa-

tion, Senator Wishart Robertson. It is a report of a speech made in Saskatoon, and the heading of the article is this:

"Canada to Lead Small Nations."

The opening paragraph of the dispatch reads as follows:

Senator Wishart Robertson, president of the National Liberal Federation, last night asserted that Canada will go to the peace conference "virtually the leader of the smaller countries among the united nations."

Even this morning the Prime Minister referred to certain great powers, and then to lesser countries, in which apparently he included Canada. I do not know whether it is intentional or not, but the fact is that the foreign policy of the present government is leading in the direction of making Canada a small nation, perhaps the leader of the small nations—whatever that may mean; I imagine it will not mean much more than being one of the leaders in kicking the shins of the bigger nations. Such a destiny for Canada, such an objective for the Canadian people, is entirely wrong, and I would urge upon hon. members to give it very careful consideration, because there is still time to change and to choose a finer objective for this nation. It is wrong, for one reason, because of our great area and our great resources and the type of our people—bold, forward-looking, industrious people. It is wrong because of our strength, particularly because of the great increase in our strength during the war years. It is wrong, too, because it is not facing up to our mission in the world. Yet if the Canadian people as a whole, or even any large portion of the people, aim no higher than for Canada to be a small nation, she will never be anything more, and the result will be that she will end up under the thumb of the United States.

I believe that the destiny of Canada is to be a great world power standing beside Great Britain in the British empire. That would mean a population of perhaps forty, fifty, even seventy-five million; in any event it would mean a great increase in our population. The words which should be stressed in our dealings with the rest of the empire are not "autonomy" and "sovereignty", but rather "partnership" and "cooperation". I hope the Canadian people will catch that vision of Canada as a great nation standing beside Great Britain in the British empire and that they will make this their objective. As a matter of fact we are a British nation, and I believe that the great majority of the Canadian people intend that we shall remain so.

The Prime Minister in speaking this morning read from his speech in London on May 11 of this year. He began by reading that portion in which he stated that our wartime cooperation—that is, the wartime cooperation between the different nations in the empire—is not a product of formal institutional unity but is the result of agreement upon policies of benefit to all. There is of course a great deal in what he said, but he omitted entirely, to-day and in his speech before the houses of parliament in Great Britain, any reference to the great effect which the sentiment of the people of this country has had, and to the ties of loyalty to the crown. Those, I believe, go far deeper than this question of policies which are of benefit to all.

Mr. MACKENZIE KING: Did my hon. friend read the earlier part of my speech? I said a great deal about the ties we had with Britain, and the common loyalty to the crown.

Mr. GREEN: The Prime Minister means, in his speech in London?

Mr. MACKENZIE KING: I do, yes.

Mr. GREEN: I may be wrong in what I said about that, but certainly he did not say anything about that to-day.

Mr. MACKENZIE KING: My goodness—

Mr. GREEN: And in my opinion it is very seldom that he does place the proper amount of emphasis upon that sentiment and upon that loyalty.

Mr. MACKENZIE KING: May I say to my hon. friend that there are some things so obvious that one does not feel it necessary to be everlastingly protesting one's loyalty. I take it that every citizen in this country is in his heart loyal to the crown and no citizen more so than myself, but I do not go about announcing that fact every half hour. May I say further that to-day I should like to express that loyalty by extending the warmest greetings to Her Majesty the Queen whose birthday it is.

Mr. GREEN: I think that everyone in the house will agree with the Prime Minister in that and endorse the sending of congratulations to Her Majesty.

My first thought is that we must keep in mind the destiny of this nation, and the second thought, with regard to Canada's foreign policy, has to do with the maintenance of peace in the post-war years. In other words it may really be described as the question of security. It is absolutely necessary that someone maintain the peace if any international organization is to be built up. With that statement there can be no quarrel. We are faced with the problem of the manner in which

peace is to be preserved and of the part that Canada is to play in preserving that peace. The Prime Minister this morning did not say. He was away off in the future dealing with what will happen in the years to come, talking of world organization and not even giving any very clear ideas about what Canada's part would be in that world organization. As soon as this war is over, from the time it ends, someone somewhere must be prepared to stop fights among nations. The suggestion has been made that that should be the responsibility of the four great powers. I have here a significant statement by Carl J. Hambro, who was formerly president of the League of Nations Assembly and is now president-in-exile of Norway's parliament. Mr. Hambro has always been one of the champions of small nations, and yet this is what he says:

Every small nation will have to give up the cherished idea that her influence in world affairs should be just as great as that of any other nation, and accept as a fact that there can be no law of unanimity in a regulated international life. It will no longer be admitted that the tiniest little state should have the right of absolute veto and be given the privilege of dictating to great nations if only in a negative way what their course of action should be. In any universal organization . . . a few great countries will have to bear the burden of carrying out the ultimate decisions.

Prime Minister Churchill made the first great announcement with regard to this plan for preserving peace when in his speech on May 24 of this year he said:

For this purpose of preventing wars there must be a world-controlled council. I am not talking about other purposes, but for the purpose of preventing war there must be a world council comprising the greatest states which emerge victorious from this war, who will be obligated to keep within certain minimum standards armaments for the purpose of preserving peace. There must be also a world assembly of powers whose relations to the world executive or controlling power for the purpose of maintaining peace I am in no position to define.

Then we had another statement, this time by our ambassador at Washington, Mr. McCarthy. Speaking before the Canadian clubs in Ottawa on June 5, he said:

Because of Canada's geographical position and commonwealth membership she must oppose the suggestion that the preservation of world peace should be left to a few great powers with the danger that their inevitable rivalry might lead to another world war.

The Prime Minister also, as I understood him in his speech in January, was against this proposal of having the great powers preserve the peace of the world; but to-day he has announced that he thinks it is the proper idea.

Mr. MACKENZIE KING: In my speech in the early part of this year I said exactly what I said in London. As a matter of fact the speech in London reechoed what I had said in this house, and what I said in London was reechoed and restated in this house this morning. There is no difference.

Mr. GREEN: In my opinion the Prime Minister's statement to-day was a good deal different from his statement in January. However, the main point is that he now believes that the peace of the world should be maintained in the immediate post-war years by the four great powers working apparently in the shape of a world council.

Mr. MACKENZIE KING: My hon. friend is quite wrong. I have made it clear that there can be no monopoly on the part of the great powers for any purpose. The great powers will play their part, but certainly the lesser powers will of necessity share with them their responsibilities and their efforts.

Mr. GREEN: Well, in this proposed world council there are to be four great powers—the United States, Russia, China and a fourth, which will be either Great Britain or the British commonwealth. There has been some difference of opinion as to which should be the fourth power. Right Hon. Anthony Eden, speaking in the British house on May 25, described this set-up in the following words:

The world organization must be designed to prevent a recurrence of aggression by Germany and Japan and must be fully equipped with force to meet this purpose. To ensure this, there must be close political and military collaboration between the United States, the Soviet Union, the British commonwealth—

Note, he did not say Great Britain; he said the British commonwealth.

—and China. Responsibility in any future world organization must be related to power. Consequently, the world organization should be constructed on and around the four great powers mentioned, but all other peace-loving states should come and play their part in the struggle.

Prime Minister Curtin dealt with the same subject. Speaking to the members of the house and senate in this chamber on June 1, as reported at page 3460 of *Hansard*, he said:

We see man's history interrupted repeatedly by wars, by bitter strife, by this ghastly loss to civilization. Upon the great nations, then, surely there falls the responsibility of making it clear that that association which war has meant for us—for Russia, for the United States, for the British commonwealth—

He also mentioned British commonwealth, not Great Britain.

—these three great powers, together with China, that great land mass and teeming population in the far east—these four who have subscribed themselves to the Charter—means that their great resources involve also high responsibilities.

What is their major responsibility? Just as they could agree and find ways and means to pool their strength to resist a brutal foe who threatened their homes, their liberties and the sovereignty of their peoples in their own affairs, so surely this strength, so prodigious in the present service of freedom, is a strength which can be maintained and made use of in order to prevent a recurrence of calamities such as Hitler and his axis collaborators have forced upon an unwilling, indeed a victimized world.

Both these statesmen used the words "British commonwealth". Obviously their thought was that the fourth great power should be the British commonwealth. The other day, on July 20, we had a statement from our own Prime Minister giving his view of the matter very clearly. It appears at page 5116 of *Hansard* in the form of a reply to the leader of the opposition, who asked him about the conference which is now being held in Washington between the representatives of the four powers, Great Britain, United States, Russia and China. The Prime Minister's answer was as follows:

> There is no meeting of united nations scheduled to take place. What the hon. leader of the opposition evidently refers to is a meeting of the four great powers, to take place at Washington in accordance with what was forecast in the Moscow declaration. The purpose of the meeting is that these four powers may consider the development of a general plan of world security. There will be only the four powers at the meeting.
>
> Mr. Graydon: When the Prime Minister refers to the four powers, do I understand that the British commonwealth is included in those powers, or is it just the United Kingdom?
>
> Mr. Mackenzie King: The four powers are the United Kingdom, the United States, the U.S.S.R. and China.

Mr. MACKENZIE KING: That is correct.

Mr. GREEN: Is Canada backing out of participation in this world council? Certainly she is not—

Mr. LaFLECHE: Oh!

Mr. GREEN: The Minister of National War Services need not grunt and groan.

Mr. LaFLECHE: What the hon. member is saying is enough to make any good Canadian grunt and groan.

Mr. GREEN: I am asking the question in all sincerity. I do not relish the interruption of the minister. The question I ask is this: Is Canada backing out of participation in the world council? Certainly she is not represented at Washington. There is a distinct difference between those two situations. In the first place we have the British commonwealth one of the four powers, and in the second place Great Britain one of the four powers. Which is right? Which is the proper policy? It is not yet too late to decide. Is the fourth power on the council to be Great Britain or is it to be the British commonwealth? The Canadian people are entitled to know. They are entitled to have the record kept straight. Is Canada to have a voice in this world council?

You see, Mr. Chairman, we have taken part in three wars within the last fifty years beside the other British nations. To-day we have nearly a million men under arms; and in this present war, as in the others, members of the commonwealth have fought as one. I suggest that they should take their part in maintaining the security of the world in the same way, again as one. In my opinion the British commonwealth should be the fourth power, just as Mr. Eden and Mr. Curtin have suggested. I presume the Canadian forces will be helping to maintain security in the post-war years—and on that point the Prime Minister made no declaration to-day, by the way—yet Canada will be put in a subsidiary position. The British government will be making the decisions—they will have to because Canada does not want to be a party—and Canada will be informed of what is happening and will follow along just as we did before this war. Canada will be what the Prime Minister described this morning as "one of the rest" of the united nations. That situation, Mr. Chairman, is not sound.

The Prime Minister suggested to-day that the problem be met by providing what he calls functional representation. In other words, where Canada is primarily interested she should be called into the council, or where Norway is interested she should be called in. Well, this functional representation is the old hobby-horse that the Prime Minister trots out whenever he is faced with this problem of whether we are to work together as a commonwealth or whether Great Britain is to carry the responsibility. I submit that his proposal of functional representation is ineffective. My suggestion would be that some method must be devised for representation of Canada on this world council, or at any rate for empire consultation beforehand on the questions that are to come up. Because whether we like it or not in effect the representative on that council, even though he is only supposed to be representing Great Britain, will speak for all the British nations. We will find that we are more or less bound by what he says, whether we have a representative there or not. I believe that the secretariat proposed by Mr. Curtin would have been a great help in paving the way for agreement between the British nations as to what stand should be taken. I know that proposal was rejected by our own Prime Minister in London, and I think improperly so.

Prime Minister Curtin explained to a press conference in Ottawa the implications of setting up an empire secretariat. A report of his statement says:

He thought there would be favourable results from a continuing conference of empire representatives at a central point, where background information, communications and files could be kept for a moment's notice. He likened his idea to a newspaper morgue where background was compiled and was ready for use. He spoke of the need for definite decisions being reached at empire conferences and not just preliminary work done.

His proposed consultative body would do the preliminary work and the more frequent prime ministers' conference would be ready to take definite decisions and not merely start study of any question which arose.

The attitude of the Prime Minister to-day on this question of the set-up of a world council is entirely negative. He emphasizes all the difficulties surrounding the making of such arrangements. It is defeatist. It looks like a return to the old isolationist and no-commitment policies which were indulged in by this government up to the very day of the outbreak of the war. I suggest to you, Mr. Chairman, that the Prime Minister's policy in this regard is unsound and unfair to the Canadian people.

My third thought concerning Canadian foreign policy has to do with the setting up of a world organization. We all agree on the need of some such organization. I do not suppose there are very many hon. members of the committee who would not support the setting up of an organization, and Canada must take her fair share. There is mention in the speech from the throne of Canada's participation in a world organization. I shall read it to the committee, because it seems to have been forgotten by the government. It is as follows:

My ministers believe that the time has come when all the nations now united in the common purpose of winning the war should seek unitedly to ensure an enduring peace. The dangers of future aggression can be removed, and world security attained, only by a general international organization of peace-loving nations. You will accordingly be invited to approve of Canadian participation in the establishment of an international organization to further national security through international cooperation.

No steps have been taken to get the approval of this House of Commons to Canadian participation in the establishment of an international organization. I do suggest that the committee was entitled to the details of the way in which Canada would cooperate in setting up such an organization. I ask the Prime Minister to make during this debate a declaration of the position that Canada will take with regard to a world organization. I hope it is not going to be a case of Canada's making no commitments except to a complete world league of nations after everyone else has thrown in his hat.

The Prime Minister also should explain whether or not the Canadian government favours some type of regional organization. When we were given the government's air policy, that was part of it. It was said there should be regional councils for the control of international flying; but there has been nothing said by the government about regional councils in connection with this world organization. If they are in favour of regional councils, in which regions will Canada participate? We are not only an American nation; we face the Atlantic, the Pacific and the Arctic, and it will not be easy to decide just what should be our relationships with any regional councils that may be set up.

In connection with this question of a world organization one approach has been made by this government which in my opinion is dead wrong. That is when the government says in effect that to strengthen the British empire would prevent any world organization. The Prime Minister used words to that effect in his speech in this house on January 31 of this year, when he said that making any further concentration in regard to the British empire would run counter to the establishment of effective world security. In his speech before the British houses of parliament he used words to the same effect. I have here a reprint of that speech; the Prime Minister said that in considering new methods of organization, and he was referring to new methods of organizing the commonwealth, we cannot be too careful—and I really think those words "we cannot be too careful" sum up the government's foreign policy—

—we cannot be too careful to see that, to our own peoples, the new methods will not appear as an attempt to limit their freedom of decision or, to peoples outside the commonwealth, as an attempt to establish a separate bloc.

As a result of that speech we had such newspaper articles as the one in the Vancouver *Sun* which I hold in my hand, the headline of which is, "King Calls for World Unity Plan, Not Empire Bloc." The Prime Minister seems afraid that the nations of the empire might work too closely together, as though that were possible. No one at that conference, and no one elsewhere in the empire, is attempting to form a bloc in the accepted meaning of that word, which is the forming of some organization as against everybody else. As a matter of fact we have in the empire the model for a world organization. Here we have nations actually working together, as we hope all nations will be able to work together in a

league of nations. I think the better attitude was that taken by Prime Minister Curtin, who when he went back to Australia told his people:

Our readiness to associate in a world organization does not lessen the realism of our membership of the British commonwealth.

As Progressive Conservatives we believe in strengthening the empire. We believe that working more closely with the other empire nations will not in any way hamper our working with the other nations of the world to build a new world order, and will not prevent us from working closely with the United States of America. Other nations expect us to work together in the empire. Why should Canada, under her present leadership, always be so frightened lest we may upset the other nations? It all reminds me of the government's attitude before the war, when the Prime Minister was always threatening us about Japan; when he said if we did this or that we would have Japan making war on us and we would upset world peace. Actually all the time Japan was just going ahead making her plans to attack us when she saw fit to do so. Our position, as the Progressive Conservative party, is set out in this portion of our creed, which reads:

The British Partnership.

We affirm our loyalty to the king and our faith in the British partnership. We accept the responsibilities together with the benefits of this partnership. The guarantee of freedom, security and opportunity for Canadians will be found in the strengthening of the British commonwealth, its closer association with the United States of America and our other fighting allies and in the application of the principles of the Atlantic charter.

My fourth and final thought on foreign policy has to do with the Pacific. Practically nothing was said by the Prime Minister this morning about Canada's foreign policy in the Pacific. You would almost wonder whether there was a war on with Japan, when as a matter of fact Canada was the first nation to declare war. For example, what about the Pacific council which was set up some years ago, and which met in Washington? After a good deal of prodding and coaxing Canada asked for membership on that council. What has been done? Has it been meeting? What has been going on? We are entitled to know. Then in January of this year Australia and New Zealand entered into an agreement to collaborate on Pacific affairs, and in that agreement appears this paragraph:

The two governments declare their desire to have the adherence to the objectives set out in the last preceding clause of any other government having or controlling territories in the Pacific.

[Mr. Green.]

Canada is a nation on the Pacific. Is Canada to collaborate with Australia and New Zealand under the terms of this agreement? Then what about an air line to Australia and New Zealand? We in the Pacific coast province of Canada are vitally interested in having air connection with those dominions. Is Canada to be represented at the very important conference to be held in Australia in the near future dealing with the war in the Pacific? What part are we to play in the war against Japan? What preparations have been made? One hears rumours to the effect that Canada is very backward in making adequate preparations for her part in the war in the Pacific. These are questions which should have been dealt with by the Prime Minister this morning, and I hope they will be dealt with by him before this debate ends.

The right hon. gentleman mentioned the pan-American union and said he thought that before Canada became a member of that union the people should have a more complete understanding of what membership would mean. Last year I advocated that Canada should join the union, subject to the one proviso that thereby we were not to be taken as weakening our connection with the British commonwealth of nations.

The CHAIRMAN: Order. The hon. member has now spoken for forty minutes.

Mr. MACKENZIE KING: We are in committee, so that I will interrupt the proceedings long enough to allow the hon. gentleman to make a fresh start.

Mr. GREEN: I thank the Prime Minister. I think perhaps he made a wise suggestion to-day when he said this was a matter on which the Canadian people should acquire further knowledge before a stand is taken. But he went on to say that this was the responsibility of other people, not the responsibility of the government. Surely if the government believes that we should eventually join the pan-American union the government itself should accept responsibility for telling the Canadian people just what that membership will entail.

This morning the right hon. gentleman also dealt with the problem of the Japanese in Canada. That subject hardly comes under the Department of External Affairs at the moment, but he made a detailed statement in regard to it. I was pleased to learn that at last the government is treating this as a Canadian problem. It has been a Canadian problem from the start, because it was the federal government that allowed the Japanese

people to come to Canada years ago, but ever since then hon. members from British Columbia have found it impossible to persuade their fellow members of the house that this was really a Canadian problem. Now, however, it is recognized as a problem for the whole of the Canadian people. And the Prime Minister's statement this morning was hardly in accordance with the statement he made during the debate in connection with giving votes to Japanese. On July 17, as reported at page 4937 of *Hansard*, he made a statement which worried me a great deal. This is what he said:

> The persons of whom my hon. friend is speaking are still citizens of British Columbia. They have moved or been moved from British Columbia temporarily for reasons connected with the war. They have been moved through arrangements effected by the government as a war measure which was deemed necessary for reasons of security and in part for the protection of these very Japanese themselves. In most cases they are not persons who have voluntarily left British Columbia to reside in some other province. They are still citizens of British Columbia.

That was going very far, and judging from that statement I took it that the Prime Minister might be thinking of returning them all to British Columbia at the end of the war. Of course we would violently object if such action were taken. However, the Prime Minister to-day made himself clear on that point. During the course of the debate on the Japanese question, when the Prime Minister was in Great Britain, I placed certain questions before the ministry, questions which have never been answered until to-day—and indeed they are not all answered now. These were the questions:

> Is it the plan to remove all the Japanese from British Columbia, or are some to be left there, and, if so, how many?
>
> Are they to be kept out of the province of British Columbia for good? Can the minister give us assurance that they will not be sent back to British Columbia?
>
> Are any plans under way for returning any of these Japanese to Japan? If so, what group or groups?
>
> What does the government propose to do with those Japanese in other provinces if the government of any province requests their removal after the war?

One of the questions which was not dealt with this morning particularly was the one as to what the government proposes to do if other provinces request the removal of Japanese after the war. It is all very interesting to have people from other provinces say that this and that should have been done for the Japanese, and that British Columbia was wrong in asking this or that. But at the same time, this very city of Ottawa has refused to allow Japanese to come here. And the same was true recently with respect to Toronto. Different centres in eastern Canada have refused to have anything to do with the Japanese, which is not a very helpful attitude so far as settlement of the problem in the future is concerned.

The Prime Minister said this morning that the policy is to spread the Japanese across Canada. He mentioned that perhaps there should be a numerical limit placed upon those who could remain in British Columbia. I suggest to him that the only way in which the question of keeping the Japanese out of British Columbia can be handled is to maintain the protected zone into the post-war years, and to extend it to cover the whole province.

I do not believe a scheme can be worked out under which a certain limited number can go into the province. There will always be the question of checking that number. A sounder and much more effective way would be to make the whole province a protected zone. That could very well be done on the basis of national defence. Keep Japanese Canadians away from the Pacific ocean where they can come in contact with Japanese ships and Japanese merchants coming to our ports.

The Prime Minister said the government proposed to encourage the movement of Japanese to other parts of Canada. I suggest that that should be started at once. Under the present law Japanese in eastern Canada cannot acquire land. They cannot buy a business. They cannot set themselves up in business and yet many of them are merchants. Unless some provision is made to allow them to resettle on a permanent basis, the Prime Minister will be disappointed in his attempt to spread them across Canada.

The Japanese should be resettled on a family basis. They are a great people for family life; families of Japanese like to stick together. So far there has been very little attempt made to bring whole families away from British Columbia. As of June 30—only about five weeks ago—there were still two-thirds of the Japanese in British Columbia. Only about one-third had been moved out, and the exodus from our province had practically stopped. I hold in my hand a newspaper clipping dated July 5, setting out a statement by George E. Collins, general superintendent of the British Columbia security commission. Mr. Collins points out the following:

> Whether voluntary movement of Japanese to self-supporting jobs outside of British Columbia will continue depends on the future attitude of the Japanese themselves.
>
> Substantial exodus of Japanese during the past several months has now come to a virtual

stop. Advice from the camps indicates this has been caused by lack of a definite statement of federal government policy on the Japanese question.

It may be that with the announcement made to-day by the Prime Minister it will be easier to persuade the Japanese to move away. But in any event I suggest that the resettlement policy be commenced at once.

I have no further facts to place before the committee to-day. In conclusion may I go back to what I consider the most important thought and suggestion, and that is the one respecting the objective of the Canadian people and the destiny of Canada. Is it to be to play only a secondary role among the small nations of the world, or is it to become a great world power, standing beside Great Britain in the British commonwealth of nations? I hope and I believe that the decision will be in favour of the latter.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Chairman, this afternoon for the first time this session we meet to discuss in any extended way the Department of External Affairs. I am not blaming the Prime Minister or the government, because I think all hon. members realize that this debate has come on at the end of the session because of pressure of business and also to meet the wishes of many hon. members. Therefore I am not making any criticism of the government because the debate has not been called until this stage in the session.

In spite of what the hon. member for Vancouver South (Mr. Green) has just said, we are meeting in the parliament of one of the lesser powers, one of the smaller nations. I look forward to the day when Canada may become a great nation; but in the light of the present world situation we are one of the smaller nations. In this war we have played a remarkable role, a role of which I think this nation may well be proud. Others of the lesser powers look to Canada at this time as the leading member of that group of powers. I think that in spite of what the hon. member has just said, because we are not at this time a nation of 30,000,000 or 50,000,000 people, we ought to assume the role we can play so well at this time, as at least one of the spokesmen for that group of nations which within the united nations can be described as the lesser powers.

I offer no apology for speaking of Canada, in her relationship to the world, as one of the lesser or smaller nations. That does not mean that I do not believe that one day Canada may assume the role of a great power. I hope when that day comes that instead of being a rival of other great powers we may be able to cooperate with great powers of the world for the general good, the preservation of world order and universal peace.

It is impossible in the short space of time at one's disposal this afternoon to do more than refer briefly to some of the international developments which at the moment are of great concern to our country. It is unfortunate that we cannot go into these matters a little more fully, because the developments we are witnessing now are of interest not only to Canadians of the present but to future generations. The decisions we make now, the manner in which we handle questions and problems that arise, are bound to have tremendous repercussions upon the future of this country and I believe of the world.

It is a matter of satisfaction that because of the fighting qualities of our soldiers, our sailors, our airmen and those of the united nations, we can confidently look forward in the not too distant future to the collapse, at least of the German nazi regime and the German military power. Then let us hope that there will follow the fall of Japan and the making of peace. The part that Canadian service men have played in this and the efforts of our civilians and farmers deserve the gratitude of all the people of our country.

I think we are all in agreement that the German war machine must be crushed and dismantled; so thoroughly must the job be done this time that never again can German militarism plunge the world into war. When we come to treat with Germans, as ultimately we must, we shall have to treat with somebody. My hope is that we may yet find in Germany reborn peoples' organizations like trade unions, cooperative societies, farmers' groups and the Christian church whose leaders have resisted, even in the underground, the threat not only to their own freedom but to the freedom of the world. I think it would indeed be folly to attempt to negotiate any sort of peace with the great landowners, the great industrialists or the junker class, with those people who have been responsible for the promotion of German militarism in the past, with their trusts, their cartels and so on. They were indeed the economic army which enabled Hitler to rise to power. We may find that there are many German people who if given free rein will assist in dealing effectively with these anti-social forces. The difficulty is that the war has now lasted for five years and such forces in Germany at the moment are probably quite small. We cannot place them all in the same category. Let us not forget however that many of their peoples'

leaders were first to fall victims to nazi and fascist aggression. In fact the first organizations in Germany that were destroyed by nazism were trade unions and the cooperative societies. The leading thinkers of the Christian churches also found themselves behind the barbed wire of the internment camp.

Whatever foreign policy we pursue, either now or in the future, ought to be unyieldingly democratic. When we have to deal with the people in the enemy countries we should deal only with those forces which have struggled unswervingly against fascism and nazism. I think many people have been alarmed at what appeared to some of us to be the monumental errors that were made in North Africa, and more recently in Italy, the attempts that appeared to be made to pin Europe down in all directions to, if I may use a Latin phrase, the *status quo ante*. That is the kind of policy I think Canada should endeavour to end. It seems to me that the greatest mistake we can make is to underestimate the patent desire of all the enslaved peoples of Europe to bring about basic social and economic changes and to rebuild their countries on the basis of true economic and social democracy. The misery that these people have undergone under the nazi heel and their consciouness of the bankruptcy of their old leaderships and of the old order leave them determined to embark upon entirely new social concepts in the place of the dictatorships and the fascist movements which destroyed them.

Unless basic social and economic changes are brought about and democracy is allowed to flower in full in all fields, we are headed once again for world war No. 3. If we return to the old ways of mass unemployment—when I say "we" I mean the world generally, not this country alone—of trade strangled by all kinds of barriers, of industry regulated through selfish cartels, and of economic tensions which mankind cannot endure, we shall find ourselves faced with the threat of war and ultimately war itself.

As one reads the newspapers to-day he realizes the unquenchable spirit of the underground movement in Europe, especially in France. These people have fought consistently against the nazi and fascist aggressors. They have risked their lives every day and the lives of their families. They have done this not only in guerrilla warfare, but, as we have reason to know in this country, by giving shelter to some of our boys who have been brought down in their midst. There is an outspoken demand for a better world to follow this war. Any plans that we make should be for their social betterment as well as our own. At the moment we are giving this idea recognition to a greater extent than ever before, because we read constantly of supplies of arms and food that are being given to the underground movement in France. The successful prosecution of the war should mean for the people of the liberated areas the fullest participation in their own affairs at the earliest possible date. We in Canada should look for our natural allies among those people—yes and among those Germans in exile or who have worked underground, in order to combat in the future the threat of any revival of the nazi and fascist menace.

The hon. member for Vancouver South mentioned the absence of references to the orient and the Pacific area. We cannot neglect the orient and the Asiatic peoples. Indeed all dependent peoples cannot be sidestepped by Canada, as a responsible member of the united nations and as a responsible member of that association to which we are all proud to belong, the British commonwealth of nations. I do not think it was done deliberately this morning.

Mr. MACKENZIE KING: I think my hon. friend will find that my general reference made it perfectly clear that Canada intends to do her full part in the war against Japan. I dealt with that particular aspect of affairs when we were discussing the war appropriation, and I did not think it necessary to repeat.

Mr. COLDWELL: I was going to deal with another phase altogether, the phase referred to by the hon. member for Vancouver South. Exploitation, which we often refer to as imperialism, in all its forms will have to be rooted out, will have to go. The exploitation of one people, whether it be in China, India or anywhere else, by another group of people or by another nation creates friction which will inevitably lead to war. In the new world into which we are moving we have to see to it that we do not return to that kind of exploitation. In my opinion the basic cause of imperialism, whether it is to be found in Malaya, in Bolivia, in China or anywhere else, is the chronic inability of our present economic system to distribute the goods which science enables it to produce at the present time. It is part of the motion—the perpetual motion if you will—of our capitalist economy that we thrust fatally towards this kind of imperialism. I am of course using the word "imperialism" in the economic sense. We not only stretch out abroad but we also do it at home, and strife is the consequence.

I should like to remind the committee that in the immediate future we shall have to reckon with a large portion of the world's population which for a long time has been

depressed and exploited. What are there?—450 million people in China, 370 million people in India and millions elsewhere. I suggest that for the post-war period we should be making such plans as will lead all these people to assume as rapidly as possible the full responsibility of nationhood. Where we have backward peoples—and let us recognize the fact that there are backward peoples who are not immediately capable of governing themselves—my opinion has been, and is, and I think Canada should work for this, that we should give them a helping hand; that no group of people should be returned to a position of being subject to any one power, but that there should be some form of international organization, or, as it is sometimes called, third-party intervention or supervision to see that the responsibile nations are doing the kind of job which democratic peoples would have them do. As a matter of fact the recent proposals of the British colonial office for regional international commissions to supervise the affairs of all dependent peoples are a move in the right direction. They seem to me to show a new spirit, and I think they are worthy of consideration. But it must not be like the old mandate system of the league of nations which gave Japan, for example, the opportunity of acquiring mandates over islands and territories which she was able to use as fortified bases and is to-day using very effectively to conduct a war against ourselves, the united nations and the world.

For better, as I believe, or for worse the world is headed towards more internationalism and more international supervision of many of the economic and social activities of mankind.

Before turning from the problems of the dependent peoples I may refer briefly to one of the nations which is associated with us in our own commonwealth, and that is India. We have, it seems to me from my reading and what I have been able to learn, failed to mobilize the masses of that great country for the prosecution of the war as we might otherwise have done. Perhaps that is not surprising, after the manner in which we have neglected Indian opinion in the past. I have said before, and I repeat this afternoon, that another attempt should be made to reopen negotiations under the supervision, not of any one power, but of the united nations, for the immediate settlement of this problem, so that we can mobilize public opinion there not only at the moment but for the good of the world in the years to come.

Turning from the problems of the dependent peoples to those of what I will call again the smaller nations, we must, I think, as one of these nations endeavour to avoid at all costs anything like a big power world. It ought to be obvious to all of us that the great powers of themselves cannot maintain peace, for by themselves they must necessarily engage in delicate manoeuvres to balance each other. In other words, to turn the world over to the big powers would simply mean to go in again for a balance of power policy, and along the road of balance of power—and history supports me in this—lies war. The four-power Moscow conference in 1943 foreshadowed, and I quote the declaration—

> the necessity of establishing at the earliest practicable date a general international organization based upon the principle of the sovereign equality of all peace-loving states—
>
> All peace-loving states.
>
> —and open to membership to all such states, for the maintenance of international peace and security.

Later on, at Teheran, much the same sort of view was expressed by the great powers—the principle of the sovereign equality of all peace-loving nations; and that, I take it, is the desire of all democratic people. Even that organization however is foredoomed to failure unless it fulfils two basic conditions. First, it must rest upon the foundation of social and economic justice everywhere in the world. We cannot have peace by force and maintain it indefinitely. The only kind of peace that the world can have is peace which is based upon social and economic justice everywhere, and this entiails not only economic collaboration among nations in trade, exchange, investments, shipping and so on, but also democratic and economic planning within the nations for the full utilization of all our human and economic resources for the satisfaction of human need.

I think the second foundation upon which peace must rest is that any world organization must be democratically representative of all peoples great and small. Domination by the great powers, Mr. Speaker, inevitably awakens the distrust of the smaller powers—it is bound to do so ultimately—while big-power dominance inevitably leads the dominant powers to seek security in what? In their own might—and to jockey among themselves for selfish advantage. Now, true collective security on the other hand looks to collective action of all the peace-loving nations for the stamping out of aggression within the world community. It embodies the conception of nations standing in defence not just of their own immediate interests but of an orderly world in which all people are free to flourish and to live.

Canada is at war to-day, not because Great Britain is at war, not because of any specific

aggression against Poland—no doubt these two factors influenced this parliament—but because, in spite of the grave doubts that many people had of the intention of the governments that were then in power in England and France, the governments of Chamberlain and Daladier, our people believed that the common people of Britain and France recognized that this could be made a war to end recurrent dangers of nazi and fascist aggression and assist in the destruction ultimately of militarism. Thus Canada's obligations to the ideal of a lasting peace are very definite. What are they? First, allegiance to the idea of a democratic and international organization in which some phases of national sovereignty, particularly those involving the use of force, are merged in a collective system of security. And then the abolition of national armaments and their pooling in an international police force, that of course by progressive steps. No one anticipates that there can be complete disarmament of the nations for a considerable period after this war, but that should be something at which we should aim; and, what I think is perhaps most important of all, the planned use of economic resources everywhere to raise standards of living throughout the world and for the elimination of insecurity, poverty and exploitation and the attainment of self-government by all peoples.

These, I think, are our general obligations. What are the specific problems of Canadian foreign policy? First of all I say this, that clearly in regard to the British commonwealth—and we all want to maintain the closest association with the peoples of the British commonwealth—public opinion in Canada, I am sure is overwhelmingly against the idea of forming a commonwealth power bloc against which undoubtedly counter power blocs would ultimately be pitted. But that does not mean, of course, the rejection of the idea of constructive cooperation within the commonwealth, nor does it mean that there are not fruitful avenues open to a British commonwealth nation in ways of cooperative endeavour. There are many such avenues. For instance, we might have some common investment policies coordinated within the commonwealth along the lines proposed not so long ago by the international labour organization, and provision might well be made for the mutual exchange of social security benefits for persons moving from one part of the commonwealth to another. That would make people realize that we were one in a manner in which perhaps nothing else could make us realize our unity.

It is along these lines, of which many more examples could be cited, of progressive co-operation in its best forms that commonwealth relationships will thrive in the future. If they do not thrive along these lines I do not think they will thrive at all; and to complete the circle of friendly understandings that exist between Canada and the British commonwealth and Canada and the United States, we might well conclude a treaty of cooperation and non-aggression with the U.S.S.R.—our northern neighbour—a significant fact we sometimes overlook. We always look to the south and talk about our great neighbour stretching all across the southern boundary of Canada, but these days we should remember that we have another great neighbour touching us very closely, and the aeroplane has made that neighbour very close indeed. That neighbour is Russia. I would suggest to the Prime Minister, if it is possible that a treaty be negotiated along the lines of the British twenty-year pact, a treaty which more than anything else probably has helped to allay material distrusts and paved the way which we hope will lead to a more durable international understanding and international organization.

Then of course we must not forget that we are within the western hemisphere. The Prime Minister this morning referred to the pan-American union. I agree with him that our people know very little about it. Indeed, our people have taken too little interest in foreign policy. Even members of this house have taken too little interest in foreign policy and external affairs. But in spite of what the Prime Minister said this morning I think we should, when the opportunity occurs, enter the pan-American union. It would not weaken our ties with the British commonwealth or anyone else. On the contrary it would strengthen our position in this hemisphere and bring us into closer relationship with peoples whose cultures resemble more closely the culture of one great element in our own population. It is true that the pan-American union is a union of republics and we are not at least formally a republic. Great Britain is often referred to as a crowned republic. I think that in her governmental methods she is a crowned republic.

Mr. GRAYDON: May I ask my hon. friend what he meant by the interjection "formally" —we are not formally a republic.

Mr. COLDWELL: Exactly what I am saying; we are not formally a republic. Great Britain herself is frequently referred to as a crowned republic, and she has what

is sometimes said to be an hereditary president. She is more like a republic than she is a monarchy in the sense of monarchies which were absolute in their power. We have a king, the king of Canada, and we resemble more completely in our set-up in this country an independent republic than we resemble any of the older types of monarchy of which history has knowledge.

Mr. GRAYDON: My hon. friend will pardon my interruption. It was so foreign to my way of thinking that I was surprised at the statement he made.

Mr. COLDWELL: It may be foreign to the hon. gentleman's way of thinking, but historically I think it is a sound assumption that that is exactly what Great Britain is and exactly what this country is; and I say that while technically we are not a republic, that should be no barrier against our entering the pan-American union. I think that probably if Canada expressed a desire to enter the union she would receive an invitation to do so very soon.

May I say to the Prime Minister that we very heartily approve of the steps that have been taken this year to raise the status of our ministers—our legations into embassies and our ministers into ambassadors. That is a step in the right direction. Quite as important however as all the relationships to which I have referred is the problem of integrating Canada's own economic life into the developing world economy. Questions of trade arise, of the domination of cartels, investment, currency stabilization, labour legislation, immigration and all the rest of it, and it seems to me that all these problems are part of external relations and require definite integrated economic planning. Canada should be doing everything in her power to promote public organizations that will assist her in these fields. She should give every support, and I think she will, to such agencies as the I.L.O., UNRRA, and other war-created planning boards in foodstuffs, raw materials and investment control. She should finally bend every effort towards the creation and support of effective international agencies to supervise such functions as post-war aviation, shipping and communications. All such measures are directed to the end that habits of international cooperation, in place of national competition, may gradually develop, and that wider loyalties than we have to-day toward the international community may be built in the minds of men. May I say that when I speak of that wider loyalty it does not mean that there is any diminution of one's loyalty to one's own country, or any lessening in the patriotism that one has to one's own land. Indeed in my opinion the widening of patriotism into fields beyond our own borders makes one even more patriotic to what the people in the south sometimes call "all God's children." Therefore I say that such policies are directed, too, toward the kind of settlements that are envisaged in the Atlantic charter, a world—and these are the words of the charter—in which there will be "the fullest cooperation between nations in the economic field with the object of securing for all, improved labour standards, economic advancement and social security." The following article of the charter forecasts conditions "which will afford assurance that all men in all the lands may live out their lives in freedom from fear and want."

Of course there are reactionary minds here and there in the world—they so express themselves in newspapers and magazines—that are talking in terms of a retreat from the Atlantic charter. For our part we ought to continue to strive for the goals the Atlantic charter holds before us, believing, as I do at least, that they can be achieved—it is not impossible—through economic planning among nations as the counterpart of economic planning within nations.

We have had a discussion this session on air transport, civil and military, which is of urgent concern to Canada; for this country lies across the cross-roads of the world, the airways between the new world and the old, between Europe and Asia. In addition, as we have seen from the statements that have been made from time to time by the Minister of Munitions and Supply and lately by the Prime Minister in the house, Canada has a huge capital investment in air facilities of all kinds, and, what is more important, a precious investment in many thousands of skilled young men. I am going to express an opinion which is shared to the full by one of the great parties in Great Britain, the Labour party—for I have the official outline of their policy here—that an international air force should be created, supreme in the air, financed and controlled by a body under a new international organization representative of world authority. It should operate from international bases under the control of that authority. For if we are in earnest about stamping out aggression, some such measure is essential. The aeroplane to-day is a blessing or a menace, as we make it. It can virtually destroy civilization. By the same token we need an international authority to control civil aviation, because it is so easy for civil aeroplanes to be turned very rapidly into military transport planes or bombers.

Canada's interest in maintaining world peace is a compelling one. We are bounded on the

southern and northern boundaries by two powers whose resources predestine them to major roles in the post-war world. The friendliest of relations between those two powers ought to be the urgent concern of Canada's foreign policy. The geographical position of Canada has conferred upon Canadians in this twentieth century the advantages of occupying a pivotal position in the unfolding of the future and in world affairs; but we must recognize that it has conferred upon us also the gravest of responsibilities. Therefore, I say, Mr. Chairman, that we should spare no efforts to promote an expanding world economy grounded on social justice and dedicated to lasting peace.

Now may I come to the domestic problem that was raised, the problem of the citizens of the Japanese race who are in our midst. I do not know why this problem is always called "the Japanese problem". We do not speak of the second, third or fourth generations of Germans as creating a German problem, but we speak of the Japanese problem. I am in the fullest accord with the Prime Minister when he says that any person of Japanese origin who has been disloyal to this country should be denied the right to live here when the war is over. They should be interned now and deported to their country when this war is over like any other alien of similar attributes. But in my opinion it is copying the policies of Hitler to discriminate against any people because of their race, colour or creed. I have attended enough international conferences where able men from the orient have been present to have learned that the discriminatory treatment of Canadians by birth of Japanese origin has placed in the hands of the Japanese war lords a weapon of propaganda which may cause us to lose many thousands of lives. I know too that the treatment of East Indians, British subjects, in this country, who are denied the rights of British citizenship because they are coloured, has been one of the most potent weapons used by the congress party in India against the British authorities. I know too that the discrimination against our Chinese citizens is felt keenly by those of the same race who are in other parts of the world as well as in our own.

The ACTING CHAIRMAN (Mr. Factor): The hon. member has exhausted his time.

Mr. COLDWELL: May I conclude with this sentence?

Mr. MACKENZIE KING: We are in committee; any interruption in committee gives an hon. member the right to start again.

Mr. COLDWELL: I never like to overstep my time. May I conclude by saying then that in dealing with problems of this kind, prejudice which seems to have only some local effect may have world-wide implications. I am proud of my association with the British commonwealth in this respect as well as in others, for only in the past few weeks we have seen how the courts of law in Great Britain have stood firm against any discrimination against people of colour. I say let us punish the guilty; let us punish them to the full, but let us not persecute any man merely because his colour is not that of the majority of the people in this country.

Mr. PAUL MARTIN (Essex East): Mr. Chairman, I think the hon. gentleman who has just spoken has given expression to what every hon. member of this house feels to be a condition precedent to bringing about satisfactory relations between the nations of the world; that is, that unless it is possible to arrive at a measure of social and economic justice, as a result of collaboration between the nations of the world, any projected world organization is likely to experience the frustration which attended attempts to build and guarantee peace during the last two decades. At the end of the last war our country took the position that economic and social matters were not properly within the terms of reference of the conference which was then convened to design the structure which it was hoped would preserve the peace of the world during the years following. The view was held that while political matters were properly within the terms of reference, matters involving the economic phases of the problem were not to be considered in the same light. I think we are all agreed that the experience of the last twenty-five years has shown that unemployment in the devastated and dependent territories of the world, as well as in the more fortunate countries, is a problem of world interest which must be solved first if the political problem is to be dealt with satisfactorily.

This government, headed by the present Prime Minister (Mr. Mackenize King), has not waited till the end of the war to lay before the nations of the world its views with respect to recurring phases of international organization. Canada's representation at the food conference held in Virginia was notable. Harold Laski, writing recently on the projection of a world organization, referred specifically to the contribution made by Canada at

the conference in Virginia, and later at the Atlantic City conference in connection with UNRRA. So that long before the end of hostilities we have appreciated our obligations to the other nations of the world. I could mention, and I do want to mention, apart altogether from my own contribution, the work of Canada at the very important twenty-sixth meeting of the International Labour Organization, recently held in Philadelphia. Perhaps here I may be permitted to pay tribute to the Canadian delegates to that conference, those who were advisers, those who represented the workers and the employers, and those who represented both provincial and federal governments. I believe Canada did make a contribution at that conference and, as I want to show later, something developed there to illustrate the fallacy of the kind of argument advanced by the hon. member for Vancouver South. More recently we had Canada's contribution at the international monetary conference, which brought great distinction to this country. Since that time I have met in this city a number of delegates to that conference from other countries, who have spoken in the highest terms of the work of the Canadian delegates. If one did not know some of the personalities involved these tributes might be considered almost extravagant. One distinguished gentleman of the United Kingdom delegation said in my presence, speaking of two of our people at that conference, that no delegates from any other country stood higher in the esteem of the conference generally or in the measure of the contribution they made. These are practical contributions.

At this point we are discussing the theoretical basis of the future world order, of the future political organization of the world; but during the past two and a half years representatives of our government, civil servants and others who have been coopted to serve along with these two groups have been applying Canadian foreign policy in a practical and definite manner. It is regrettable that we, along with the other constituents of the commonwealth and the empire, should sometimes have it suggested that because a certain viewpoint is taken it can only mean disloyalty to the crown and to the institutions fashioned and given to the civilized world by British genius. The suggestion is that because you may have a certain conception of the development of the commonwealth, thereby you are trying to contribute to its liquidation and break-up.

Mr. GREEN: I hope the hon. member is not referring to me, for I made no such suggestion.

[Mr. Martin.]

Mr. MARTIN: I just made the general observation; let it rest wherever it happens to fit.

Mr. GREEN: In all fairness the hon. gentleman should withdraw that remark, because I did not suggest anything of the kind. I did not suggest that anyone was disloyal.

Mr. MARTIN: Perhaps I misunderstood the hon. gentleman.

Mr. GREEN: You certainly did.

Mr. MARTIN: I accept at once my hon. friend's observation, but I must say that some of his words did lend themselves to the interpretation I placed upon them. I am glad now to have his correction.

Mr. GREEN: I said that there was no stress laid on sentiment and loyalty.

Mr. MARTIN: I hope the Prime Minister will not consider that I do not fully appreciate the value of the contribution he made recently when speaking to both houses of parliament in London, but I believe the unique contribution he made then came about not so much because he said anything that was really new but because of the way in which he said it, the circumstances under which it was said, and the time at which he made his statement. After all, his statement was a continuation of the foreign policy that has been in existence throughout the development of this country. It was a development of the foreign policy of Laurier, and particularly of the foreign policy of Sir Robert Borden. One has only to read the Marfleet lectures given by Sir Robert Borden at the conclusion of the last war to see that the course followed by the present Prime Minister in London was in line with the foreign policy of this country under successive governments and successive prime ministers with various political affiliations. There is no attempt to bring about a diminution in the strength of the empire or of the commonwealth. At this stage I think it is well to make a distinction, as Mr. Churchill himself makes it, between the empire and the commonwealth. He defines the empire as being the United Kingdom and the colonial empire, and the British commonwealth as being the United Kingdom and the self-governing dominions. No attempt is made in any way to destroy the strength of those two combinations or of either of them if they are interchangeable, as the hon. member for Lake Centre (Mr. Diefenbaker) has suggested. Rather the idea is to strengthen them, to bring the British commonwealth in line to work with the nations of the world, instead of standing aside as a strong power bloc pitted against the whole world.

This policy is not based upon a failure to appreciate what the British commonwealth may mean to the world. Anyone who suggests the breaking up of that commonwealth is speaking in unrealistic language. No one is suggesting that; rather the suggestion is that we should maintain it. The way to maintain it is through a policy of inclusion rather than one of exclusion, and that was the policy enunciated by the Prime Minister in London. And that that is a sound view seems to me, in the light of the appraisal made of that speech, to be generally accepted. I have gone carefully over the periodicals, and have had press clippings from newspapers reviewed, and the unanimous view—well, I should not say the unanimous view—but the extent of the view throughout the whole commonwealth in support of the Prime Minister's statement at Westminster recently is so overwhelming that one wonders whether it is necessary at all to spend much time on the point.

It is generally admitted that the only hope for the world, particularly having in mind Moscow and Teheran, is by the pursuit of that kind of policy. It is not an attempt to refuse to speak with one voice, but rather to be able effectively to demonstrate that if it is possible to speak with one voice, that one voice has arisen as the result of consideration in each individual country within the commonwealth. In that way, if you can say to the nations of the world that these problems have been thought out at Ottawa, at Canberra and at Cape Town, just as well as at London, and you have coincidentally the same kind of view, then that kind of one-voice has been and is a voice of strength, and a voice with persuading influence in the councils of the world.

We had an example of that recently at the International Labour Organization. Canada took a certain view with regard to the projected future of the International Labour Organization. Great Britain had not yet expressed her view, nor had Australia, nor had New Zealand. Canada's view was much criticized in many quarters, although, later, without any consultation, except by way of informal discussion, Great Britain took the same stand, Australia took the same stand and New Zealand took the same stand.

I suggest that if at one time we had said, "Here is the view of all of us at once", it would not have had the same effect that it did have, coming as it did as the result of individual deliberation on the part of the various self-governing dominions. It had more effect than it would have had if it had been given as a common expression of opinion, or the expression of view of the whole bloc. If you can impress other nations of the world—and that is what we must do—that we are simply trying to bring about a healthy contribution among the nations of the world, looking at these matters from our own particular point of view, and always bearing in mind that our own point of view in the big things is not necessarily different from the point of view of the United Kingdom government, we are more apt to have the kind of influence we desire than we would have under the policy suggested, as I gathered, in the observations of the hon. member for Vancouver South (Mr. Green).

Mr. GREEN: The hon. member did not follow my suggestions very closely, then.

Mr. MARTIN: I read very carefully the speech delivered by the hon. member last year, and I must say that I did not see much difference between that speech and the one delivered this afternoon.

Surely our strength is this: surely the strength of the British commonwealth of nations is that there has been allowed to grow in the various self-governing dominions a measure of autonomy which has affected the personalities and mature developments of those dominions, as a result of the extension of the principle of autonomy. In freedom we have grown—not grown apart, but we have grown to march still within the same grouping, that grouping which is called either the British empire or the British commonwealth of nations.

For instance, when this parliament declared war in 1939, as a result of its own free decision, that was a more effective answer to our enemy than if we had been called into it automatically through the exclusive act of the United Kingdom government. That demonstrated that the liquidation of this commonwealth is not at hand, but that it is stronger, as a result of the extension of the principle of freedom, which freedom has tended to develop each of the units known as self-governing dominions.

I think surely the time has come when we should be able to demonstrate to the world that, apart from a few extremists here and there, in this country there is no desire to break away from that grouping, when the whole trend in the world is toward grouping—toward larger groupings, as well as toward maintaining the same commonwealth grouping. Surely nothing is to be gained from the suggestion that the Prime Minister of this country, or that any individual serving in the government of this country, is motivated by instincts less sincere than those of persons

who take the opposite view. In the view taken by the Prime Minister it should not be considered that he was expressing simply his own view. He spoke, I think, for Canada, and for the great majority of Canadians. But he also spoke the language which was uttered by another distinguished prime minister of a self-governing dominion. Mr. Fraser cannot be said to be less interested—always having in mind the geographic position of New Zealand—in the continuity of the solidarity of the British commonwealth of nations than is the hon. member who took a view which, I suggest, is opposite to the one I am trying to set forth.

So that I think we ought to realize that in the disturbed conditions of our world, we will be called upon to deal with matters affecting the future of civilization. We should not allow some of our differences on commonwealth direction to cause us to lose our perspective. These differences have been shown in the past to be less real than at first glance would seem to be the case.

To suggest that the policy of the present Prime Minister or the government is an isolationist policy, as was suggested by the hon. member for Vancouver South, is, I find, very difficult to reconcile with the criticism the hon. member makes it the first instance, and the action he proposes in the second. If the Prime Minister had followed the line which the hon. member for Vancouver South has suggested the result would have been out of line with the present trend among the united nations.

Of course, no one can seriously contend that at this time in the history of the world any government can afford to have an isolationist policy—and least of all any government in Canada. We cannot afford that in Canada, dependent as we are, almost to the extent of forty per cent of our national income, upon trading with other nations in the world. This country least of all can afford to be isolationist, and this government certainly has not given any indication that it has any desire to be isolationist.

I think it will be seen, and the records will show that the first statement made by any prime minister within the British commonwealth with regard to the desirability of setting up a future world organization based upon the recognition of the interdependence of states was the statement made by the present Prime Minister of Canada. It was a statement fully in harmony with the action taken at Moscow, at Teheran and recently in London. No one can suggest seriously in this chamber—and I am sure that upon reflection the hon. member for Vancouver South would agree that he was not really serious in his suggestion—that this government is isolationist.

Mr. GREEN: I meant exactly what I said.

Mr. MARTIN: No one in this country can suggest that we could be isolationist in a world in which, as Mr. Willkie has said, no point is more than sixty hours distant from the farthest point. This is a world in which, because of the developments of science, we have been brought together to such an extent that unemployment has ceased to be a national problem and has forced us to be as much concerned with the fortunes of the dependent areas of the world as we must be with our own. I think one can dismiss summarily the suggestion that we are committed to a policy of isolation. On the contrary I think we recognize the realism of the moment. We recognize that on the shoulders of certain great powers rests, because of their power, the opportunity of shaping things to come. We say, as the Prime Minister said this morning, and as he has said on other occasions, that the peace of the world cannot be maintained simply by a supremacy of power. On the other hand, the peace of the world cannot be maintained by overlooking the realities of the situation. These realities were dealt with, for instance, by Walter Lippmann, in the book to which the hon. member for Vancouver South referred last year and likewise in Mr. Lippmann's book published a few weeks ago. We must take into account the realities if we are going to avoid mischief and the kind of mistakes made at the end of the last war. Our ideal must be a world organization.

The peace of the world can be maintained through the agency of conference and law on the same analogies and principles by which the peace of the community is maintained. But in the building up of this peace mechanism we must not overlook the strength and the bargaining position of the great powers. To do so would be to step into a situation which would defeat the very purpose we all have in mind in maintaining world peace through organization on a world basis.

Canada will have a great role to play. Canada did play a role during the last two decades by being one of the leaders among the small powers, by interpreting to the great powers, either in the council of the league when it was in existence or by other approaches, the wishes as well as the aspirations of the smaller powers. That we shall do in our ascent from the status of a small nation to what must be the ambition of every Canadian, that of a great power, as

suggested by the hon. member for Vancouver South. In building this world organization we should note the experience of the older world political organizations. We have the experience of the League of Nations. While it is fashionable to criticize the league and say that it failed, that it did not avoid war, the fact is, as Prime Minister Churchill has said, it was not the league that failed, it was so many of its members who failed its ideals. However, that does not mean to say that the covenant of the league was perfect, that the structure of the league was satisfactory. There were weaknesses.

This government in line with the declarations of the governments of the United Kingdom, of the U.S.S.R., of the United States, has gone on record in favour of a world political organization. There is to be a world assembly which will fulfil the legislative function of government. There is to be a council which will fulfil the executive arm of government. With regard to the assembly I trust that the Canadian government in making proposals, either vicariously or directly, in respect of the discussions to be pursued in Washington in the near future or later, will not feel bound to the letter of the law as we were in connection with the covenant.

Perhaps such things as the rule of unanimity, perhaps such things as the rule of the two-thirds vote on certain occasions, both in the council and in the assembly, will be found not to be necessary. Perhaps we shall not find it necessary to have a written constitution, and, if we do have one, I trust it will be more elastic and less rigid than the covenant. There you have the conflict between the civil law lawyer and the common law lawyer. Whatever we do in framing the theoretical base of the organization, let us do it in such a manner as not to find ourselves faced with constitutional obstacles from which there are no remedies at the time.

With regard to the council one must take into account the actual situation. The great powers must find their places, but it is hoped that in the extension of the principle of functionalism Canada will be able to play her part along with the smaller nations. This principle of functionalism is not as anaemic as the hon. member for Vancouver South has suggested. The principle which was enunciated by this government has been carried forward in other international conferences during the last two and a half years. It was recognized at the food conference at Virginia, it was recognized at UNRRA, it was recognized at the I.L.O. and it was recognized recently at the international monetary conference as the correct approach to international matters in our day.

Then there is the third phase of the world organization, the judiciary. The permanent court of international justice still continues to be a reality, and it is inconceivable that the principle of the judiciary in terms of a future world organization should not have its proper place. Undoubtedly there will have to be some modifications in the present constitution of the court, but the principles underlying it are principles which need as ready acceptance as the other components of the world organization.

In recapitulation, may I say that I think the Prime Minister expressed the view of every member of this committee when he said this morning that the first job is to win the battle, the winning of a war which was not of our making or of our desire. After that, we must make sure, in so far as man can make sure, that we set up those agencies by which it may be possible to maintain the peace of the world or to minimize the occasion of war. I suggest that these ideals should ever be foremost. But alongside of these ideals should be the ready acknowledgment of the realities of the moment and of the inherent intricacies which attend foreign affairs generally.

We cannot retreat now. We might be said by some to be building up a supranational government, a super-state, but the latter is not the intention. There is not any desire or any intention of interfering with the normal course of national development but rather it is to see that extravagances in national aspiration are curbed and disciplined in the common interest which in this time and age becomes the interest of men and women all over the world.

I think this government has made an excellent start in this new phase of its foreign policy. It is in line with the aspirations of our people and with those of thinking men and women throughout the world. It now becomes its task to make sure that its policy is detailed and directed in the light of the developments which will soon come upon us. Much work has been done in this country by private agencies and by government officials who have been studying these matters for months and several years. The time is now running when we shall have to place these proposals of ours alongside the proposals of other nations. We must make sure that we develop toward a healthy phase of internationalism without which there can be no peace for any of us.

In conclusion, may I say that the recent conference of workers, employers and governments at the international labour meeting in Philadelphia in May and April of this year laid down on the part of forty-two countries—as good a cross-section of united nations and associated powers opinion as one could find—the indication of a desire in each country that the respective governments should be enabled by their own action to arrive at satisfactory social security measures, that they should set into being, following collaboration among themselves, those forces as a result of which the trade of the world might be restored to its former momentum with proper regulation and encouragement, thereby providing work for their people.

That is a great challenge. In the light of the conditions of the world as we see it, it will be a difficult challenge to meet. That the challenge must be met goes without saying, but it will not be met unless we fully appreciate the dangers involved and the realities—the terrible realities—of the situation. It can be met. We can have social security here at home. We can have a high level of employment such as the leader of the Cooperative Commonwealth Federation party (Mr. Coldwell) and we on this side envisage. We can have economic comfort and security for our people. Let us not make the mistake of assuming that these things can be done by our own effort alone. Unless there is international collaboration on the highest level these things will not be. For that reason we in this house owe a duty to those we represent of seeing to it that our foreign policy is made along lines which will encourage not a policy of exclusion but a policy of inclusion, whereby we shall not drift apart, but whereby all nations, the British commonwealth itself, its self-governing dominions, and the other units of its empire will march in unison with all the nations of the world, making sure thereby, and only thereby, the world peace which all of us desire.

Mr. T. L. CHURCH (Broadview): There has never been a programme before this house which has evoked wider differences of opinion than that which affects this great question of external affairs. The Prime Minister (Mr. Mackenzie King), who has had a long and colourful career in relation to this subject, may remember that we who sit on this side of the house have always pursued a consistent policy in foreign affairs. This is an appropriate and historic day upon which to discuss the question. On the 4th of August, thirty years ago, the first great war, with all the destruction it caused, broke out. May I point out that the period between the two wars, when we threw away our defences and friends, was also most destructive, and nearly destroyed civilization.

I should like to see Canada give some recognition to the achievements of the great generals who in this war have done so much to save civilization. If we followed the example of the United States, which has on two or three occasions elected as president one of its distinguished soldiers, we might well appoint General Montgomery as Governor General of Canada.

In examining the history of Canadian policy in foreign affairs it is important to make sure that we understand what the term means. Since the last war "external affairs" has been invested with a number of new meanings and has included many new activities in the way of appointment of ambassadors to many countries. So far as our party is concerned, one hundred years ago, in 1844, the founder of our party, Sir John A. Macdonald, laid down the principle of Canada's connection with the mother country as our policy, and we intend to continue to support the British connection and all it means and has meant down the ages for freedom and civilization. That policy remains in force, I believe, to-day.

Foreign affairs has been referred to by the writer of a text-book on the subject as largely a matter of what one might call a chartered accountant's policy, by which you strike a balance sheet of assets and liabilities, and decide as a country what commitments you have to meet and what you will be able to do with them in the event of war. That is a very good definition. As I see it, the foreign policy of this country should be based on two principles.

The first is, to give the people all the information you can. On March 21, 1939, a few months after Munich, I took the position in this house that as far as possible the people should be told everything about the real facts of the coming war situation. That has been a good policy in the past. When a grave situation lies before us in external and foreign affairs, commitments are made, as Britain did two years before the war, to Poland, Greece, Czechoslovakia, and other countries, and this bound the dominions, because when Britain is at war Canada is also at war. I believe that the people should be told the truth, the whole truth and nothing but the truth, and that any foreign affairs policy should also be based on the preservation of human liberty the world over.

After all, Britain is not fighting this war for any selfish motive. While the government of our great ally and supporter to the south

is not responsible for statements made in the United States senate and house of representatives, one remembers that statements have been made there during the debates on lease-lend that this was not their war, that it was Britain's war. Neither Britain nor the United States went to war for personal reasons. Britain went to war in honouring her pledge to Poland. The United States, our great ally, and Russia went to war because the one was attacked at Pearl Harbor and the other was invaded. Britain seeks no gain from this war in territory and no special privileges; nothing but honour and justice and the preservation of liberty and freedom for the whole civilized world.

I believe that two or three years ago I suggested to the Prime Minister that we should give the other branch of parliament, meeting in another place, some more work to do. It would be well, I think, to follow the practice in Washington and London and have that other branch go into this matter of foreign and external affairs. After all, they have over there some former premiers and members of parliament of both parties; they include men of wide experience; and we might strengthen our position somewhat and stimulate better discussion if such an arrangement were adopted. The Prime Minister gave two or three times the very reasonable reply that he would take the matter up with the leader of the senate.

Much was hoped from the great conference of premiers held last May in London. At that time a vast armada had been assembled in Great Britain. Thanks to our control of some bases in Northern Ireland the battle of the Atlantic against the U-boat had been won. Nobody knows what the world owes to those brave men of the dominions who on land, on sea and in the air saved civilization at Dunkirk. At the time these magnificent preparations were all but completed there occurred the conference in London at which our Prime Minister represented Canada and addressed both houses of parliament, where he got a great reception, approved by the people of Canada. Everybody thought that something would be done to lay down a constitution and a programme for the empire and to provide some policy for after the war.

The visit of the prime ministers to London came at a time when the invasion of Normandy was about to be launched, with such grave consequences to Europe and to the world at large, and no doubt the prime ministers were told about it and all about foreign affairs. But when you talk about foreign affairs to-day you must remember that everything you plan depends upon one eventuality, namely, victory in this war. Without victory in this war everything that is being said on this whole subject here is beside the point. In my opinion, on this whole question of foreign affairs and a common foreign policy for the future, so far as coordination and cooperation are concerned, the results attained at the conference of prime ministers were not what the people of Canada had expected. It is true that our Prime Minister addressed the conference and so did Prime Minister Churchill. I have not at my command at this moment all the information with regard to the conference, but in my opinion the results achieved on that occasion did not meet with the approval of all the Canadian people—certainly not with the approval of a great many people in this country.

It is true that Mr. Churchill made the statement that it was not necessary to write down in black and white all the sentiments which were shared in common by the prime ministers who met in conference in London, since the provisions of the statute of Westminster had been written down in black and white. He pointed out that fraternal relations had emerged from the common association of the different parts of the empire as well as of the United States and Russia in the waging of this war. Speaking in the British House of Commons on April 21 last, Mr. Churchill said that he had never conceived that fraternal association with the United States would militate in any way against the unity of the British commonwealth and empire, and he referred to the twenty-year treaty that had been made with Russia. Let me quote what he said:

> I have never conceived that a fraternal association with the United States would militate in any way against the unity of the British commonwealth and empire, or breed ill-feeling with our great Russian ally, to whom, we are bound by the 20 years treaty. I do not think we need choose this or that. With wisdom, and patience, and vigour, and courage, we may get the best of both. We have often said of our own British empire: "In my Father's house there are many mansions."

The results of the conference of prime ministers were, in my opinion, disappointing to a great many of the citizens of this country, because, after all, when we are discussing foreign affairs we must remember that everything depends upon common action as between the mother country and the dominions. Without such unity there can be no empire policy. Indeed, a great many people are of the opinion that as a result of that conference reliance will no longer be placed on united action within the commonwealth for the defence of the British empire, but that instead we are

postponing appropriate action now and what is vital for consideration by some new international order, some new league of nations.

I suggest that unless the dominions are united to the mother country now, in this time of war, we shall have little to do at the peace table, because the dominions and the mother country must hang together. If they do not they will hang separately. No one part of the commonwealth can act alone, for the simple reason that it does not possess the armaments necessary to support its position. That is what we have to consider in connection with any fundamental principle of foreign policy.

Look at the commitments which the mother country has made at different times and you must realize that if you are to make commitments you must have the force to support them. That will mean in the future, after the war, that not only Britain and the dominions but the United States and Russia will find it necessary to have a large navy, air force and army in keeping with the commitments which have been made.

I do not believe in any new league of nations, nor do I think that you need look for one. If that is your idea, then you may expect another war twenty-five or thirty years hence. The old league was a sham and failed absolutely. At the conference, I suggest, Canada should have supported the stand taken by Premier Curtin and Premier Fraser, with certain limitations, of course, because I believe there is something in what the Prime Minister said about fraternal relations. But it would have been better, in my opinion, if we had had some form of empire secretariat for collaboration. We are spending $5 million on the League of Nations, with all the offices they have. If we had had a combined secretariat, taking in the mother country and all the dominions, it would have served a very useful purpose, particularly in the post-war period, because it would ensure close collaboration, especially with civil aviation what it is. Civil aviation to-day is one of the great agencies for binding different countries together. I believe that some such plan was given to the conference but they were not unanimous on it.

As regards what has been said by the hon. member for Essex East (Mr. Martin) and others, I believe that on this question Mr. Curtin and Mr. Fraser were absolutely right. In my opinion we would be on the wrong track altogether if we adopted the suggestion that has been made for participation in a pan-American plan, which is a new sort of league. The hon. member for Essex East is running true to form because he has always been a believer in ideas of that sort based on leagues, and separatism and isolation. Well, he is entitled to his opinion, but I suggest that the British empire will be on the wrong track again, as in 1919, if it follows that line. Internationalism should start within the family of British nations. If we are to have internationalism let us start within the British empire. How is it that more of the dominions are not willing to make an agreement of that sort? We are not real internationalists if we are not ready to join with other branches of the empire, the other dominions, as one family in a united empire policy of cooperation and collaboration with the mother country. Why should we not have a league of nations of our own? As has been well said to-day, the only league of nations that has ever achieved any success is the British empire. The United States knows that; the world knows it; and out of this war there should emerge a great league of nations, namely, the British empire. If we have something of this sort there is hope for us in international affairs, but if each separate dominion undertakes to deal with foreign countries along its own lines we shall not succeed. That is a policy to which I am absolutely opposed.

As Lord Milner said in 1919, speaking at Oxford, it was a most strange anomaly to hear that the self-governing parts of the British empire should be joining a league, binding themselves by a formal tie to a number of foreign nations, when they had theretofore been unwilling to enter into similar obligations with one another. There is a great deal in that. At the conference of prime ministers there are many matters which should have been dealt with and which I should like to have seen discussed, such as defence, security, reconstruction, trade and commerce, migration within the empire, civil aviation, empire preference tariffs, and so on.

The Prime Minister to-day gave the committee an elaborate address with a great deal of valuable information, but I suggest that in our foreign policy the main object should be to work with the people of the United States and Russia. Only by so doing can the peace of the world be maintained.

At the same time the coming British empire and Great Britain cannot throw overboard the several countries in Europe that have been overrun by the axis, and look to the mother country to defend them. Britain cannot throw these countries over. They have been loyal to us in two wars. They are looking to Britain for a post-war lead. I believe we should continue to merit the confidence of these people which Britain and the dominions

enjoy. We can make a great contribution as an empire by this unity which Mr. Curtin and Mr. Fraser propose. In that way we shall have a larger voice in the world to come. We have had long traditions of friendship with many countries in Europe, Norway, Belgium, Denmark, Sweden, France and Greece and those other countries. We cannot ignore them in the world to come. In particular we should be on the most intimate terms with France, that glorious country, where so many of our own men of the last war sleep their last sleep till the resurrection morning. France is a great nation. It will always be a great nation as was said by the late King Edward VII of Great Britain. He said that Divine Providence had designed that France should be our near neighbour and always our friend and our ally by geography.

I do not believe that the great general who is the prime minister of South Africa, Jan Christian Smuts, did the empire any good when he gave an interview at the guild hall, in which he said that France will only be a second-class power after this war, because France will always be a great nation. It will rise again. Events that have taken place in Italy have proved that. We saw the military genius of the French soldiers in Italy, and General de Gaulle has given us a demonstration of the integrity of France in this war. I believe that the time is coming when General de Gaulle will be looked on as one of the greatest Frenchmen. I was glad to see the reception that General de Gaulle received here a while ago. He represents the real spirit of France. Look at the reception he got in Normandy. He and his officers deserve all the credit for the uprisings which have been taking place there.

When this war started and after France was invaded, not a single colony of the splendid colonial system of France failed to come to her assistance. The French have a wonderful colonial system. We have a little bit of it in this country. France went all over the world and developed a great many fine French colonies. When the war started not one French colony of the great French empire failed to respond to the call of the mother country, France. They had the utmost loyalty and devotion to her. I hope that General de Gaulle will get the renewed support of the government of Canada, because we have in the past been depending too much on Mr. Ristelhueber and Vichy and Petain. Washington has even now been acting in the same way. As Mr. Churchill said in this house, ninety-five per cent of the people of France supported General de Gaulle. We saw what he did in the St. Lawrence when he went in at the request of the inhabitants and seized the islands of St. Pierre and Miquelon and protected Canada and her shores.

I am sorry to see that in Normandy and in France our ally, the United States, are doing something that I had never heard of before, issuing American currency for use in France to pay for their troops in Normandy. That is against international law and will not be a good thing for the allies. It will not conduce to the allies working together unitedly in this war because it will do harm to our French allies and should not be gone on with.

There has been altogether too much hush policy about the brutal murders on the part of the axis powers. We had the same in the last war. We all know the way in which they have been carrying on and murdering all these people. I believe, as the members of the British House of Commons and the press of Britain have said, that the gestapo police force and everyone else of these murderers should be rounded up and put to death immediately. Russia is acting. They will not wait for any trial by an international court such as has been proposed by some people. They punish them the minute they arrive and catch them. That is what should happen. I hope Canada will support such action.

There are many other problems to which reference might be made. So far as these treaties are concerned, we had them between the two wars and they were disastrous. We saw many democracies go under. We saw democracy crushed in Germany, Austria, Jugoslavia, Greece, Italy, Spain and Portugal. They all went out. None of them had democratic constitutions.

We may rejoice that in 1939 before the war started we had a visit from our gracious King and Queen. The great reception which was given to them showed the popularity of the monarchy in Canada. There is one thing to be said about the British monarchy, it has won a glorious record in this war in the way it has kept the different countries together. The loyalty of the dominions and of public men has been most commendable.

I believe that the dominions should continue to play a much larger share in foreign affairs than we have ever done in the past. If we had a united policy and approached the peace table with that policy we would play a much larger part in world affairs. We have no need to apologize for what this empire has done. Next to the Christian church to-day it has been God's greatest single gift to humanity. The British people and the British empire down through the ages have

been the greatest force for justice and freedom for civilians that the world has ever seen. Had it not been for the mother country, for the British empire and the dominions, humanity would have been crushed out after Dunkirk. This empire will continue to flourish in the future as it has in the past if we are united along with the colonies and the dependencies. I do hope it will flourish. We gradually see the solution of our empire problems, because our empire is the only real league of nations. It has a great mission in the world to come as it has had in the past. We believe in that mission. It would be a great mistake to think that the empire is kept together only by statutes and laws and these things. It is held together by ties that are invisible and by self-interest. I believe we should support British preferences. Are we going to treat Germany, Italy and all those other countries that built up great armies against us; are we going to deal with them in the same way as we deal with Australia and New Zealand? Those dominions came to our support. I say, no. What we should have within our own family is a real empire policy of inter-imperial trade. I have always supported the principles of the Ottawa agreements and preferential trade within the empire. I believe that is one of the things that will bind and cement the empire together. I hope that we shall have some announcement before the session concludes.

We have had three or four wars, Mr. Chairman. Down to the South African war the mother country paid the cost of our participation. New Zealand, Australia and Canada sent troops to it. Every one of them went voluntarily. Many of them fell in the fight. Down to the end of 1900 Britain paid the cost. In 1914 one million men came from the dominions voluntarily on their own sovereignty and status of autonomy. They went over there and fought. Altogether 130,000 fell in the fight. They did it voluntarily. In this war the same thing happened. They rushed from the four corners of the earth, from cape and island and continent. Some of these men had to come 14,000 miles to reach the scene of combat; many of them had to go 2,000 miles by land, sea and air to reach the camp where they enlisted. It has been said that this was a miracle. They did it in two wars to save civilization and rewrite the whole history of the civilized world. I may say that the party on this side of the house has always been a strong supporter of close relations with the mother country. I believe also that the doctrine of laissez-faire, as practised by the Liberal party in the mother country and in this country, has been proved by two wars to be a mistake. In my opinion our hon. friends to the left have made a mistake also, because, as I see it, we shall have to depend upon something a great deal more substantial than leagues and pacifism and the throwing away of our army, navy and air force. As I have said, the basic principle in connection with foreign policy is that if you make a commitment you must have the force with which to support it if war comes. If you have not, you will fail.

I am absolutely opposed to Canada joining the pan-American union; I believe that if we go into that business we shall have another war in no time. We should not link ourselves with any other group of nations without first consulting the other dominions. As the senior self-governing dominion we have no right to make commitments to a number of other countries in South America, some of which were established by our enemies of to-day, over the heads of the other dominions. I rejoice at our cordial relations with the United States, but there is still a great deal to be done. We spend a million dollars in connection with a publicity bureau there, but I do not see that the result is worth a cent to the people of Canada. For centuries history has shown that no power can set itself up to dictate to the motherland, or can attempt to threaten the liberties of the civilized world. We know what happened in days gone by to Philip of Spain, Louis XIV, Napoleon, the kaiser; and we know what will happen to Hitler. Twice in one generation the mother country has saved the freedom of the world.

In connection with the pan-American union I should like to point out that while the United States has been a member of that organization for over fifty years, there has been a reservation in that membership. Washington has said that the United States is not bound to carry out by force what may be proposed by some of the small nations of this union; that she does not surrender any sovereignty, and makes no commitments through her membership whatsoever. That reminds me of this little vest-pocket edition of a league of nations at Lake Couchiching, Ontario, which is to meet next week, attended by all these celebrated isolationists, professors from all over America and others, who will do a lot of pacifist talking, telling us how to run the British empire and how to carry on our foreign affairs and fight Hitler. Dunkirk was the miracle that saved civilization. The young men flying their machines day in and day out rewrote the history of courage and of civilization, and to them we owe our very existence as a people.

Following the last war we decided that we could depend upon peace notes, Locarno, the Kellogg treaty and things like that; we threw away our defences, and by pursuing that policy lost two of our great allies. If that policy is to be followed by support of a new league after this war we shall have another war within twenty-five or thirty years. We need to maintain after this war an army, a navy and an air force to cooperate with Britain, Russia and United States in protecting the peace of the world. We must do something right away to guide the world in the days that are to come, and what we do must be based upon three great principles: the right foreign policy, the right empire policy and the right domestic policy. Those three matters are correlated and complementary one to the other and are interlocked. They are all of the utmost importance. We must return to the conditions of liberty and freedom that we enjoyed in 1939, for that is what the troops will expect to find when they come home. They do not want to return to a Canada in which there is no freedom, where habeas corpus and also the bill of rights have been suspended, where the provisions of magna charta have been also suspended. They do not want to come back to that sort of thing. It may take us a long time to recover our freedom and liberty of the days of 1939, but it must be done, and we must be free of all these controls and bureaucracy.

It was announced the other day that we had entered into an agreement with the United States under which we are to pay $120,000,000 for certain bases built under the direction of the defence board of the two countries. Well, a large part of that money spent was not needed and will be wasted in the northeastern and northwestern parts of Canada. Why did we have to go over the head of the mother country in regard to these bases? This price is far too much to pay for them. Let us decide on a policy of coordination and cooperation with the mother country in connection with all these war bases. Where would we be to-day if before the war we had adopted an international policy with all these other countries in regard to our bases at Gibraltar, Suez, the Cape, the far east, and the West Indies? Russia did not come into the war for two and a half years, and neither did the United States. What if we had allowed all these foreign countries to use these bases for years before the war; what would have happened? I do not mean to refer to our two great allies as foreign countries, because they are fraternal brothers, but it would have been a pretty state of affairs if that had been allowed to happen. Britain, without any objection on the part of Canada, has given away bases reaching from Newfoundland right down to Guiana, for a period of ninety-nine years. It is too bad that between the two wars Canada did not follow a more definite policy of trying to influence British public opinion with regard to these matters, but Canada never had a foreign policy, nor did the United States until Pearl Harbor. The foreign policy of that country was drawn up by George Washington and Andrew Jackson, it was not to have any foreign entanglements or commitments, nor to go to war unless their own country was invaded. Well, it was invaded at Pearl Harbor.

Prior to that, in 1939, what happened? The hon. member for Vancouver South (Mr. Green) made a very fine speech to-day in regard to the Pacific. It was known that the only enemy the United States had in the Pacific was Japan. I do not intend to criticize our brave ally, because the same policy was followed by the dominion, but what did the United States do? In the summer of 1939 they abrogated their commercial treaty with Japan, by joint action of the house of representatives and senate, for it must be remembered that the United States speaks with two voices in regard to these matters. That action gave definite notice that Japan was coming into the war. Then, after the war started, they went to work and made another commitment, under which they treated Germany and the other members of the axis in exactly the same way that Britain and France were treated, although Britain had protected American shores for many years. The United States sold war goods and munitions to Germany and to anyone else on a cash and carry basis.

These bases, to which I have referred, should be held for all time by the mother country; and our brave allies, to whom I have referred, should be allowed to use these bases. We should allow no sovereignty over them but only uses. It was King Edward VII who said in a speech delivered in Paris in May, 1903:

> A Divine Providence has designed that France should be our near neighbour, and, I hope, always a dear friend. There are no two countries in the world whose mutual prosperity is more dependent on each other.

Lease-lend has been discussed at considerable length to-day, and it is my hope that lease-lend with the United States in this war will not turn out as the war debt situation developed after the last war between Britain and the United States. That war debt situation was the chief cause of ill-feeling between Great Britain and her dominions, and the United States. That ill-feeling was the result

of a misconstruction of the war debt situation, because, after all is said and done, after the last war, like the United States, England was a creditor nation when the war ended. In less than twenty years after the war she had lost great sums through unpaid war debts, and she left German reparation payments out of the picture entirely. The United States by that time had manoeuvred herself into the position of receiving most of those payments.

Great Britain was not a defaulter; her debts were paid. My point is that these isolationist representations in respect of war debts have never been adequately answered or challenged. Britain does not even guard herself against those representations. But my prediction as to lease-lend settlement is that unless we are very careful, we shall have the same trouble after this war in bringing about a settlement. I believe that the British empire exists, in spite of geography.

As I said last session:

> While Canada, as Mr. Churchill said, has made a glorious contribution in this war in material things, food and munitions and supply, it is in its man-power overseas on land, sea and in the air, that the sons of Canada in battle have so gloriously rewritten the whole history of courage in this war as to win the admiration of the whole civilized world. We as a people have not had in this war real national selective service, nor any real equality of service nor of sacrifice. Our policy in relation to this was everything by fits and starts and nothing long. We were three years too late in starting a real selective service policy, and have now one that is not national, not selective, nor is there in it any equality of service or of sacrifice.
>
> Further, what Canada has done since before the close of the last century, she has done voluntarily, of her free will and under her own status, sovereignty and autonomy, namely gone to the aid of Britain in her hour of peril.
>
> In the South African war a few thousand went from Canada, but Britain paid the total cost of it.

I do hope that in days to come, instead of discussing foreign affairs for the first time on the 115th day of the session, we may have it at some earlier time, or that a committee of the other chamber might deal with it. I hope that we may have a real discussion. I realize, of course, the heavy work the Prime Minister and his brilliant young assistant from Vancouver have done since the war started.

I wish to say in conclusion that the world does not know yet nor does civilization realize the great service given by Northern Ireland when they permitted the use of their bases. This matter was referred to at the time of the last war. As Mr. Lloyd George said, we would have lost the last war if we had not had those bases. Had not our ships been able to use the southern channel, and so get to Queenstown, where would we have been in our campaign in Normandy only for the Ulster bases and the victory over the U-boats in the Atlantic? Where would we have been if we could not have used these ports? The Eire bases belong to the empire. We should have protested years ago about not having the use of them.

And after almost four years in this war the commander of the United States forces, General Eisenhower, and President Roosevelt have notified Eire that they want them to check the axis raids on Atlantic shipping. The axis aid in Eire gave them a light across the channel to destroy Coventry and Cardiff, as Eire aided Germany. I should like to see the day not far distant when we would close up our useless embassy in Dublin altogether. I fail to see why we need one there, particularly in this time of war. Australia and New Zealand have none and join the United States in a protest against the way Eire aided Germany.

Mr. A. W. NEILL (Comox-Alberni): Mr. Chairman, to save time—and sweat—I shall try to shorten my remarks. The Prime Minister (Mr. Mackenzie King) this morning used an expression which caught my ear. I wrote it down. He said, "We should seek to lower the tempo of nationalism." More power to him, if he does it. But before he starts on that great enterprise, he would gain the gratitude of all of us if he would lower the temperature of this chamber.

Mr. MACKENZIE KING: Hear, hear.

Mr. NEILL: It is disgraceful to see that 245 members have no more sense than to sit here in a temperature of 95 degrees, with our coats on—because our dignity, forsooth, does not allow us to take them off. We had a cooling system put in here some years ago. It never did work, and it has not worked since.

When I first came here members sitting on the back benches could not see to read, because of the arrangement of the lighting. It took me—I happened to be one of the victims—two years to have that fixed. And it was almost a whirlwind job to have it done in two years. It is not good for us and it is not good for the country that we should have to legislate, and conduct our debates in a temperature like this. But it will go on, I suppose, as long as the house sits.

With much of what the Prime Minister said in the earlier part of his speech this morning, I agree. Particularly do I agree with that

portion of his speech in which he endorsed the statements made by the five prime ministers of the different nations, and also with his remarks on the pan-American situation. I will not go further into that, however, because I wish to discuss in greater detail the policy announced with regard to the Japanese, which is so important to us in British Columbia.

The other night when he announced his intention of having this matter discussed, the leader of the opposition (Mr. Graydon) asked for a delay which, with his usual courtesy, the Prime Minister granted. But I think they were wrong. What the leader of the opposition should have asked for was a day's delay after the Prime Minister had spoken. Then we would have been in a position to see in print exactly what his remarks were. To-day, however, having heard them verbally only once, we are not in a position to give his address the genuine or careful consideration to which it is entitled. Several days are always left between the speech from the throne and the debate, and on many occasions the matters contained in the speech from the throne are not as important as the policy the Prime Minister announced this morning.

Also, I should like to study it, and understand all its implications—because I just caught certain phrases which, perhaps years hence, might prove qualifications or modifications of what I thought the policy was. Some of the statement I think had qualifying clauses which might considerably change the meaning when it comes to be interpreted in days ahead.

However, as I gathered it, the Prime Minister laid down three basic lines of policy in regard to the Japanese situation. One was that it would be unwise to let all the Japanese return to British Columbia. If I am not strictly accurate in my understanding, the Prime Minister can correct me. I am stating only what I gathered. The second point was that all those of Japanese origin proved guilty of disloyalty should be deported, and the third one was that there should be no further immigration.

I shall comment on these three, what the Prime Minister called basic policies. As regards the first, my conviction is—and I believe this is the conviction of ninety per cent of the people of British Columbia—that every one of those of Japanese origin should be repatriated at the end of the war. The argument against doing that to them all does not seem to be any stronger than the argument for doing it only to those suspected of disloyalty, because, to amount to anything, it would have to cover those who are only suspected. If a man has been proved guilty of disloyalty or treason, of course he is in gaol and he does not need to be deported. Therefore, if the provision amounts to anything it will have to apply to those who are suspected of disloyalty. In one case it covers as much as the other. If you are going to deport 200 people, you might as well deport 2,000 or 22,000. If you are going to repatriate only those who are convicted of disloyalty you will have to get a conviction of treason against them. Then, if you did that, they would be in gaol and the need for their repatriation would not arise.

There would be objection to the suggestion that they be spread out among the provinces. I have in my hand a copy of an agreement made by the British Columbia security commission. This is just the same as the government because the government gave them power which they never should have been given. They were turned loose with every kind of power but that of sending people to the gallows. They were given the power to run this particular business. This particular agreement bears the signature of the Minister of Labour (Mr. Mitchell), giving his approval to it. One section of the agreement, outlining what the commission will do, reads:

> The commission agrees to remove or to have removed from the province, upon the termination of the state of war now existing between Canada and Japan, the Japanese temporarily placed or maintained within the province pursuant to the terms of this agreement, as requested so to do by the province.

That is the agreement with Alberta, and I understand that there are similar agreements with other provinces. They may not be couched in exactly those terms, but they mean the same. The arrangement with Manitoba was not in the form of a signed agreement; it was arrived at by an exchange of letters, but they agreed to do exactly the same thing.

If you take these people away from Alberta, where are you going to send them? Are you going to break faith with the people who let them into Alberta on that understanding? Are you going to send them back to British Columbia where you have said already that they must not be allowed to creep in again. There is only one thing to do with them, deport them. You cannot coerce Quebec or Nova Scotia or any other province to take a certain number of these Japs. Those provinces would not like it and you would not expect them to do it. I understand from the grapevine that some of the provinces that took them in in good faith because they were in need of labour are beginning to realize that their philosophy and system of life, their

ambitions and the goal toward which they are working, are not in harmony with those of the province. They are looking forward to the day when those Japanese will be taken away.

I suggest that this policy will be unworkable. They should all be repatriated. If you are going to do it in a partial way, then you can do it in a complete way. The Prime Minister has suggested setting up a commission to find out those who are disloyal. I presume this will mean that each man will be asked to take an oath of allegiance to the king. I predict that that will be taken by ninety-nine and a half per cent of them just as glibly and as unconcernedly as we would take an extra cup of tea if our host pressed us to have one. The occidental oath means nothing to the oriental. He has his own ideas about what is binding. I believe they tried a similar thing in the United States, and a surprising number of those who had been born in the United States refused to take a false oath. Some of them said that they were neutral and others said that they stood by their emperor whose country they had never seen. I should like to quote what Kipling said:

> The stranger within my gate,
> He may be true or kind
> But he does not talk my talk—
> I cannot feel his mind.
> I see the face and the eyes and the mouth,
> But not the soul behind.

Another verse reads:

> The stranger within my gate,
> He may be evil or good,
> But I cannot tell what powers control—
> What reasons sway his mood;
> Nor when the gods of his far-off land
> Shall repossess his blood.

That was said by an able man who knew what he was talking about. The Prime Minister and everyone who has studied this question knows that the oriental is not capable of being assimilated with the white race. That is the answer to those who say, "Why do you treat the Japs differently from the Germans or Italians?" They do not assimilate. They simply look forward to the day when all countries and races from Hawaii to Alaska will be governed by their emperor. I have seen that in translations of some of their propaganda. Intermarriage is the only way you can assimilate, and the records show how very few cases there have been of intermarriage, and how unsuccessful they have been. There is some difference between oriental and occidental blood which will not permit them to mix. At any rate they do not want to mix with us.

Once the Prime Minister has admitted, as he has to-day, the salient fact that British Columbia will have none of them after sixty years experience and after sixty years has proved that they cannot and do not want to marry with our race, then I submit that there is no other logical course open to him than to go the whole length—the opportunity will never happen again—and get rid of them. History records cases where such repatriation has been highly successful. When the Turks defeated the Greeks in 1921 all the Greeks in Asia Minor were sent into Greece, and Turks were moved into Asia Minor. Something like 400,000 people were moved, and we are talking of repatriating only 22,000. That repatriation of 400,000 worked very well. The families of some of those Greeks had lived in Asia Minor for a thousand years, but they were sent away.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. NEILL: At six o'clock I was referring to the precedent of removing people in large bodies. I cited the incidents of the Turks and the Greeks, totalling something like four hundred thousand, who were exchanged over a wide area. For some of them the district had been their ancestral home for a thousand years; yet circumstances justified the policy of removal, and it worked. I suggest that it might also be worked out in the case of removing Japanese in Canada. If four hundred thousand people can be successfully transferred in another part of the world we do not need to make a fuss about removing twenty-five thousand, especially as most of them are not beyond the second generation or, in a very few instances, the third generation.

An attempt has been made to play up the fact that the Japanese have not been convicted of sabotage. No, they have not, to any extent; but if the Japanese army had landed in British Columbia, what would the story have been then? I notice that advocates of the Japanese in dealing with this subject always talk about them as "Japs". But they are not Japs; they are British subjects; that is the argument, at any rate. These advocates never talk about "British subjects" not getting a square deal; they always talk about "the Japs" as not getting a square deal, thus recognizing that they are not British subjects. It may have been noticed that when a deputation of them came here to ask for the vote, as they did before a parliamentary committee some years ago, they did not ask that it be

extended also to Chinese and other orientals; they only wanted the privilege for themselves. As I say, they regard themselves as Japanese and are so described by their advocates. If they are British subjects, in that case they come under the ordinary law, or should do so at any rate.

The Japs who lived around Pearl Harbor had nothing but love for their white brothers until the war struck them. How are you going to prove that they are loyal? Ask them to get up and sing "God Save the King" and take an oath of loyalty? Of course they will do that. An oath means nothing to them. They would just as readily sing "God Save the King" as "Heil Hitler", and with just as much sincerity and intention of being loyal to one authority as the other.

I have mentioned this incident before, but I want to do it from a different angle. A man who held quite a good position as a doctor in Pearl Harbor had a summer home close to where I lived, and he employed a Japanese couple whom the family regarded as thoroughly reliable people. I am perfectly certain that if they had been asked six months before the war whether these Japs were loyal, these white people would have said, "Certainly. We have known them for twenty years. They could not be anything but loyal; they have been so faithful to us." But came the day of Pearl Harbor, and a United States detachment came along and took the Jap man out and shot him. There was ample proof that he had been a traitor all the time. He had obtained plans of Pearl Harbor, and also in his portmanteau they found charts of the ports and waterways in the district of British Columbia where they lived. The Jap woman expressed regret to the family; she said, "You have been just like a father and mother to us, but we had to do it because we serve the emperor." Yes; they had been loyal to United States institutions, but when they came within the orbit of a greater loyalty, that to their country of origin, why, then it was quite a different story.

It reminds me of a story, or rather of a tradition. In Scotland it was the habit of the kings to go around and listen to the grievances of their subjects. Any criminal had the right to claim a hearing from his king. The monarch visited what we would now call a penitentiary, and all the prisoners wanted to be interviewed. They all said that they had been treated horribly. They had been "railroaded" to prison; yet all of them were as innocent as a yoke of oxen, and if the king would only let them go it would be lovely. But one man remained silent. The king asked, "What is the trouble with you? What injustice do you complain of?" The man answered, "My lord, I have not had any injustice; I stole a horse and I am punished for it." The king said, "What! you stole a horse! You are a regular villain;" and he turned to the gaoler and said, "I will deal with the cases of these innocent people the next time I come around, which will be about five years from now, but I direct you to throw out this wretched criminal, who stole a horse and who admits he stole a horse. I will not have these innocent men polluted by a blackguard like that. Throw out the man who says he stole a horse".

So it is with the Japanese. Put them in court and ask them if they will be loyal; why, they will be loyal to anything you could mention—for the time being.

The Prime Minister says that we must in some respects follow the policies of the United States. I would accept that counsel with a great deal of caution. Their problems, though in some sense analogous, are not identical. For one thing, the proportion of Japanese in Canada is far greater than in the United States, although in numbers there are many thousands more in the United States. At any rate we are running our own affairs and we are not obliged to follow anybody else's policy.

I believe the Prime Minister's second basic policy, to report only those convicted of disloyalty, is untenable, because ever since they have seen that the white man is holding his own they have been careful to avoid sabotage. It will not do to issue certificates to people as being loyal because they will sing "God Save the King." Oh, but, we are told, this is absurd; you will have to get some evidence; you cannot indict a whole nation. You cannot ask a man to prove his loyalty. A Jap can get some person who has dealt with him for twenty years, to say, "I know Homatka; he is all right; he has bought groceries from me," and unless you can get convincing evidence that he ought to be in the penitentiary, he is turned loose with a certificate that he is, so to speak, a white man.

A few weeks ago I saw in a Vancouver paper that one of the officials, an inspector who was connected with the job of taking care of the removal of the Japanese—I have not the cutting here, but I can speak from memory —gave testimony that the third generation of the Japs were the worst to handle, because they were better educated and knew what their so-called rights were, but they were just as firmly embedded in the traditions of their forbears as were the first generation. This man rather favoured the Japs; he said that

they had not done any sabotage; but he did say that the third generation was worse than the previous ones.

The Prime Minister also suggested that, even if it were found that a Jap was guilty of certain things, it would be very natural for anyone to be stubborn in defence of his own property, which is an easy way of explaining, perhaps, subversive action. I am rather afraid of a commission or a man to whom these duties are committed going out with that point of view. The Prime Minister himself does not handle these things; he is more or less in the hands of his officials.

There was an official appointed, of course, by the government, to handle the situation out there in the matter of removing the Japs. His name was Trueman. Before he left Toronto on his way out he said that he was familiar with the situation and that the whole trouble was caused by mob hysteria on the part of the white man. There is a nice, competent commissioner to decide whether these men are loyal or not. Can he look into a Jap's soul? But he knows before he starts that this is all due to the mob hysteria of the white man. That official ought to be fired.

Mr. CRUICKSHANK: Or shot.

Mr. NEILL: Well, no, but he ought to be sent to live with his "friends."

There is one thing the Prime Minister said with which I entirely disagree. He warned us of what repercussions might occur affecting our Canadian soldiers or sailors in Japanese hands if the Japs did not like the way we treated the Japanese here. That might well be so, if the proposal was to perpetrate brutalities or injustices or anything of that kind upon these men. But this is a totally different thing. I have had considerable experience in dealing with native races, both with them and where they live, in all parts of the world, and I know from experience that the best way to treat them is with strict justice. If you give the native more than justice, the native mind is such that he thinks you are afraid of him; he fancies he can take liberties with you. But if you deal out to him even-handed justice; if he knows that when he does wrong he will be punished, then he will be a much better man, and he will not only respect you but realize that it pays him to play the game. I am very sure, on this point, that our men in Japan will not suffer because we treat the Japanese here justly. If we were to treat them unjustly, the consequences would certainly be different. In any event, what we propose is part of the peace terms, and it will then be too late to do anything very much. People who know the situation will endorse what I say, that the way to deal with a native is not to pamper him and show that you are afraid of him, but be just, by all means. What keeps the population of India, with its teeming millions, under the control of a handful of men, some of them no more than lads just out of Eton? The answer is, the "face" of the white man. They have great regard for "face" in the orient. You must keep face with them and live up to your traditions, and you must be fair. But once you begin to weaken or give any hint of being afraid, that moment you have lost your power.

The Prime Minister's third line of policy was to stop immigration from Japan. I welcome that most sincerely. He knows how urgent I have been on that point during the last twenty-three years. There seemed, however, to be some qualifying phrase in what he said in this regard; he said something to the effect that it was for a time at least, that it was subject to revision, or something of that sort. He also used a phrase which I did not like when he said something to the effect that the whole policy, of course, would always be subject to circumstances which might arise. Well, that rather undermines the entire force of what he said in this connection; it undermines the full force that we might otherwise attach to the declaration of policy which he gave to the committee this morning. However, when we see *Hansard* to-morrow morning we shall know then exactly what the Prime Minister said and we shall then be in a position to see the full force of his statement. I appreciate fully the attitude he takes against further oriental immigration, but I am afraid he is leaving too many loopholes in the other branches of his policy to have it very effective.

He says that he will spread them all over Canada. I suggest that if you have cancer in your little finger you are not going to do your body any good if you do anything that will result in spreading that disease throughout your system. Similarly, if you start little centres of shintoism with its evils, such as the Japanese devotion to their emperor, all over Canada, where will you end? And where are these people to be sent? We in British Columbia do not want them and we may take the perfectly selfish attitude and say, "It is all right so far as we are concerned if you send them to other provinces; they will not bother us any longer." But that is not fair, because we know these people and others do not. I do not see how it can be done because every province into which they have penetrated has received a pledge that they will be removed whenever the province so asks. They hold a pledge from the dominion government that these people will be taken away

whenever those provinces ask that this be done. Where then will they go? I read this afternoon that there will be a request that they be taken away from Alberta. Well, they cannot be taken back to British Columbia. As I say, we do not want them, and we have the Prime Minister's promise that they will not be sent there. Will they be sent to Ontario? Oh, no; Ontario does not want them. Well, where are they to go? We shall certainly hold him to his pledge to keep them out of British Columbia, but at the same time we do not wish them on others. That would be like the mayor of the small town, when it was reported that a case of smallpox had come to town, meaning expenses of isolating those who were affected and cost of nurses and guards and all the rest of it; he had them put on a train going out of town just to keep things quiet and to shift them to some other place. That was all right for him and for the people of his town, but we do not want to play a trick like that on our neighbours so far as these Japanese are concerned.

Some philosopher or statesman, or whatever he was, once said that under a democracy the people eventually get the kind of legislation they want. I hope that is indeed true. I assure the government that we in British Columbia certainly want the elimination of the Japanese population, and now is the time to get rid of them. The chance will never come again. The Prime Minister told us that they will not come back to British Columbia and we stand by that; his word has been given. But, I repeat, we do not want to be selfish. On one occasion the Doukhobors were annoyed by those little animals known as gophers; and since they did not believe in taking life they caught the gophers on their place, put them in a box or something of that sort, took them a few miles down the road to the property of someone who was not a Doukhobor and turned them loose. Well, if we are beset by pests of any sort we do not want to turn them loose on other people. We may say, "God help you, but it is all right for us; we have nothing to worry about now." But that, I repeat, is not the proper attitude to take.

After all, many of us came from the east where we have friends and relations and we do not want the people in this part of the country to go through the experience we went through. I do not think it will be possible to settle the Japanese elsewhere for the reasons I have given. That is the first point I wish to make. Secondly, I do not think it will be possible to test their loyalty individually, because that is something you cannot prove. You can judge them as a nation on their record. You cannot prove what is in a man's mind or soul or what he will do under any given circumstances.

The third point is with reference to the stopping of immigration, and that is one thing for which we can hold up both hands. I heartily congratulate the Prime Minister on that. But that is not enough. When our soldiers come back, with the recollection of the atrocities which their comrades have suffered, it will cause a very great deal of hard feeling in British Columbia at least, and for the sake of the Japanese themselves it would be better for them if they went back to their own country. With the knowledge and education which they have acquired here they could do well and elevate their own people and be prosperous in their own way.

I foresee trouble. I am not one of those who say, "Wait until the soldiers come back and they will use their bayonets." Not at all; I shall support law then as now. But it will be a very unpleasant situation and nothing but trouble will arise, so that for the Jap's own sake they should be taken away. I am speaking for those whom I know and whose welfare I have at heart; I have no axe to grind or votes to get. But it would be a great thing for Canada in the future if the government took this opportunity, which will never come again.

By the way, I did not mention one item when the Prime Minister said we would have to guide ourselves in some respects by the policy of the United States. I hold in my hand a copy of a bill which has been introduced into the house of representatives, being an act for the deportation of Japanese aliens. It will be seen that they are paying some attention to this matter in that country. The bill was introduced on May 9, 1944, and referred to the committee on immigration and naturalization, and the man who introduced it writes to tell me that he has good hopes of its passing. He ought to know; I do not know. However, it shows that there is feeling there too, and I suggest that it might be well for us to give them the lead instead of waiting for them to show us the way. At any rate, let us manage our own affairs. British Columbia is solidly against the presence of the Japanese now or in the future. A great many have been moved away, but there is no way of keeping them out unless you deport them. Does Nova Scotia want them? I do not think so. Does Prince Edward Island want them forced on that province, or can they be forced on the people there? I do not know the answer to that, but I hope the Prime Minister's actions will be more decisive than the

manner in which he pronounced his policy, because there was rather too much qualification in what he said. However, we shall see to-morrow what he actually said, and in the meantime I want to make it clear beyond the shadow of a doubt that what British Columbia wishes is to get rid of the Japs, dead or alive.

Mr. MACKENZIE KING: Now that my hon. friend is speaking on this question, I think this is an opportune moment to clear up exactly what I meant by stating that there should be consideration, in any policies we may have, of the policies of the United States. These are the exact words I used:

> Moreover, we shall attempt in so far as it seems desirable to maintain a policy that can in a sense be considered as part of a continental policy in handling the Japanese problem. The situation in the United States is in all essentials the same as our own—

I believe I interrupted there and said, in most essentials.

> —and to the extent which seems desirable we shall endeavour to ensure that our policy takes account of the policies which are being applied south of the border. There is no need for an identity of policy, but I believe there is merit in maintaining a substantial consistency of treatment in the two countries.

I stand by every word of that, because I feel that in relations with the orient this country cannot afford to do anything other than carefully to study the implications of policies in the United States towards the orient. Sooner or later their policies in relation to ours are going to affect, for better and for worse, the relations between our part of this continent and the orient, and the United States and the orient. What I have in mind is this: We have all in international affairs to take a long range view. I, for one, will say that I believe it will not be long after the war is over before the business community of this country, the manufacturers of this country and the producers of this country, will be anxious to secure all the markets that they can possibly get, and the markets in the orient will be among the markets that they will be seeking. I think that very few of them will hesitate to make sales in some parts of the Japanese empire, or what may be left of it, if there is possibility of securing a market. One thing I am perfectly sure of is that the Americans are not going to hesitate to seek to get into all the markets of the orient and to establish themselves firmly there. I believe a government that did not recognize that it was most important to see that we are, at least, as fair and reasonable in our treatment of the nationals of an enemy country as the very powerful country to the south may be, would not be taking the view that was in the national interest of Canada.

That is what I mean by saying that I feel that when the day comes that another effort will be made to bind up the wounds of the nations of the world, in establishing a new world order, we should be careful to see that meanwhile we have not taken positions which will not be forgotten even by our enemies.

Mr. NEILL: I might just say one word to that. I think the time for that logic is past. It is exactly twenty years this month, I think, since the United States passed a law prohibiting entirely the immigration of Japanese into that country. We did have and still have a limited immigration law allowing so many to come in. The same argument was used twenty years ago as is being used to-night that we could not afford to antagonize and lose the chance of getting the trade of the orient because, if we did, the United States would reap at our expense. The United States did take their courage in their hands and cut immigration right off. They said, "No more immigration". I remember using that argument to the Prime Minister in urging that we should do the same thing, that that was our opportunity and that it would make no difference. Time proved the truth of it. We did not get any more business because we allowed a certain amount of immigration. They did not cut off and boycott the United States on account of their action. Trade will go where it is most profitable. You may not like the kind of boots or the colour of the hair of the man in the grocery store at the corner, but you will go down there and buy rather than walk ten blocks farther down the street, particularly if the price is right. Trade will always follow that policy. Have we not been relying too much on that trade idea and thereby sacrificing our traditions of the white man and so forth, all for the fear of losing some trade? As I say, trade will go where it is profitable to go. Are we going to win a bloody war and then sit down and lose the peace by fighting for markets here or there? I am grieved indeed to hear the Prime Minister take the attitude he has to-night. I think the time has gone past for that.

Mr. MACKENZIE KING: May I remind my hon. friend, if I wished to follow him in the matter of logic, that when their time for war came the Japanese declared war against the United States; they did not declare war against Canada until after this country was at war with them.

Mr. STIRLING: It did not suit them to.

Mr. NEILL: They declared war the moment it favoured them.

Mr. A. W. ROEBUCK (Trinity): I hope that the hon. member for Comox-Alberni (Mr. Neill) will not expect those who follow him in this debate to take part with him in his discussion of the Japanese question, and certainly not to follow him in some of his logic or attitude. It seems to me that the hon. member loses a little of the influence he might otherwise possess in this house and in the country by too evident a dislike for the subject of his remarks. What he fails to appreciate in the policy of the Prime Minister is that it is guided not by likes and dislikes. We all have a right to like whom we please; kissing goes by favour, but statesmanship is based not upon favour but upon justice. I caught the words from the hon. gentleman himself that the way to treat the oriental is with strict justice. Of course that is right. It is not whether we like the Japanese or dislike them; they are human beings and have certain rights, and those rights must be respected, not for their sakes but for our own sakes.

Mr. CRUICKSHANK: Why will not Toronto take some of them?

Mr. ROEBUCK: I think Toronto has a number of Japanese-Canadian citizens. They are not Japanese; they are Canadian citizens of Japanese origin.

Mr. CRUICKSHANK: Your province will not take them.

Mr. ROEBUCK: Our province has not the power to do otherwise than to take them, and there are a fair number of Japanese Canadians, and some who are not Canadians, in the province of Ontario at the present time. I am not going to defend the Japs, but I find it difficult to imagine that anyone can be so bad as the *bête noire* of the hon. member for Comox-Alberni. It may be so, but it does not make any difference whether they are good, bad or indifferent; our job as legislators, the Prime Minister's job as a statesman guiding the affairs of this country, is to deal out even-handed justice to everybody. When it comes to immigration into this country we have a right to say that this one shall come in and that that one shall not. The Prime Minister is within his rights when he says that there shall be no more Japanese immigration to this country, but when it comes to dealing with Canadian citizens born in this country or nationalized by us in a solemn way by legal process, that is another matter. These people are Canadian citizens and have a right to be treated as Canadian citizens.

Mr. O'NEILL: Will the hon. member permit a question?

Mr. ROEBUCK: Certainly.

Mr. O'NEILL: Would the hon. member consider that a person born in this country and holding dual citizenship is a good Canadian citizen?

Mr. ROEBUCK: All you have to do is to show that and you can cancel the Canadian nationality of the individual; but you must not punish the innocent because of the guilty. There may be some who have dual nationality, who owe a loyalty to the emperor of Japan and who attempt to show the same attitude toward the king of England. It cannot be done. If you can show that, there is no difficulty at all in cancelling the British citizenship, and I rather think you could cancel the nationality of even a person born here, although I am not so sure about that. My point is that you must not do these things by rumour and assumptions. Even-handed justice requires that we prove such charges against the guilty individual and not in a broad way assume that all must be guilty because of some national characteristics. I have found even in my short experience that usually characteristics attributed to large sections of a community, to groups, to nationalities, to races and so on, have very little foundation in fact. They are usually fictions. For instance, there is a fiction that the French are excitable, the English phlegmatic, and so on; I could mention many more. Usually these are not based upon facts but upon assumptions. The French are often phlegmatic and the English excitable. So that perhaps it may be with those of Japanese origin who have had the benefit of long years of association with Canadians and of Canadian training. It may be that they are not quite so bad as, say, the military clique who guide the destinies of Japan. It is not my intention to-night to argue the question of the Japanese or to constitute myself their champion.

Mr. CRUICKSHANK: You sound like it.

Mr. ROEBUCK: I am the champion of democracy, of justice and of right, applied to anybody; and I am not going to imbibe here the violent prejudices of the hon. gentlemen from British Columbia.

Mr. CRUICKSHANK: Oh, nonsense.

Mr. ROEBUCK: I have listened with a great deal of pleasure, Mr. Chairman, to

the discussion carried on to-day on the broad questions of foreign policy. There was a time when we Canadians found it very difficult to discuss our own national problems, because in the minds of some people, whenever we asserted Canadianism we were in some way anti-British. Nothing of the kind. As Canada gradually emerges to nationhood; as the complex of the little man disappears and we become powerful and influential in world affairs; as our position becomes more clearly recognized abroad, we are approaching our national questions with a little more sanity and reason. The only vast difference that I see between the Canadianism I have heard expressed from across the floor, particularly by hon. members of the Progressive Conservative party, and that held so firmly on this side of the house is this. While we are all for Canada, there seems to be some doubt across the way as to whether or not we have grown up. They are still in the Kipling age: "Daughter am I in my mother's house, but mistress in my own." That was a very catchy and descriptive phrase when it was written by Mr. Kipling, but that was a good many years ago. The day has gone by when Canada is daughter in anyone's house, though undoubtedly she is mistress in her own. Those were the days when Canada's right to guide her own foreign affairs was still in doubt. Then we were daughter in our mother's house. To-day, however, we are peers in the British commonwealth of nations, in which none is in any way inferior to the other in any aspect of our domestic or foreign affairs. In that attitude I beleive we are far stronger than in that advocated from across the aisle; that is to say, an adult nationhood but in some way subservient to some other nation.

Mr. GRAYDON: Who over here advocated that?

Mr. ROEBUCK: My hon. friend came very close to it.

Mr. GRAYDON: That is not the same thing.

Mr. ROEBUCK: Well, there is no question that the hon. member for Broadview (Mr. Church) advocated it. If I understand the English language aright he desires some sort of centralization of power across the ocean. He is not satisfied that Canada should stand on her own feet, make her own decisions and, working in cooperation with Great Britain and the other members of the empire, go forward in unity, in concord and in cooperation. I heard the hon. member say that the strength of the empire is in unity, and of course with that statement I thoroughly agree. The strength of the empire is in unity; but if that unity is to be brought about by subservience on the part of Canada to any other people, any other government or any other power, then that unity is bought at too great a price. The unity which makes for progress and influence and power is that which is manifest among free peoples, voluntarily associating in their own ways for the accomplishment of some common object.

It is obvious that we cannot have one voice for the whole empire. Each must have its own say in its own way. One is not a realist if he does not see that some of the questions which are important to Australia and New Zealand are not so important to us, while some aspects of our foreign affairs are of little interest to either Australia or New Zealand. We have a coast on the Atlantic as well as on the Pacific. So with South Africa; in her foreign affairs she would not be much interested in our relationship, for instance, with the great country of Russia. It is necessary that each portion of our great commonwealth live its own life in its own way, making its own decisions and expressing itself through its own representatives. In that way we shall develop a powerful empire.

The subject uppermost in my mind at the moment, however, is not the broad question of empire solidarity. On February 1 last I brought to the attention of the house an interesting and, I think, important subject; that is to say, the Palestine situation. A considerable section of our community is looking to me at the present time to say something about that subject, and to bring it up in the course of this debate. It is hoped that a policy will be announced by Great Britain and the United States, perhaps in the near future. I trust that it may be soon. One reason for thinking something of that kind may be in immediate prospect is the fact that Viscount Gort was recently appointed high commissioner of Palestine. Viscount Gort is known to have a sympathetic attitude not only to individual Jewish people but to the Jewish problem in general, and it is hoped that in consequence of his influence something beneficial may evolve. Unfortunately, however, there is also a rumour—perhaps it is nothing more than a rumour—that the policy to be announced will involve the partitioning of Palestine. Be it remembered that when the Balfour declaration was published it was understood to refer to Palestine as it exists to-day together with Trans-Jordania, making an area of some thirty-five thousand square miles. Somehow in the course of the years Trans-

Jordania has been dropped from the argument that centres about the Balfour declaration. And so to-day there is involved an area of about 10,000 square miles, taking in the Jordan river and the Dead sea, right up to the north. The proposal made in 1922 for the partition of Palestine involved the creation of two states, one Jewish and the other Arab. There was to be given to the Jewish state territory comprising some 2,500 or 3,000 square miles. Excepted out of that territory was the great port of Haifa, the valley of Jezreel, which runs across the north of Palestine, and the river and valley of the Jordan and the Dead sea. So that the agricultural territory which remained was without any flow of water, other than what would be obtained from wells. Quite obviously, the area was so small and the resources so limited, particularly the resources of water, that the portion which remained was an economic impossibility. That is the proposal which is again rumoured as a possible announcement from the two governments.

I place myself, and the very large Jewish community of this country, in direct opposition to any such proposal. I hold in my hand excerpts from a brochure presented by the Zionist Emergency Council to the state department of the United States on the 7th day of this month. With the consent of the house I shall read some excerpts from this somewhat remarkable document. The committee says:

> Partition is no new proposal, as far as Palestine is concerned. The Balfour declaration, with its promise of a national home for the Jewish people, was originally intended to apply to the whole of historic Palestine, including Palestine east of the Jordan, or Trans-Jordan as it is known to-day.
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> In September, 1922, however, the League of Nations, at the instance of the British government, excluded Trans-Jordan from this area. More than two-thirds of the territory originally designated as the Jewish national home was thus closed to Jewish settlement.
>
> Further partition of Palestine proposed in 1937 by the Palestine royal commission recommended the establishment of a Jewish state on an area of about one-fifth of Palestine west of the Jordan. The remainder, apart from a small British enclave, together with Trans-Jordan was to become an Arab state. In parliament this proposal was severely criticized, among others, by Winston Churchill. No proposal for the future of Palestine can be acceptable to the Jewish people which precludes the possibility of large-scale Jewish settlement and colonization. But partition would be a severe blow to the economic welfare of the Jewish state. It would be detrimental to industrial expansion and would greatly limit the possibility of absorbing a large Jewish population.
>
> So far as agricultural colonization is concerned, partition would be fatal to any important project for close settlement and intensive development. For any conceivable partition of Palestine would necessarily separate the important water resources in the north from the irrigable land in the south which offers the greatest prospect of development.
>
> Such a political separation of water and land would of course entirely preclude the development of Palestine in regional terms along these lines.
>
> To-day Zionists are unanimous in their opposition to any partition. While some of those Jews who will survive the war will no doubt desire to return to their countries of origin, for very many emigration and in particular emigration to Palestine where alone they can claim to go as of right and will be welcomed by their own people, offers the best, if not the only prospect of a new and more hopeful future. In order to meet the needs of such a large-scale immigration it will be necessary to make use of the possibilities as a whole, and any reduction in the area of settlement would be regarded as introducing a corresponding limitation on the numbers who may thus be rehabilitated.

The matter becomes of very great national and international importance at the present time because of the situation in Hungary. Before the war, Hungary had a very considerable population of Jews who had lived there for many centuries. The educational institutions of Hungary were known world-wide. Many of the leading Jewish people in communities all over the world have found their origin in Hungary, and their education in the institutions of that country.

When the war broke out there were about a half million Jewish people in Hungary. As the war progressed, the population of Jews increased, because of refugees. The Jewish population increased to nearly a million. I believe the figure was 900,000. To-day the Jewish population of Hungary is about 400,000. Five hundred thousand Jewish people have disappeared. Where they have gone we do not know. But we do know that 100,000 of them were deported at one time to be murdered by the nazis in Poland. We know that through Catholic sources, and also from the Polish government in exile. We know it, too, because the Pope sent a message to Admiral Horthy, Hungarian regent and head of the Hungarian state, protesting and pleading that deportations cease.

Mr. Hull, Secretary of State for the United States, as late as July 14, 1944, stated that the entire Jewish community in Hungary faced extermination. He threatened punishment to the state of Hungary if it persisted in violation of the most elementary of human rights. Partly as a result of what was said by Mr. Hull, partly because of what was said by His Holiness the Pope, and to no small degree because of the menacing Russian army near the borders of Hungary, a message has been received by the International Red Cross from Admiral Horthy that he is prepared to give

an exit permit to any Jew who can show a visa to Palestine, and to any Jewish child under ten years of age for whom entry can be secured to any of the allied countries.

We can all express abhorrence of the barbarity of the nazis. We can repeat over and over that the whole world is outraged at what has gone on in Central Europe with regard to this unfortunate population. But I suggest to you, Mr. Speaker, that more outrageous is to express sentiments of abhorrence while, by our actions, showing ourselves willing to do nothing. The time has arrived when the united nations—which includes Canada—must take action in this matter, and it is easily taken. We must either be rescuers or accomplices. I note that at the Burma conference on May 19, 1943, Mr. Eden made this statement:

> We shall do everything in our power to help these people.

The time has come to do the helping. Trains still run from Budapest to Istanbul, from Hungary to Turkey. With Turkey now breaking with Germany it should not be difficult to secure cooperation in the Turkish capital. There are trains running to-day from the Turkish capital to Haifa in Palestine.

We have not done so very badly during the last year. Some 9,000 refugees have entered Palestine. That is a trickle, it is true, but still it is 9,000; it might be worse. But there remain only 20,000 visas, according to the white paper against which I spoke in February last, and these are being reserved for refugees from the occupied countries. It is time that Christian nations express in a practical way what they intend to do with regard to the plight of the Jews in Hungary and elsewhere.

There is no difficulty in absorbing large numbers of these people in Palestine. I understand that discussion are now going on between the authorities of Palestine and those of Egypt to bring in 15,000 Egyptian labourers in order to meet the man-power shortage in Palestine. Large numbers of these refugees could be accommodated in Palestine to-day if the British empire governments and the United States would insist that the door be opened, as it was intended to be opened at the close of the last war, and give these poor people the haven of refuge for which they have worked and struggled and which they now need so tragically.

I once had a remarkable Jewish friend, who used to say that the mission of the Jews was to bring Christianity to the Christians. It occurs to me that if there ever was a time in world history when Christians might bring a little Christianity to the Jews, that time is now. I know our Prime Minister is sympathetic in this matter. He has never turned a deaf ear to any one in distress, and from his door no lame dog has ever limped unhelped. I appeal to him to give this matter the most effective handling of which his department is capable.

Mr. A. R. ADAMSON (York West): Mr. Speaker, I consider this debate probably the most important that we could have in this House of Commons at this time, because the future that we shall play in the world depends upon our external policy. I listened this morning to the Prime Minister (Mr. Mackenzie King) with a great deal of attention; I listened for some statement which would show the awareness of our changed position in the shrunken world of to-day, but I did not hear it. In fact the Prime Minister said that his policy remained the same, and with that I must earnestly disagree.

During a short time in the lifetime of most of us we have been by the side of England in three wars being fought outside the north American continent. The first was the South African war, and the second and third were the great wars against Germany and now against Japan. Those wars were fought to preserve the freedom of the world. It was said by Sir Wilfrid Laurier that when England is at war Canada is also at war. This has been proved true. No matter what may be the clauses in the statute of Westminster the *de facto* condition is that if England is at war, Canada will also be at war.

Recent developments have complicated our position with regard to the United States, and I believe it is now also a fact that if the United States is at war with a major power, Canada will be also at war whether we like it or not. In any Pacific struggle where the United States is a major belligerent we must, from the very fact of geography, become involved. This applies with equal force to Japan, to China and to Russia. There is no use in trying to avoid the consideration of these unpleasant facts; they must be faced.

Geography which has given Canada a false sense of security in the past is now, owing to the air routes of the world, putting a definite end to our isolation. It has forced us right into the centre of world affairs. We are now at the cross-roads of Europe and Asia, and no longer are we merely the stately mistress of the north, as we were called in Kipling's poem.

If our domestic future holds anything, we can look forward to a population of 20,000,000 within our own lifetime. With a forceful development of our natural resources and with a population such as this our weight in

empire affairs will progressively increase. It is not beyond possibility that in the near future we shall find ourselves with a population and an industrial output approximately fifty per cent of that of the United Kingdom. With that population together with our great agricultural resources we can no longer escape our destiny as an international force.

The day of little Canadianism is over for all time. Let us review what the isolationism of the past has meant to Canada. In the empire conference held prior to the war criticism was levelled at us because we would have no commitments whatsoever with regard to a unified imperial policy. Unfortunately, apparently, that still is the policy of the Prime Minister. He has said that we will not commit ourselves to a forward policy for joint defence, that he will not commit us to a joint agreement with the empire on security. He still adheres to the policy he announced on January 26, 1937, when he said:

> I ought to make it quite clear that we will not necessarily become involved in any war into which other parts of the British empire may enter simply because we are a part of the British empire.

He stated that his government adhered to the moderate central point of view, neither imperialist nor isolationist, and that they would take account of the interests of all those with whom they might be associated, but that the interests would primarily be based on the interests of Canada in every situation as it presented itself.

That, from what was said this morning, is still the fundamental position to-day. In other words, we are still fooling ourselves that in a world of extreme practical reality, and because we have the statute of Westminster, which satisfies our own national pride, we believe that a predatory nation will take cognizance of this statute and because of it will not consider us as a belligerent.

I believe this is living in a fools' paradise. History again and again has shown that this is so. It amounts to this: we will make no commitments; we will not have a foreign policy with regard to the empire, we will participate in no permanent imperial council, we will have nothing to say until war actually breaks out, and then we will say it on the battlefield. It is on this point that I disagree with the Prime Minister's policy. It is unreal; it is impractical; it may be of political advantage, but it will certainly lead to another war which we as Canadians will have had no power to prevent. Because of our unique position—

Mr. MACKENZIE KING: May I interrupt my hon. friend just a moment? I hope he will not feel that because I am not interrupting him I am agreeing that his representation of my position is what my position is. I want to make it quite clear that I stand by anything I myself have said, but I do not accept my hon. friend's interpretation of my words as at all representing my position.

Mr. ADAMSON: This, Mr. Chairman, was my interpretation. I listened very carefully this morning, and I have taken a lot of trouble to read what the Prime Minister has said regarding external and foreign policy.

The point I want to bring out, and I shall try to do so as I continue, is that the policy which he has in the past followed has not prevented us from being dragged into two major world wars. I am suggesting that the policy which he still follows will not prevent a third major world war if it should unfortunately develop. I am trying to present my argument along those lines, and I believe that the Prime Minister, if he will follow me, will see what I am trying to develop.

Mr. MACKENZIE KING: Well, as long as it is understood between us that the policy is as I have stated it in my own words and not as my hon. friend interprets it, he is free to say anything he likes, and further, if it is understood that I am listening to him and my only reason for not interrupting is not that I agree, but simply that I do not wish to interrupt my hon. friend.

Mr. ADAMSON: I thank the Prime Minister for not wishing to interrupt me and I am glad to have him listen to what I have to say. To continue, I repeat that the Prime Minister's policy amounts to this: we will have no commitments; we will have no joint foreign policy with the empire, we will participate in no permanent imperial council, and we will have nothing to say until war actually breaks out; then we will say it on the battlefield. That has happened. It is at this point that I disagree with the Prime Minister's policy, or rather lack of policy. It is unreal and impractical. It may be of political advantage, but it will certainly lead to another war, which we as Canadians will have had no opportunity to prevent. Because of our unique position, we must insist that our point of view be considered by the United Kingdom government, and furthermore this must be a continuous operation. The impersonal cipher telegram and the long distance telephone are no substitute for continuous consultation. While the function of the high commissioner is useful, it must be remembered

that conversations carried on by him are on the ambassadorial level and are subject to other limitations. Consultation to be effective must take place at all levels and be of far more constant nature than it is at the present time.

To emphasize this, I should like to point out that the hereditary policy of England in foreign affairs has been based on the balance of power. Generations of foreign officials have been steeped in this idea. I hope I shall not be considered as criticizing the United Kingdom government when I say that this policy has inevitably led to war. It first of all leads to appeasement, then to sacrificing your friends to placate your enemies and subsequently to war. With the shrinkage of the world owing to transportation and industrial developments, wars are becoming more frequent and infinitely more destructive. There is a saying that we will lose the third war. We very nearly lost the first great war. When the history of this war is written it will appear that our nearness to defeat was so much closer than in 1914-18 that it will send chills down the backs of those who read it. We must see that there is no third time, and now is the time to start.

For a moment I should like to discuss the policy of the United Kingdom government and the issues of the last general election, which election was responsible for the present parliament at Westminster. Through the depression years the government of the United Kingdom was, like governments all over the world, faced with an almost impossible task. World discontent was rife and the tragedy of unemployment was universal in the civilized world. Therefore it was unlikely that the government would be reelected, particularly if they appealed on domestic issues. Leaders of political parties endeavour to choose issues on which their parties may be reelected. There is nothing surprising about that, and certainly there is nothing surprising that this should be the case in the United Kingdom. There was the Baldwin government, with an unpopular record on domestic affairs, looking for an issue. The proof of its unpopularity was that in the by-elections between the years 1931 and 1935 the government fought forty-nine by-elections and won only six.

Mr. MACKENZIE KING: Mr. Chairman, I said that I would not interrupt my hon. friend, but I think I ought to draw his attention to the fact that this House of Common is not the place to discuss the affairs of another parliament. I believe the rules of the house are quite clear on that point. The Baldwin government has not a representative here to defend it unless some hon. gentlemen take that task in hand.

Mr. ADAMSON: I am not attacking the Baldwin government.

Mr. MACKENZIE KING: My hon. friend said that he was going to discuss a British election and the parliament which resulted from it, and so forth. That has not anything to do with the external affairs of Canada.

Mr. ADAMSON: Well, unfortunately I believe it has.

Mr. MACKENZIE KING: Again I say that I do not want to have any controversy with my hon. friend, but I should like it to be quite clear that the rule is, that the internal affairs of the government of another country should not be discussed on the floor of this House of Commons; also there is the rule of relevancy. If my hon. friend wishes to proceed to discuss these matters further, of course I will not say anything further.

The ACTING CHAIRMAN (Mr. Golding): The point made by the Prime Minister is correct.

Mr. CASSELMAN: What is the rule?

The ACTING CHAIRMAN (Mr. Golding): I trust the hon. member will not carry on.

Mr. CASSELMAN: What is the rule?

Mr. MACKENZIE KING: I have stated the rule in general terms.

The ACTING CHAIRMAN (Mr. Golding): Just as the Prime Minister has stated—it has nothing to do with this item which is before the committee.

Mr. ADAMSON: I hope the Prime Minister will allow me to discuss the League of Nations because that was discussed definitely this afternoon, but the point I wish to make in this debate is merely this. Because we did not raise our voice at that time, we lost the opportunity to make ourselves an effective instrument for the preservation of peace. The evidence I wish to put on the record does not concern the United Kingdom government. I am going to deal with the League of Nations and the abrogation of the Locarno pact. That was the last opportunity the world had for the preservation of peace, and I think it is very important that we should discuss it here and now because it was the last and inevitable step to war. In a debate on external affairs that is of vital importance. The British government at that time was a party to the abrogation—not a party, but it allowed the

Germans to have their way without in my opinion sufficient protest, and, I believe, in the opinion of the subsequent governments of the United Kingdom. I feel it is no critcism whatever to bring out these few statements which I wish to put on the record with regard to those days. I think it is very important that we should remember what happened.

As I have said, in the election which returned the present British House of Commons the appeal was made to the electors on an external issue, and one of the appeals was made on the so-called peace ballot. I think this is important. It is well to remember the things which went on in those days and how easy it was for great populations to become lulled into a sense of the possibility of legislating themselves, by wishful thinking, out of danger. The peace ballot which was put out by the league of nations society was held in 1935. It is interesting to note the questions on the ballot:

1. Should Great Britain remain a member of the League of Nations?
2. Are you in favour of an all-round reduction of armaments by international agreement?
3. Are you in favour of the all-round abolition of international military and naval aircraft by international agreement?
4. Should the manufacture and sale of armaments for private profit be prohibited by international agreement?
5. Do you consider that if a nation insists on attacking another, the other nations should combine to compel it to stop by (a) economic and non-military measures and (b) if necessary, military measures?

The results, which surprised public opinion and certainly the government in England were these. The answers to the questions in the order in which I have given them were:

1. Yes: 11,090,000; No: 355,000.
2. Yes: 10,470,000; No: 862,000.
3. Yes: 9,533,000; No: 1,689,000.
4. Yes: 10,417,000; No: 775,000.
5. (a) Yes: 10,027,000; No: 635,000.
   (b) Yes: 6,784,000; No: 2,352,000.

The 5 (b) question was a significant one because it concerned the "attack" clause. Clause (b) was the one that asked whether they would stop it, if necessary, by military measures.

The final results were tabulated on June 29, 1935. The government went to the country on this manifesto which is a public document. The first three points of the manifesto were these:

1. The League of Nations will remain the keystone of British foreign policy. Everything will be done to uphold the covenant and maintain and increase the efficiency of the league. Collective action alone can save us from a return to the system which resulted in war.

The Italo-Abyssinian dispute was the next item. It was dealt with as follows:

2. There will be no wavering in the present policy. Action will be collective not isolated. Any discussions offering hope of a just settlement will be furthered, providing they are within the framework of the league and acceptable to Italy, Abyssinia and the league itself.

Surely an amazing statement to make over an act of unprovoked aggression. Next, defence:

3. We must repair the gaps in our defences. The defence programme will be strictly confined to making the country and empire safe and to fulfil our obligations to the league.

Next, disarmament:

4. Efforts to attain a general limitation of armaments by international agreement will be unrelaxed.

The government was returned on that manifesto. There were more points to it, but these were the important aspects with regard to foreign matters, and the parts that affected us. Shortly after that, as history has shown, Ribbentrop was able to go back to Germany and tell Hitler that England would not fight. These were the facts.

Now let us see what happened with regard to the League of Nations. The election in 1936, I believe, was the turning point at which war became inevitable. It is possible that war might have been prevented by stern action in 1935, but from then on, war became as sure as night follows day. However, the policy of appeasement continued to an amazing degree. During 1936 the Italians overran Abyssinia and resorted on unimpeachable evidence, to the use of poison gas and the aerial bombardment of primitive tribes. In the Spanish war, where the overthrow of a properly elected government was brought about by the outrageous and brazen participation of the armed forces of both Germany and Italy, report after report showed that Germany was using in an experimental war her most modern equipment, thus gaining priceless experience. Democracies, particularly the United States and Great Britain, adhered to the fantastic policy of non-intervention, and actually, in the later stages of the war, prohibited their nationals from taking part in the struggle. Thus by stopping the slight help which was given to the legitimate government of the international brigade, we actually and directly aided the axis. The story of the proposed oil sanctions against Italy is too well known to need repetition. In 1935 the United Kingdom government negotiated the naval treaty with Germany allowing her to build up her naval strength to thirty-five per cent of that of the British navy. It is a sad phantasy now to recall that the government of the day con-

sidered this a peace gesture. The final and irrevocable move of Hitler came on March 7, 1936, when he denounced the Locarno pact and reoccupied the Rhineland. In this connection it is interesting to note what Hitler said and the reply thereto in the British house. On March 7, at the Kroll opera house in Berlin, which was used as the meeting place of the reichstag following the now proven nazi burning of the original structure, Hitler said this:

In addition I have made up my mind to enforce German sovereignty and to labour for European understanding. It is rather a tragic misfortune that Versailles treaty should have created a situation which the French themselves believed themselves to be specially interested in maintaining. It is regrettable that, after all our efforts to come to terms with France, France should conclude the Russian pact of which we know the beginning but not the end. Whatever could be proposed for lessening the tension between Germany and France I have proposed. I proposed 200,000 men and 300,000 men, but everything was rejected. Only one of my proposals was met. The realistic sense of the British government led to the conclusion of the naval pact, and that is the first real success for the restriction of armaments.

He closed with the following exhortation:

Men, deputies of the German reichstag, at this historic hour at which, in the western provinces of the reich, German troops are now entering their garrisons, we join with them in the solemn oath.

(1) Not to yield before any power and force in the effort to restore the honour of the nation and rather to succumb than to capitulate;

(2) To work for an understanding among the nations of Europe, and especially for an understanding with our western neighbours.

Goering then dissolved the reichstag with these words:

Germany is free. The future lies clearly before us—one nation, one leader, one will.

The proceedings then terminated with the usual sieg heils. This was the sixth meeting of the reichstag since Hitler came to power in 1933.

The reply in the British House of Commons took place on March 9. Mr. Eden in a long statement used these words:

The abrogation of the Locarno treaty and the occupation of the demilitarized zone have profoundly shaken confidence in any engagement into which the government of Germany may in future enter. There can be no one in this house or this country who would wish to condone or excuse such a step. It strikes a severe blow at that principle of international relations. There is, I am thankful to say, no reason to suppose that the present German action implies a threat of hostilities.

I do not wish by quoting such a small portion of Mr. Eden's speech to distort the actual sense of the entire statement. However, if hon. members will read it I think they will agree that it was conciliatory in tone, and particularly where he describes his conversation with the German ambassador.

On March 19, 1936, the League of Nations met to hear Herr von Ribbentrop explain and endeavour to justify Germany's action over the Locarno treaty. The speech was a long one, and as usual filled with the phobia of fear of Russia, German honour and German desire for peace. Mr. Flandin moved a resolution which was the outcome of a secret session of the league council on March 16, condemning the German action in what seemed to me to be rather conciliatory terms. I will not take up the time of the committee by going into it in detail. In the open session of the league on March 19, 1936—both of these meetings incidentally were held in London—the one significant speech which was recorded in which he stands firmly against the German action was made by Mr. Bruce on behalf of Australia. I will quote the last paragraph, in which he says:

It is now the duty of the council to pronounce. On behalf of the government of Australia I declare that I propose to vote in favour of the resolution. The duties of the council are not completed by such a pronouncement and the notification of the decision of the council to the signatories of the Locarno treaty. A further duty is imposed on the council, because the treaty of Locarno was made part of the general system of maintenance of security of world peace, which is the basis of the covenant of the league. The issue which confronts us to-day is fundamental to the whole system which it has been the endeavour of the league to create since the end of the world war. That system is based on the scrupulous observance of treaties and on the fact that no power can free itself from obligations by unilateral action. It is now for the powers primarily concerned to take action with a view to resolving the situation which now confronts us.

I will not go on discussing the appeasement policy as practised by the League of Nations and by the governments of the United Kingdom and France. Hindsight is always easier than foresight, and I am bringing up this history not in order to condemn any one individual or any government but because I feel it is of great importance for us to-day to examine this period in detail and with an unbiased mind.

One strong statement coming out of the welter of appeasement was from Australia. Had there been at any time an empire council sitting in London, is it not possible that other strong statements might have come from other members of the British commonwealth, and is it not possible that such statements might have in their aggregate altered the course of the United Kingdom government and possibly of the league and the whole world? I do not say that this would have

happened, but I do say that by such an organization opinions such as expressed by Mr. Bruce might have crystallized and saved the world from the present holocaust. My fundamental disagreement with the Prime Minister is that he rejects the possibility of the usefulness of such an assembly.

Let us now go one step farther and see what Russia, the supreme realist, was doing at this time. On November 25, 1936, the German-Japanese agreement against communist international was signed in Berlin. On November 29, 1936, at the all-union congress of the Soviets, Mr. Litvinov said this in part:

> As a state we are not concerned with the internal fascist regime in one country or another. But fascism is ceasing to be an internal affair with the countries professing it.

At that time, during the all congress meeting in Moscow, Russia took very strong and definite steps to rearm and said so. Admiral Orloff, commander in chief of the Soviet navy, declared that Soviet submarines had increased sevenfold since 1933. In the same period the surface warcraft for coastal defence had increased threefold, seaplanes fivefold and distant range artillery and naval anti-aircraft batteries had approximately doubled.

Mr. Khripin, the assistant commander in chief of the Red air force, stated that the number of fighting planes possessed by Russia had quadrupled since 1932 and was considerably in excess of the two thousand aircraft stated to be possessed by Germany. Germany's effort to train seventy thousand pilots, said Khripin, would be met by Soviet measures to secure one hundred thousand men. This was the only sort of talk Germany understood.

I have made this brief historical resumé in order that we may profit from the experiences of the past. I believe it has a direct parallel in the situation that faces us to-day. Canada has floated along on the waves of European policy, not knowing exactly where the ship was headed but confident that the London pilot would steer it well. However, we became involved in two world wars. We do not have to take a back seat to any country in the world on the extent of our participation when considered on a per capita basis. Both of these wars originated in the ambitions of Germany. Events leading up to these two catastrophes, which have swept away many of the young men of two generations whom we sorely needed to build our country, and which have added to our national debt a load it will be hard for us to carry, were not of our making as I have tried to show. We have had little voice or influence in any attempt to prevent them. We have made our sacrifices willingly, even gladly, but now for the sake of the future of our land we must make every possible effort to see that world war No. 3 does not materialize.

Not only has Germany become a world problem and an empire problem; it has become a Canadian problem. We must realize this, and we dare not stand aside merely watching events which may be of vital concern to us later on. We have thrown our weight into the making of the peace and into international relations just as thoroughly and effectively as we have thrown it into the prosecution of these two world wars. At the peace conference after the last war we secured recognition by all nations of the earth. Sir Robert Borden raised the voice of Canada; it was heard and understood. We may still be a small nation, but no country commands the respect and admiration of the nations of the world, be they great or small, more thoroughly than does Canada. In the House of Commons last January the Prime Minister himself referred to Canada's unique position between the United States of America and the Soviet Union, and at the same time being a member of the British commonwealth. This very position gives Canada a great opportunity to become a definite influence in international affairs in the near future. It is up to the Canadian government to decide if it will allow Canada to face these responsibilities or if it will adopt some laissez-faire policy of neglecting to take her part and assume her obligations in the decisions that are being and will be made in the next twelve months. The future of this country depends upon these decisions and we in this house will be side-stepping our responsibilities if we leave the fate of our people and our children in the hands of others.

What are the issues calling for settlement? I believe they are four. In the first place the government has refused to enter an imperial council. We have been informed by the Prime Minister that we will make no commitments.

Mr. MACKENZIE KING: Just a moment. Did my hon. friend say that the government had refused to enter an imperial conference?

Mr. ADAMSON: An imperial council.

Mr. MACKENZIE KING: I do not know that we have been invited.

Mr. ADAMSON: Well, you refused to give any help or encouragement to the suggestion advanced by Prime Minister Curtin, and certainly there was the greatest criticism of the speech delivered by Lord Halifax.

Mr. MACKENZIE KING: Prime Minister Curtin and Lord Halifax have not the authority to issue invitations to join an imperial council.

Mr. ADAMSON: The Prime Minister and government of this country definitely turned down those proposals. They were merely suggestions advanced as possibilities, and the Prime Minister went out of his way to say that they would not work, to damn them not with faint praise but with very loud condemnation, and he continues to do so to-day.

Mr. MACKENZIE KING: I will not argue with my hon. friend, but I should say that the whole business of exactly what was intended is very nebulous in some particulars.

Mr. ADAMSON: It may be very nebulous in the mind of the Prime Minister, but I believe it would serve a very practical and useful purpose in the future of the world. If we continue the policy of the past we are going to find ourselves exactly where we were in 1936. That is the danger I see, and it is a definite danger. It is high time that Canada took a wider and more comprehensive view of the problem facing the united nations.

Mr. MacLEAN (Cape Breton North-Victoria): On a point of order, Mr. Chairman, the hon. gentleman is reading his speech, which I believe is contrary to the rules.

The ACTING CHAIRMAN (Mr. Golding): Order. The point of order having been raised, I should like to read citation 314 of Beauchesne:

> It is a rule in both houses of parliament that a member must address the house orally, and not read from a written, previously prepared speech, for the reason that "if the practice of reading speeches should prevail, members might read speeches that were written by other people, and the time of the house be taken up in considering the arguments of persons who were not deserving of their attention."

I hope the hon. gentleman will not continue to read his speech.

Mr. ADAMSON: Mr. Chairman, I had to read a great many quotations, and that is why I was following my notes rather carefully.

Mr. GRAYDON: You are only following the example of the government, anyway.

Mr. DUPUIS: And even the example of the leader of the opposition.

Mr. GRAYDON: Then I am in good company.

Mr. ADAMSON: I shall endeavour to follow your injunction, Mr. Chairman, but in conclusion—

Mr. DUPUIS: Perhaps he will go faster if you let him read it.

Mr. GRAYDON: Leave the hon. member alone. I think he has as much right to make a speech as anyone else.

The ACTING CHAIRMAN (Mr. Golding): Order. The hon. member should not be interrupted.

Mr. ADAMSON: Thank you, very much, Mr. Chairman.

In conclusion, I want to discuss the question of Germany which, as I have said, has definitely become a Canadian problem. Twice during our life time we have been wantonly and ruthlessly attacked. Certain things are happening to-day on the continent of North America, and particularly in Canada, of which I think the public are unaware. Many suggestions are being put forward as to what to do with Germany after the united nations are victorious, and the book market is being flooded with literature advocating various measures which should be taken. A large proportion of this literature is from the pens of Germans. They may be anti-Hitler and anti-nazi, but they are still Germans who cannot forget, no matter how much they may try to profess having done so, what one of their writers has said:

> Folkdom is much greater than citizenship in a country. Even if one gives up or is compelled to give up one's citizenship, one does not have to give up one's folkdom.

That was written by Franz Fahnemann in a recent book.

Mr. MacLEAN (Cape Breton North-Victoria): Mr. Chairman, we are getting tired of listening to essays read in this house.

Mr. ADAMSON: I am reading a quotation from this book, Mr. Chairman, and I suggest I am perfectly in order in doing so.

Mr. GRAYDON: I should like to see a little fairness on the part of hon. members here, Mr. Chairman. I know you are doing the best you can, but hon. gentlemen opposite are interrupting all the time. The hon. member is making a good speech and should be allowed to continue.

The ACTING CHAIRMAN (Mr. Golding): The hon. gentleman was reading a quotation, which was quite in order. The hon. gentleman's time has expired, but he has been interrupted a good deal.

Mr. MACKENZIE KING: Give the hon. member a fresh start.

Mr. ADAMSON: Thank you, Mr. Chairman; I have been interrupted a good deal.

Some of the writers of these books have tried to persuade the people of America that there should be no occupation of Germany. This is the theme of Paul Hagen in "Germany After Hitler," and to a degree of even Walter Lippmann in the New York *Times*. Others, like Louis Nizer, in "What to do with Germany," argue against the breaking up of the German empire, and still others argue for the restoration of the republic. The book by Seger and Marck called "Germany, to be or not to be" takes this stand, and Emil Ludwig rather vaguely says, "The Germans will be grateful for any sign of friendliness, as they have suffered suppression." I wonder what the people in Poland and in occupied Norway would think of that suggestion by Mr. Ludwig. I have quoted these five cases because to-day there is across this continent a concentrated effort by certain Germans to form our public opinion as to what we should do with Germany. That is one of the most dangerous things we are facing to-day.

The ACTING CHAIRMAN (Mr. Golding): The hon. member has exhausted the time at his disposal.

Mr. ADAMSON: Mr. Chairman, may I just read one paragraph from what was left in prisoner-of-war camps after the last war, just to show what I think we must guard against. This was given to our men when they left German prisoner-of-war camps after the last war:

> It took four years for the German people, the people themselves who have never hated you, to come into their own. It took four years of endless privations and sufferings to make our people realize that they had been ill-guided and misled.
>
> The four years spent in this camp have left their mark on you. Do not hold the German people responsible for it; it has suffered more than you. The people were the slaves of a barbaric system without parallel in history which enforced its dictates with brutal severity.
>
> Therefore leave without any ill-feeling or hatred and do not hold the German people responsible for the deeds committed by its former autocratic leaders.

That was the story in 1918. I say to the Prime Minister that we will receive the same sloppy sob-story again, and that we are beginning to receive it. It is of the most vital importance that this government, in its foreign policy and in its dealings with Germany should have experts, trained people, who know exactly what is going on, people trained in European politics, so that we may not again fall into the mistakes we made after the last war.

Mr. DANIEL McIVOR (Fort William): Mr. Chairman, any one would realize that the atmosphere of this chamber to-night is most congenial for the making of speeches, because one does not need to waste time in getting warmed up to his subject.

I rise this evening to speak for only a few moments in support of what was said by the hon. member for Trinity (Mr. Roebuck) and to show a little gratitude to the people who have done more for civilization of the world than any other people. Before proceeding to prove that, however, I should like to say that I think the clergy of British Columbia and throughout Canada should stick to their jobs in raising the character and calibre of citizenship so that it may shine above the character of citizenship coming from Japan. The churches in Canada have a job on their hands. If they get busy—and I think they are busy in certain quarters—in raising the character and calibre of the men and women in Canada they will be doing a far bigger job than they will do by finding fault with the Prime Minister of Canada (Mr. Mackenzie King) and his statesmanship.

I have said that the Jews have done more for civilization than any other nation on earth, and these are my reasons. They have led in the law. What nation is there to-day which has not built its jurisprudence on the laws of Moses? They have led in music and poetry. I can remember as a boy hearing Doctor Davidson of the city of London saying that the hundredth Psalm, sung to the tune "Old Hundred", has more majesty in it than all the sweet melodies of Europe.

They led in literature and, if you wish to prove that, when you go home to-night—as I expect the Prime Minister will do—read the 42nd chapter of Isaiah, and note the beauty of that literature. It is literature *par excellence*.

The Jews have led the world in science. We would do well to-day to practice some of their scientific findings in respect of food and sanitation. We know, too, that the shipbuilders of the world have to go back to old Noah. When he built his ark the people of that time said that he was most foolish. But the men who to-day are building ships are building them along the same lines and plans as that old foolish ark of Noah.

The Jews lead the world in knowledge of finance. This seems not to have been their first heritage, because they were shepherds at first. They had to make things go, and they had to finance with very little money. I would pay further tribute to the Jews I have known during the depression because I never saw a Hebrew on relief.

As a boy I read the story of Gideon, and I still pride myself in thinking that the strategy of that great general, Gideon, who outflanked all the multitude of the Midianites, was of a high order. So that the Hebrews even of that day led the world in military strategy.

Only the other day I read again the story of Esther. And when I think of Haman, and his prejudice against the Jews, I think how like Hitler he was blinded, so that he made a scaffold on which to hang Mordecai. Mordecai was able to show that their cause was just, and on that gallows Haman was hanged. I am sure there is no Jew in Germany to-day who would change places with Hitler, because Hitler started out to execute the Jews, and he will have to pay the penalty.

When I think of the Hebrew people and of what they have suffered—and God only knows what those people have suffered, when one remembers that they would rather throw themselves into the river than go through the persecution they were made to suffer at the hands of Hitler, even before the war—I would appeal to the Prime Minister, with his Scottish background and his Scottish birth—and a sympathy so great that he can show his affection even for an Irish terrier, sufficient to make it his bosom friend—that he go-all-out to help the Jew; because, after all, being a Jew is only an accident of birth. If my mother and father had been Hebrew my name would have been Daniel Ivanstein instead of plain Dan.

I can tell you, Mr. Chairman, that, as the hon. member for Trinity has said, what the Prime Minister has done is just plain justice. I was just a little disappointed when I read the recent brief biography by Mr. Ludwig that he attributed the Prime Minister and President Roosevelt's strength to the fact that they were able to sleep well. I know the Prime Minister sleeps well, and for no other reason than when he closes his eyes in sleep and lets God watch over him in the night, he does not waste his time in being a second watchman. Then that biographer redeemed himself in the last chapter of that little book by stating in what the Prime Minister believed. If he worships and believes in Jehovah he will help to pull the Jews out of their trouble.

Mr. D. K. HAZEN (St. John-Albert): Mr. Chairman, when external affairs are discussed in this house I think of war and the possibilities of war. The war in which we are now engaged is not a war to end war. I have heard no person make such an exaggerated claim. In the distant or near future, no one can say when, this country will be engaged again in a struggle for its existence.

There is no one who hates war more than I do, no one who has less heart for fighting, but I say with all the earnestness I can command that we must be realists and face the fact squarely, that the history of mankind is the history of war; that except for brief and precarious interludes there has been no peace in the world; that only a few countries in the world have a truly democratic form of government and understand what democracy means; that the millennium is a long way off; that some countries still regard war as a legitimate instrument of policy for the promotion of prestige, influence, territorial aggrandisement and commercial expansion; that in Germany to-day, and for a considerable number of years past, the youth of the country have been educated in nazi doctrines and have had indelible impressions made upon their minds before they could think or reason; and that in days to come, ambitious men at the head of government will attempt once more to dominate the world by force and take from us our free institutions and rob us of our possessions.

Facing these facts, it behooves us to ask ourselves who we can count on to stand with us when we have to fight for our existence again.

I think lessons can be learned from some of the events that followed the last war. The purpose of the allies after the armistice of 1918 was to establish a lasting peace among disarmed nations. Let us give them all credit for their intentions. The treaty of Versailles was signed on June 30, 1919. The covenant of the League of Nations was put into the forefront of that treaty. The league provided its members with an assembly for the discussion of matters of common interest, including, I believe, economic matters and matters of social justice. It provided its members also with a council that had the power to act if the members of the league were unanimous. Unanimity was a necessary consequence of the principle of national sovereignty, a principle which, I think, is sometimes overemphasized.

The members of the league were obliged to submit all disputes between themselves to arbitration or conciliation and in no event to go to war until three months after an award had been made by the arbitrators or a report made to the council. If any member of the league went to war in contravention of this agreement it would be deemed to have committeed an act of war against all the other members of the league and put the other

members under an obligation to prevent all financial, commercial and personal intercourse with the aggressor. The members of the league obligated themselves also not to engage in unlimited competition in armaments and the council was to formulate plans for the reduction of arms.

The league was regarded as the high symbol of a new order in the world. It was to heal the wounds that had been inflicted, not only by the war but by the treaty itself. It had active and sincere supporters throughout the world. And the League of Nations failed to maintain the peace.

In 1923 a committee of the league proposed a treaty of mutual assistance to support the league. This treaty which branded "aggressive war" as "an international crime" and contained complicated provisions for general assistance to the victims of aggressors, fortified by regional pacts to provide them with regional assistance, was not accepted by Great Britain, Russia or the United States.

It was followed in 1924 by the protocol of Geneva which was the perfect model of collective security on paper. It outlawed war, defined an aggressor as one who refused arbitration, and provided economic, military and naval sanctions against him. The British government, after Ramsay MacDonald fell, refused to proceed with it, for the British people objected to taking risks all over Europe, and the dominions refused to have matters in which they were particularly interested, such as the immigration of coloured races, referred by compulsion to a court of international justice sitting in Europe.

The rejection of the protocol ended the dream of a universal organization for peace. But if there could not be a universal organization for peace, was it not possible for the great nations of the world, or some of them, to get together to prevent war? This was attempted. On December 1, 1925, the Locarno treaties were entered into. By those treaties Britain, France, Germany, Italy and Belgium undertook never to resort to war one with the other, and all undertook to come immediately to the assistance of any one of them that was attacked. It was announced that Germany would join the league on a common footing with the other members and that the last of the allied troops would be withdrawn from her territory.

The signing of these treaties was regarded as a great achievement. There was much rejoicing in Great Britain. A new era was said to have dawned. The Locarno spirit was to banish all the suspicion and recrimination that had hung over a great part of the world since the armistice. And the Locarno treaties failed to maintain the peace.

In 1928 we had the Kellogg pact whereby the nations adhering to it "solemnly declare in the name of their respective peoples that they now condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in their dealings with one another." From thence forth the contracting nations agreed that "the settlement or solution of all disputes or conflicts of whatsoever nature or of whatever origin they may be which may arise among them was never to be sought except by pacific means."

There was great rejoicing at this "outlawry of war," as it was called. War had been regarded as an instrument of policy, but if this contrary doctrine was accepted and disputes were to be settled by pacific means, the greatest and most beneficial change in human history was to be brought about. And the Kellogg pact failed to maintain the peace.

If war was to be outlawed, the nations should have been disarmed, but the Kellogg pact and disarmament were kept in separate compartments. The question of disarmament, however, had occupied the attention of the allies since the armistice. Numerous conferences were held. A little progress was made. There was, however, great difference of opinion as to how it was to be brought about. Some held the view that security must precede disarmament; others, that there could be no security without disarmament. Those who were most anxious about their future were those who were most cautious about reducing arms. The professed friends of disarmament turned out in some cases to be the most dangerous aggressors. Throughout these long negotiations we see the figures of Ramsay MacDonald, Arthur Henderson, Sir John Simon and Anthony Eden earnestly endeavouring to arrive at understandings with the other nations concerned. The efforts to disarm failed, and in 1936 the nations of the world or a good many of them started to rearm in earnest.

Is this very brief recital of disappointed hopes and frustrated efforts of no importance? Is it merely a story of events which are over and done with and to be forgotten? Are there no lessons to be learned from the unsuccessful attempts which were made to secure a peace that would last for generations?

I ask myself this question, will a treaty or agreement entered into by nations with different languages, laws, characteristics, interests, ambitions and ideologies to establish a world council to prevent wars or their planning in advance be lived up to? Can it be counted on as a practical means to maintain the peace?

Well, unless the people of this world are much wiser than they were after the last war, we cannot be too hopeful.

Peoples, the history of the league has proved, will not make any sacrifice for ideals and will act only for motives of national importance. They are absolutely short-sighted in their outlook. . . .

Says Arthur B. Keith in his book, "The Causes of the War," published in 1940.

Why did the efforts of many well-intentioned and intelligent men fail? I do not profess to have a complete answer, but the answer, or part of it, can be found in the fact that all the nations were not actuated by good will; that there was a lack of true international community; that war was still regarded by some as a legitimate instrument of policy; that national ambitions remained; that the bitterness engendered by over four years of war remained; that fears and suspicions remained; that a spirit of revenge remained; and that in defeat the dominating class in Germany resolved to bide its time and "bite on granite."

Is anyone prepared to say that a similar state of mind will not exist when this war ends? I agree fully with what the Prime Minister (Mr. Mackenzie King) said in this chamber on May 22 last, soon after his return from London, that "forces of evil have been let loose in the world which it is going to be difficult indeed to bring to bay. These forces of evil," he went on to say, "are going to continue to destroy"—I thought he might have added, "or attempt to destroy"—"all that is best in mankind."

Now, sir, there is no lack of good will; there are no fears or suspicions; there is no bitterness or misunderstanding; there are no international rivalries between the members of the British commonwealth of nations. On the contrary, there are strong ties of understanding, good will, cooperation and kinship, and there are strong ties of great sacrifices made in achieving great ends. We know that any agreement made between the members of the British commonwealth of nations will be kept. We know their word can be relied on. In view of the fact that this country will be at war fighting for its existence sometime in the future—when, we cannot say; in view of the fact that the dragon of evil has been scotched but has not been killed, I believe and urge that an agreement be entered into between the members of the British commonwealth and announced to all the world, that if Canada or any other member of the British commonwealth is attacked, or if Canada or any other member of the British commonwealth is obliged to go to war, all the other members of the commonwealth will come to its assistance.

[Mr. Hazen.]

The great maxim should be proclaimed in no uncertain terms to all the world that when the king declares war the commonwealth and empire are at war.

When the last war broke out—it has been referred to before this evening—Sir Wilfrid Laurier in this house gave expression, I believe, to that opinion or that idea when he said, "When Great Britain is at war we are at war."

A policy of that kind would not be a blow at the peace of the world. It would make for peace. One of the reasons Germany went to war in 1914 and again in 1939 was that she believed the members of the commonwealth would not stand together. "Our enemies looked to this war as they looked to the last great war to sound the death-knell of this great association", said the Right Hon. Anthony Eden, in the course of his speech to the General Session of the Joint Assembly of Maryland in March of last year.

A policy of this kind would not interfere with our carrying out or assisting to carry out the policies laid down in the Atlantic charter. Nor would it be an obstacle to Canada joining a world council of the great states which emerge victorious from this war. A policy of this kind would bring greater security to Canada and the British commonwealth, and it would put an end to the disquieting feelings of uncertainty and insecurity that existed in this country from 1920 to 1939. A policy of this kind should be our first line of defence and security.

And let me say that in my opinion the British empire and commonwealth is worth maintaining. It covers about one-quarter of the earth's surface and contains approximately one-fourth of the world's population—people of all races and colours in various stages of development. It stands for liberty, freedom, justice and the rights of minorities within the law. A large part of it has acquired political freedom and is struggling along the road to economic freedom, freedom from fear and want, social security. It stands for peace. It is opposed to war. It has great responsibilities for the less advanced people who live within its boundaries. Its greatest work lies ahead. In a hundred years from now we may have ten or twelve free dominions within its boundaries if we are wise and work together in the interests of humanity and our own security.

I said it stood for liberty and the rights of minorities. I recall with pride the words of Sir Wilfrid Laurier spoken many years ago now in the city of Quebec at the unveiling of a statue to Wolfe and Montcalm. He said:

The British flag floats over our heads, and there is not in the province a single English

soldier to defend it. Its only defence is the gratitude we owe it for the liberty and the security we enjoy under its shadow. Is there a Canadian who, comparing his country with any other country, no matter how great the freedom enjoyed there, does not feel proud of the constitution that protects him.

He went on to say that although the French had been defeated in the battle of the plains of Abraham they had made a conquest, "the conquest of liberty. We are a free people; we are in the minority; but all our rights, privileges and customs have been preserved. These rights are part of the country's constitution."

I recall also certain words of Jan Christian Smuts, a Boer, who fought the British at the turn of the century, inflicted many grievous reverses on them, but in the end was obliged to surrender and experience the bitterness of defeat. And let me say that defeat in war is a very bitter thing. In an article he wrote on the British empire a short time ago, in which he was not uncritical of some events of the past, he said:

> But to-day the British empire is the widest system of organized human freedom that has ever existed in history.

I have mentioned the work that lies ahead. I recall the words of Herbert Morrison, one of the leaders of the Labour party in Great Britain, a socialist who has done outstanding work in this war. In an interview with him that appeared not long ago, he said, speaking of the administration of the colonies:

> Critics of the empire, of whom I am often one, are quick to point out the regrettable exceptions to our standard of good government. The mistakes of the eighteenth and nineteenth centuries are better not forgotten, but remembered, so that we may not repeat them in this enlightened age. We have established a good system of law and public administration throughout the one quarter of the earth's surface, which is our empire. We have brought order and sown the seeds of citizenship in hundreds of uncivilized communities. We have spread education, public health, social services and increased incomes in many lands. This has been no easy task, and in most cases we have carried on government while leaving nations' cultures intact. The British people have a right to be proud of this contribution to the advancement of human society.... The future of this empire will not be decided by argument, bitter or otherwise. It can rise to new greatness only by the determined efforts of its people. We have unlimited and inspiring tasks ahead of us. We have vast unsettled lands, great treasures of undeveloped wealth, and the combined talents of millions of people. In the last fifty years, as the growth of our commonwealth has proved, the British empire has come to stand for free political fellowship. Perhaps a hundred years from now there will be ten or twelve or more free dominions.

In view of the policy I have advocated, that an agreement or understanding be entered into between members of the British commonwealth of nations, and announced to all the world, that if any one of them is attacked or obliged to go to war all the other members of the commonwealth will come to its assistance, it is hardly necessary for me to say that I was disappointed at the joint statement issued by the prime ministers at the conclusion of their conference in London on May 17 last. I have no complaint to make of the policy which that statement contained to the effect that a joint all-out effort would be continued to bring the war to a victorious conclusion, but I was disappointed to find that it contained no post-war statement of policy that would bring the members of the British Commonwealth of nations closer together. True, it said that:

> After the war a world organization to maintain peace and security should be set up and endowed with the necessary power and authority to prevent aggression and violence.

I realize that the word "should" had to be used and not the word "will", because the other great nations that are engaged in the war were not present at that conference. But there was no statement in that document of what was to be the policy, or any policy, of the members of the commonwealth as between themselves. I expected that something would have been said on this important subject, something of a reassuring nature, which would make for closer cooperation, collaboration and understanding both in peace and in war.

It failed even to support the proposal of the Right Hon. John Curtin, Prime Minister of Australia, that a permanent secretariat be established. I favour that proposal. I believe it is practical. It does not affect our national sovereignty. Many of us would like to know why it was not adopted, who opposed it, and for what reasons. I realize of course that the meetings of the prime ministers were held in strict secrecy, but I think we might have some explanation of why Mr. Curtin's suggestion was not approved. May I pause here to say that in my opinion the words "national sovereignty" should be given a wide interpretation when used between nations that bear allegiance to the same king. Mr. Curtin still supports the idea of a permanent secretariat. In an interview he gave to the press when he was here in Ottawa he is reported as saying:

> I have asked for more frequent consultation and I have also asked that we shall have a constant study of common problems. I feel that having regard to the changing character and personnel of these conferences it is desirable to have some permanent element associated with the department of state in which particular problems will have continuous examination. I used the word "secretariat" in Australia in the same sense that I want some system to regulate

the data so that when a problem blows out of the sky there will be some background on which to base its study.

I place these words on the record because I believe the matter is worthy of further consideration.

It is too much to expect that we can all be of one mind on matters of external affairs and foreign policy in this country at the present time. But I think the subject is one that is too vital to be made a matter of party politics. I do not think it is a subject about which we should endeavour to put the government or the Prime Minister "on the spot". In my opinion the manner in which the subject should be considered was well expressed by the Right Hon. Winston Churchill in the British House of Commons on the third reading of the military training bill on May 18, 1939, when he said:

I submit to you that matters of national defence and foreign policy ought to be considered upon a plane above party and apart from the natural antagonism which separates government and opposition. They affect the life of the nation. They influence the future of the world.

I was disappointed this morning when I heard the Prime Minister say that there was to be no common voice or no one voice to speak for the commonwealth. That is the way I understood him. I have not his speech before me and I may not have understood him correctly. I thought he said that there was not to be one voice to speak on behalf of the British Commonwealth of Nations.

Mr. MACKENZIE KING: That is quite wrong.

Mr. HAZEN: I should like to get it correctly.

Mr. MACKENZIE KING: "No one voice ever to speak." I never uttered a word of the kind.

Mr. HAZEN: I should like to get it right from the Prime Minister if I can. There would not be a single—

Mr. MACKENZIE KING: Not that there was never to be a single voice. That was not the point at all. There are those who are urging that the one voice to represent the United Kingdom, Canada, Australia, New Zealand and South Africa shall be the voice that emanates from London.

Mr. DIEFENBAKER: Oh, no.

Mr. MACKENZIE KING: I have the right to make my statement. I say that each part of the British commonwealth of nations has an equal right to its voice on matters of foreign policy, and that the great genius of the British commonwealth as respects the different self-governing nations is that while each is able to express its voice they usually succeed in so converging their views that the voice of the commonwealth is expressed as one.

Mr. HAZEN: I thank the Prime Minister for exlaining it to me, and I am very glad that I misunderstood him this morning, because if he had not explained it I would have had a wrong impression I am very glad I had a false impression of what he said. I thank him for clearing up the point this evening. There were one or two things I had intended to say, but I will stop here.

Mrs. CORA T. CASSELMAN (Edmonton East): I shall not attempt to follow the hon. member (Mr. Hazen) who has just sat down nor the hon. member for York West (Mr. Adamson) in the setting out of the policy of the years after the last war and leading up to this war. Volumes have been written about that and volumes will still be written. I think they oversimplified the case in a good many instances. But they made this clear, that it is not an easy task to organize peace; that there are in the way difficulties that seem almost insurmountable as you come toward them. I have no doubt where Canada stands. Canada stands as a member of the British commonwealth of her own free will. There is no coercion on the part of any country, the United Kingdom or anyone else to cause her to take that stand; but because we find that our ideals are similar, our objectives much the same, our whole outlook on life finds common ground with the dominions and Great Britain. We may arrive at our decisions by somewhat different paths, but those decisions are founded on the same love of freedom, of democracy and of progress, as the Prime Minister (Mr. Mackenzie King) has just stated in his answer to what the last speaker said. Beyond the commonwealth we have expressed our determination to participate fully in international organizations. Actions speak louder than words. All through this war period we have shown by our policy, by the use made of our armed forces, by furnishing large quantities of food supplies and other aid to our partners in the war on terms designed to leave no aftermath of uncertain post-war obligations, that we are participating in the prevention of another third world war and that we shall continue to participate in endeavours in that direction.

When the director of the International Labour Organization presented his report at the conference in Philadelphia, which I had the honour to attend last April and May, he

emphasized the new developments in the economic field and he presented that to the representatives of forty-two nations of the world. I think he left no doubt in the minds of those representatives of forty-two nations as to where Canada stood in the several references in his report to Canada and Canadian policy. Take, for instance, this one sentence. I do not wish to spend too much time in going into long quotations, but I should like to give this one:

It is therefore noteworthy that the principles of repayment laid down in the master agreements are designed to improve these relations—

He was referring to lend-lease and mutual aid.

—and to prevent the emergence after this war of the problems of inter-allied indebtedness which caused so many difficulties in the decade following the last war.

That is, the policy itself was going to help to prevent a third war. Up-to-date history, not history of what has passed under the bridge is what we need. There is no doubt we made some mistakes, but we are looking forward to correcting them now.

At several places in the report the director referred to what Canada was doing in co-ordinating the powers of the united nations. The international wheat agreement of June, 1942; the mutual aid agreement between Canada on the one hand and Great Britain, the Soviet union, Australia, China, and the French committee of national liberation on the other, are instances. Canada has shown that she is carrying forward these policies into the post-war world by the setting up of such bodies as the Export Credits Insurance Corporation. I should like to give another quotation from the report of the international labour conference which will be found on page 25, as follows:

The contribution of the lend-lease and mutual aid arrangements to the war effort of the united nations needs no emphasis; but as the day of victory approaches it will be well to bear in mind the possible peace-time applications of the concepts underlying these arrangements. Article VII of the master lease-lend agreements and article X of the mutual aid agreements register the determination of the governments concerned to pursue policies directed to the attainment of all the economic objectives set forth in the Atlantic charter. This charter, as Mr. E. R. Stettinius, former lend-lease administrator, has emphasized in discussing the post-war implications of lend-lease, "is a charter of unlimited opportunity". "Lend-lease operations, as we know them now," he observes, "will some day draw to a close, but we know already that the principle of mutual aid in mutual self-interest that is embodied in the lend-lease act must live on. To-day there is more unity of purpose and of action among freedom-loving peoples than ever before. In that unity we can find the strength to build a peaceful world in which freedom and opportunity will be secure for all."

By her participation in that meeting of the International Labour Organization Canada showed her desire to take her place with the other nations in working out these policies. The same might be said of her participation in the agricultural conferences, in UNRRA and in the monetary conference; that we are ready to recognize our responsibilities and to meet them. At this Philadelphia conference we spoke of measures of social security in all the forty-two countries represented. Surely that is a contribution to world peace. By the interchange of views and free discussion we showed what each country plans for the workers along that line. There is some similarity in all these problems in the different countries, although there are also wide differences. But surely it is helping to work out the principles of the Atlantic charter when at a meeting of forty-two nations these matters can be discussed, opinions compared and solutions suggested and recommended.

Canada has advanced along that line during the war years. We have unemployment insurance, and last week we adopted family allowances. By our policy within the country, maintaining the good from the old that has served us fairly well in previous times, and reaching out for the new as the new emerges, we shall go a long way toward preventing wars in future. Canada is putting her own house in order in these measures, with her floor under farm and fisheries prices. As these countries improve their economic conditions and help each other they will also be laying a foundation upon which peace can rest.

I do not intend to go back over what was said so ably this morning by the Prime Minister and the hon. member for Essex East (Mr. Martin). I only wanted to put these matters on record as the up-to-date history of one phase, of which I have personal knowledge, of what Canada is doing toward building up peace. It seems to me the most fitting memorial we could erect to those brave men who are fighting our battles is the building of international organizations which will prevent the recurrence of a catastrophe such as the one we are facing at the present time.

Mr. MACKENZIE KING: During the course of the discussion to-day, Mr. Chairman, hon. gentlemen opposite, two or three of them in particular, directed a number of questions to me and made a number of references to my remarks of this morning, relating to the matter of an imperial council, to an empire secretariat, and to the "one voice" which should represent all parts of the British commonwealth. This house I think would be

interested in knowing whether the criticisms of my statements expressed by these hon. gentlemen are their own views, whether they are speaking for themselves or speaking for the party to which they belong. It so happens that the leader of the Progressive Conservative party has made rather definite statements on all these matters, and I think it is important that these statements should be presented to the house in order that hon. members will realize, if the debate continues along the line it has taken to-day, that, in their criticism directed towards me, hon. gentlemen, as a matter of fact, have been criticizing their own leader. I think we are entitled to know what is the policy of the Progressive Conservative party on these all-important matters. In *Maclean's Magazine* of May 1, 1944, there is a statement of policy published in the name of Mr. John Bracken. I propose to read the questions that were put to Mr. Bracken, and the answers he gave. I assume that this article was published by the magazine in order to place the position of the different parties before the country. Question No. 13, as it appears in *Maclean's*, reads:

What should Canada's relationship be to Britain and the British commonwealth?

Answer: It should be that of an adult member of the commonwealth family. She should cooperate generously but she should retain the right to make her own decisions. She is bound, however, to the other members of the family by the ties which hold together any household that is loyal to worthy traditions and which looks back with pride to a good heritage. Canada's attitude should be one of willing and cheerful cooperation with other parts of the British commonwealth, freely associating with them and seeking every possible means to further the trade and peace and progress of the world, but wholly autonomous in her relations with them.

(14) Question: Should the commonwealth set up an imperial council, as suggested by Australian Prime Minister John Curtin? If so, should this council have executive or merely advisory functions? Should its decisions be binding on commonwealth members?

Answer: I am in favour of strengthening the ties which bind the nations of the commonwealth together and I believe that a technique of continuous consultation in matters of common interest should be developed. The present arrangements I regard as inadequate; we fight wars but we don't help prevent them. I believe in frequent commonwealth conferences and closer cooperation toward common objectives of a constructive character but I do not favour the establishment of any permanent agency which would unduly centralize the influence or increase the rigidity of the commonwealth structure. Such conferences as are held should be advisory and consultative and their findings should not be binding unless approved by parliament.

(15) Question: Should Canada be committed to fight in defence of the interests of any part of the commonwealth?

[Mr. Mackenzie King.]

That was the point dealt with by the hon. member for St. John-Albert in the latter part of his remarks.

Answer: Does this mean a prior commitment? I do not think the Canadian people would agree to a commitment which might precipitate them into a war, the causes or consequences of which they could not foresee.

In the commonwealth councils our efforts should be directed toward preventing war. In the contingency you raise, that of war affecting the interests of any part of the commonwealth, our position would inevitably incline us to aid in preventing unjust aggression; but the decision should rest with the Canadian parliament. It would then know the existing circumstances. It would then know, for example, whether the structure of the commonwealth was in danger, any international convenant to which we might have subscribed broken, and the degree to which our interests were affected. In the light of such circumstances it should make its decision.

(16) Question: At last year's session of parliament two opposing views on foreign policy became apparent—one, that commonwealth nations should speak with "one voice" in world affairs; the other, that Canada should develop her own foreign policy, which might not necessarily agree with the foreign policy of other commonwealth nations. What is your own view on this issue?

Answer: This question suggests there are only two alternatives. This is not necessarily so. In my opinion the best means for Canada to influence world affairs at the moment is in two directions; through her influence in the commonwealth family and through her individual relationships with all other nations, particularly the United States. These commonwealth nations should endeavour to reach common agreement with respect to peace, trade and other matters and I would hope they would generally succeed; but they should not be required to accept majority decisions except on the approval of their parliaments and they should not be denied consultation with other nations. In my opinion that is the most sane and practical mode of cooperation within the commonwealth and the most acceptable form or relationship with other nations. But our parliament must continue to be free to determine its own course.

There is a pronouncement on each of the three main issues which have been raised by hon. gentlemen opposite in attempted criticism of my position; and, in attacking me, in reality they have been attacking their own leader. It is about time we had someone from the opposite side tell us whether the hon. gentlemen who have spoken from the official opposition to-day were speaking as members of the Progressive Conservative party and in doing so were enunciating its policy; and, if so, on what grounds they justify their complete opposition to the position taken by their leader.

Mr. GRAYDON: Mr. Chairman, may I just say one word—

The ACTING CHAIRMAN (Mr. Golding): The hon. member for Winnipeg North Centre has the floor.

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Chairman, I am sorry to interrupt the discussion between the Prime Minister (Mr. Mackenzie King) and the leader of the opposition (Mr. Graydon), but I have been rather anxious to speak for a few moments to-night with respect to one matter which has been brought to the attention of the committee.

Before doing so, however, I should like to associate myself with the views expressed this afternoon by the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of this group. We of the Cooperative Commonwealth Federation are firmly of the opinion that, just as a nation is strong when its people are free, so does the strength of the British commonwealth of nations lie in the freedom and autonomy of the nations which make up its membership. I hope that this principle will be extended into the world at large in the years which lie ahead, and that more and more we shall have free and autonomous peoples associated together in the building of an ever wider community of nations, so that we may build a world of permanent peace, and freedom from fear and want for all mankind.

Another matter was raised to-day about which I should like to make passing comment, and that is the discussion we have had about Canadian citizens of Japanese origin. All I wish to say about that is this: I was encouraged a few weeks ago by the evidence we had that the heart of the Canadian people is essentially sound on this matter of racial discrimination. It is clear that the great majority of our people want none of it. I shall not again go into the argument with respect to a section of bill No. 135 to which some of us objected. But it was a source of encouragement for some of us to discover that when the fact that that section had been inserted in bill No. 135 became public property there was a great deal of opposition to it from one end of Canada to the other. This shows, in reply to some of the comments we have heard in the chamber to-day, that on this question of racial discrimination the heart of the Canadian people—even in war-time—is essentially sound, and I am glad that that is so.

The matter to which I wish to direct particular attention for a few minutes is the one raised this evening by the hon. member for Trinity (Mr. Roebuck). I congratulate him upon the speech he made and upon the manner in which he presented his case. A little over a year ago when I drew the attention of the house to the terrible plight of the Jewish people, I was greeted with a caustic comment from the other side. That comment is to be found in the pages of *Hansard*. I am glad to notice that there is a slightly different attitude in the chamber to-night toward the suffering of these oppressed people. We have heard several references to their situation, and I hope the Prime Minister will give heed to the appeal made by the hon. member for Trinity.

I refer in particular to that phase of this subject concerning which there is some immediacy, namely the fact that Admiral Horthy has made it clear that some 400,000 Jewish refugees in Hungary will be permitted to leave that country if provision can be made for their entry into Palestine, or their protection somewhere else. As I understand it, there are about 20,000—there might be a few more than that, but not many—visas in blank form left over from the period prior to March 31 of this year, when the British white paper of 1939 came into full effect and resulted in the closing of the doors of Palestine to Jewish immgiration. But those 20,000 blank visas will not go very far toward helping to find a place of refuge for 400,000 who could now be placed somewhere else than in occupied Europe. I urge upon the Prime Minister to recall the language of the Balfour declaration which referred to the establishment of a home for Jewish people in Palestine. These people feel it is hardly consistent with the term "home" to have it declared now that the doors of that place called "home" are closed to the children of that land.

I hope the Prime Minister will realize that when we are speaking about this matter we are fully conscious of the fact that the mandatory power is in the United Kingdom. That does not mean we are suggesting that as an outside nation we should try to bring pressure upon another power in connection with a matter which is not our business. I emphasize, as I have said before, that this matter is our business. The mandate of the United Kingdom over Palestine was incorporated into the covenant of the League of Nations to which Canada was a signatory. In the years both prior to and following the announcement of the Balfour declaration, Canada, the United States and other allied nations in the last war were consulted. The Balfour declaration is in reality a joint proposition, and I feel, not as a matter of exerting pressure but rather as a matter of stating our position as one of those countries concerned, that the Prime Minister should do all he can to try to secure reconsideration of the white paper of 1939, and that an effort should be made along those lines right away, owing to the immediacy of the situation created by the announcement made recently by Admiral Horthy.

In this connection there is a question I should like to ask the Prime Minister. It is possible he might be able to answer it in

brief form to-night. On March 30 of this year, just before the doors of Palestine were closed to immigration under the white paper of 1939, I asked the Prime Minister certain questions about this matter. That was just before he was going to the London conference of prime ministers, and it was also at a time when he was meeting delegations representing the Jewish community in Canada. I asked him if he would endeavour to have the matter considered at the conference in London. He replied, as reported at page 2003 of *Hansard* for March 30, 1944, that he understood that this matter would be considered at the conference. I went farther and asked him if he would indicate that if he found the matter was not on the agenda he would see to it that it was raised. The Prime Minister's reply, in part, was in these affirmative words:

> To those who have waited upon me I have said that it was a matter I intended to see would be considered at the meeting of prime ministers.

I should be very glad if the Prime Minister would indicate, either now or when he has an opportunity to answer, whether the question was discussed at that conference, and, if so, if there is any report he can give as to the discussions. Can he tell the committee whether on the basis of those discussions, and on the basis on the study he has given to this matter since that time, there is in his view any opportunity that advantage may be taken of the announcement made by Admiral Horthy?

Mr. MACKENZIE KING: I can answer my hon. friend at once about the conference. I would say to him that, during the meetings of prime ministers, the matters pertaining to Palestine did come up. They were not on the agenda, but I took care to mention that, immediately before leaving the House of Commons in Ottawa, I had been asked if I would bring forward certain representations that had been made by hon. members on the floor, and I did so. The conference had many matters to consider. This was a large question that required consideration from many points of view and it was not possible to have it fully discussed. However, I did carry out the undertaking that I gave the house before I left. That is all I can say about it, because such parts of the proceedings of the conference as it has been thought advisable to have made public have been made public, and I am not in a position to say anything about matters that have not been made public.

[Mr. Knowles.]

Mr. KNOWLES: Nevertheless, I trust that the Prime Minister and the Department of External Affairs are giving active consideration to this matter. I know that strong representations have been made to the under-secretary of state for external affairs. I have before me a copy of the memoranda from which the hon. member for Trinity read earlier this evening and which was presented to the under-secretary by the Canadian Palestine committee. I may say that that committee is made up primarily of non-Jewish people. I am very happy to notice from the letterhead that not only are the leader of this group and I, as well as certain other members of the C.C.F. included in the membership of that committee, but there are several other members of this house. I think I should mention them and congratulate them upon their interest in these oppressed people. The ones whose names appear on the letterhead are the Minister of Fisheries (Mr. Bertrand), the hon. member for Yukon (Mr. Black), the leader of the opposition (Mr. Graydon), the hon. member for Essex East (Mr. Martin), the hon. member for Comox-Alberni (Mr. Neill), the hon. member for Trinity (Mr. Roebuck) and the hon. member for Calgary East (Mr. Ross).

The fact that people of this calibre, if I may use that phrase, are associated with this organization is an indication of the feeling that many of us have for the plight of these people. We are in the midst of a war against Hitlerism. The terrors of Hitlerism first fell upon these people, and I think it is safe to say that no human beings in the world have suffered to the extent they have. I suggest that the least we can do is to exert all our efforts to relieve any part of their sufferings it is possible to relieve. There is this immediate situation which has been drawn to the attention of the Prime Minister, and I hope he will give it his further active consideration.

Mr. GRAYDON: I had intended directing some inquiries to the Prime Minister, as indicated earlier in the discussion to-day, and I have one or two observations to make with respect to the general item under discussion. But the hour is late and perhaps I can go on when the committee resumes its discussion of this item.

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Saturday, August 5, 1944

The house met at eleven o'clock.

GRAIN

DELIVERY QUOTAS—PROGRESS OF PARTICIPATION PAYMENTS

On the orders of the day:

Mr. R. T. GRAHAM (Swift Current): In view of the fact that a number of hon. members will soon be going back home, I would ask the Minister of Trade and Commerce to make a statement with regard to the marketing programme that will be in force this year respecting wheat and other grains.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): It has been suggested by the hon. member and by others that I make a statement on the grain delivery quotas that have just been put into effect in western Canada, and also upon the progress of the participation payments.

Initial quotas have been established on wheat for 1944-45 of five bushels per authorized acre, and on oats and barley of five bushels per seeded acre. No quotas have been placed on rye and flaxseed.

By the time the new crop deliveries commence in volume, the quotas at individual points will be adapted to the available space as in previous years, with due regard to acreage, yield and various market factors.

As was provided last year, producers who have barley suitable for malting purposes, and whose sample is accepted by the buyer, will be given a special permit to ship and deliver one car lot of malting barley over and above their present established quota.

By the close of the crop year on July 31, producers at nearly 90 per cent of the country points in the prairie provinces had been able to deliver the whole of the marketable quantities of their 1943 crops. At some 260 stations, however, the available space did not permit delivery of the balance of the 1943 crops, and at these stations open deliveries of wheat and oats from the old crop have been extended until August 15. Producers who were unable to deliver their barley on past open quotas, owing to lack of space at their delivery point, may apply to the Canadian wheat board for special permission to deliver.

With respect to the 1940-41 crop participation payments, up to the present approximately 225,000 requisitions have been received from producers, and approximately 170,000 cheques have been issued. The remainder of the 1940 cheques, based on requisitions already received, should be sent out within the next two or three weeks, with the exception, of course, of those requisitions which, for one reason or another, require adjustment. Immediately thereafter it is planned to start writing cheques for the 1941 and 1942 crops, which will go out in one cheque. At the same time, the Canadian wheat board will make arrangements for replacing lost certificates, of which there is a tremendous number.

The magnitude of the whole task will be apparent when it is realized that between duplicate and original certificates, approximately 10,000,000 certificates will have been handled.

Mr. PERLEY: What will be the number of bushels in the first quota?

Mr. MacKINNON (Edmonton West): Five bushels of wheat and oats.

Mr. PERLEY: I should like to impress upon the minister the necessity of raising the quota as soon as possible to ten bushels, because I think the space is available. If he will look up and see what happened to the pool elevators after the restriction was taken off he will see that deliveries to their elevators increased from thirty-five to fifty per cent of all deliveries in just two or three months; therefore I think it is important to have as large a quota as possible in order not to discriminate against that organization.

Mr. MacKINNON (Edmonton West): The quota has to be set with the whole situation in the three western provinces in mind and not any one particular district. I am quite sure the representations of the hon. member will be considered.

LABOUR CONDITIONS

PROGRESS IN SETTLEMENT OF MONTREAL TRAMWAYS STRIKE

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to address a question to the Minister of Labour. According to an item in the Ottawa *Journal* this morning some progress has been made toward settling the Montreal tramways strike. I notice the article contains a suggestion that the minister might get some legal interpretation of the point at issue which precipitated the strike both in Halifax and Montreal, namely, the objection of the employers to accepting the union's

proposal for the maintenance of membership clause in their agreement. Is the minister in a position to inform the house whether he has had some legal interpretation of section 20, paragraph 1, of order in council 1003, in order to clarify in the minds of the public the point that caused the strikes, so that we may have some reasonable understanding that there will not be a repetition of this in the future?

Hon. HUMPHREY MITCHELL (Minister of Labour): The points at issue in Halifax and Montreal are entirely different. In Halifax the point at issue is the check-off and maintenance of membership clause. Whoever gave my hon. friend the information, it is incorrect. The company and the organization in Montreal have agreed to the maintenance of membership clause and the check-off. That has been agreed to with certain reservations.

Mr. GILLIS: It is a matter of interpretation.

Mr. MITCHELL: No, it is not. Now that the hon. member has raised the point may I say that it has gone abroad that the Department of Labour has the power to call strikes or stop them. The only people who have the power to call strikes are the organizations themselves; and by the very nature of things that responsibility must rest on the organization involved or the employer as the case may be. But to try to get from under and to blame the Minister of Labour, whether it is the provincial minister or the federal minister is unfair. I have been in this game long enough to know that that is the old technique that has been carried out ever since I have been a trade unionist. Let us be frank and honest about that. I think I know something about leadership. I am convinced of this, that there are good men, able to give the right kind of leadership, and the rank and file will go down the line—that is the trade union language. I have had some connection with the tramways organization in Montreal over the last thirty years. I knew personally the man who organized that union, Magnus Sinclair, the vice-president of the Amalgamated Street Railway Employees of America. At that time he was assisted by "Bill" Mahon, who has been president for over forty years. Until recently they enjoyed what one might describe as reasonably satisfactory relations such as one expects when negotiations are going on between the employer and the employees. I think that should be made clear. I sat in convention with these men. I did not call the strike in Montreal, neither did the Department of Labour. We did everything humanly possible to prevent the third walkout in the last seventeen months. We used all the machinery that had been agreed upon by employers and employees in this country to settle industrial disputes. I think I said this before in the house, that when we drafted the labour relations code, neither the employer nor the employee approved the principle of compulsory arbitration up to the negotiations for the first contract. It was all based on the principle of conciliation.

As I said before, I know it has been hinted that I, as minister of the crown, should have said to this company: "You have to recognize the closed shop." Well, I am not going to do that.

Mr. GILLIS: They are not asking for that.

Mr. MITCHELL: I know what they are asking for. I have sat through the negotiations, and when I say that I am moving in a goodly company. To begin with, under the legislation I have not the power to say to the employees or to the employers that they should recognize the closed shop. I remember a speech delivered by President Roosevelt in 1941 when he was addressing a conference of union and steel officials in Washington, I think. I got in touch with Washington yesterday and obtained a short transcript of his remarks, in which he made this observation:

> I tell you frankly that the government of the United States will not order, nor will Congress pass legislation ordering, a so-called closed shop.

My hon. friend knows that no government, even if his party should be fortunate enough to form a government and he should be the minister of labour, is going to pass legislation saying to a man that he has to go to a particular church or to belong to a particular fraternal society or to a particular trade union. Once a government takes that position, in my judgment democracy no longer functions.

So far as the labour relations code is concerned I take this position: provided that the employers and the employees mutually agree on the terms of a contract, my own view is they can do it. It so happens in this case that the company stepped in and said: we believe it is illegal; we believe it is in contradiction of the legislation that was passed recently by the province of Quebec to stop strikes in public utilities. There is nothing new about the position taken by either the lowest or the highest in the land in this regard. There is nothing new in an appeal to the

courts in connection with what they think is their just rights. I think that is elementary and fundamental.

The president of the union has notified my department—and I think this will cover the point raised by the hon. member in regard to legal interpretation—that the men have told him that they will not return to work until an agreement has been made that all men employed and all men who are employed in the future shall be required to become members of the union. On the other hand, the company has stated that in its opinion the resentment which would be stirred up amongst the public in Montreal if the company agreed even to the modified agreement which was previously under consideration, would be so great that the management would have to retire. Certainly the company would not be prepared to grant the terms now being asked by the men. I have explained the legal position. I hope I have made myself clear to my hon. friend.

Mr. GILLIS: You had a legal opinion on it?

Mr. MITCHELL: No, I am giving my own opinion; I am not speaking for the courts.

Mr. GILLIS: It is not a legal opinion?

Mr. MITCHELL: No.

Mr. GILLIS: I have no intention of pursuing this matter, Mr. Speaker, but we are at a great disadvantage; the minister can debate the issue while we cannot. What I wanted to clarify in my own mind, and for the sake of the people concerned, was the legal position within the meaning of the labour code. It seems to me that if the position of the strikers is legal, then the employers are in an illegal position and should be handled accordingly. Somebody is in an illegal position.

Mr. DUPUIS: Is my hon. friend in favour of the closed shop?

Mr. GILLIS: As you understand it, no; as I understand it, yes.

Mr. DUPUIS: Then how do you understand it?

Mr. GILLIS: I do understand it, and you do not; that is the trouble.

Mr. MITCHELL: It is not as simple as my hon. friend states; I want to be clear on that point. He is going a long way when he says one party is in an illegal position. At the moment I am not discussing the merits of the matter.

Mr. GILLIS: They cannot both be right within the meaning of the code.

Mr. MITCHELL: Then let us get it clear in this way. In Halifax they had a board of conciliation, and the employers turned down the report of that board. In Montreal they had a board of conciliation and the employees turned down the report of the board, which was quite within their rights under the code.

RELEASE OF MEN FROM EQUIPMENT AND PERSONNEL SECTIONS, R.C.A.F.

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to ascertain from the Minister of Labour whether there has been any change recently in the regulations in regard to securing man-power for industry and agriculture. I ask the question because at the various airports in Manitoba within the last few days the equipment and personnel sections of the Royal Canadian Air Force have been ordered to assemble to hear an official letter from headquarters which indicates that any man in equipment and personnel in the air force may now receive his discharge, if he applies for it, in order to return to essential industry or to the farm. Does this represent a new move on the part of the government to secure necessary man-power for industry or agriculture? Was this order issued in collaboration with the Department of Labour? What changes have necessitated the making of this order, which seems to be quite a departure from the demand for man-power for the armed forces heretofore believed necessary?

Hon. HUMPHREY MITCHELL (Minister of Labour): I think my hon. friend had better direct that query to the Minister of National Defence for Air (Mr. Power). I have a big enough show to run myself, without taking on anything else.

Mr. DIEFENBAKER: But it has to do with man-power, which comes under the Department of Labour.

VETERANS' INSURANCE

PROVISION OF LIFE INSURANCE FOR VETERANS OF THE PRESENT WAR—CONCURRENCE IN SENATE AMENDMENTS

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) moved the second reading of and concurrence in amend-

ments made by the senate to bill No. 170, to provide for the insurance of veterans by the Dominion of Canada.

He said: In case any hon. member wants to know the significance of these amendments, they are purely by way of clarification, and involve an alteration in the draftsmanship. They involve the addition of the word "or" after the word "veteran" in line 25, page 2, and subsection (c) is redrafted, with the concurrence of the department.

Motion agreed to; amendments read the second time and concurred in.

HOUSING

PROVISION FOR LOANS FOR CONSTRUCTION, REPAIR, ALTERATION, ETC.

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee to consider the following resolution:

That in order to promote the construction of new houses, the repair and modernization of existing houses, the improvement of housing and living conditions and the expansion of employment in the post-war period, it is expedient to introduce a measure to authorize the Minister of Finance:

1. to join with approved lending institutions in the making of loans under certain conditions for the construction of homes for prospective home-owners, and the sharing of losses, if any, in respect of such loans, the aggregate amount of the advances to be made not to exceed one hundred million dollars;

2. to join with approved lending institutions in the making of loans under certain conditions for the construction of houses to be rented to tenants and the sharing of losses, if any, in respect of such loans, and to make loans to limited dividend housing corporations under certain conditions to assist in the financing of low rental housing projects, the aggregate amount of the advances to be made by the minister for the construction of houses for rental purposes not to exceed fifty million dollars; to authorize life insurance companies under the jurisdiction of parliament to purchase land and construct thereon and manage low cost or moderate cost rental housing projects subject to certain conditions and to authorize certain guarantees in respect of such investments, and to authorize the Minister of Finance under certain conditions to make grants to municipalities, up to an aggregate amount not exceeding twenty million dollars, for the purpose of assisting in the clearance of slums or blighted areas;

3. to provide special assistance in the contracts with approved lending institutions to encourage the making of loans in rural areas, and to enter into contracts with manufacturers of building equipment to assure the production of components for rural homes on an economical cost basis, provided that the gross liability of the dominion in respect of such contracts with manufacturers of components for rural homes outstanding at any one time shall not exceed five million dollars;

4. to guarantee under certain conditions loans for the repair, alteration and extension of existing homes to an aggregate amount of one hundred million dollars;

5. to carry on and promote technical research and investigations designed to lower housing costs and promote better housing conditions and the more efficient planning of communities;

and further to provide that the moneys required for the making of the said loans and grants and the payment of losses incurred under any guarantee or other contract authorized by the act shall be paid out of any unappropriated moneys in the consolidated revenue fund and that all other moneys payable under the act, including the salaries of technical and clerical staffs and all other expenses of administration, shall be paid out of moneys appropriated by parliament for the purposes of the act.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, this measure upon which a bill will be based with respect to housing in Canada—

Mr. ILSLEY: Is the hon. gentleman asking me a question? I am moving the resolution, and I was going to make a speech on it.

Mr. GRAYDON: I was just going to ask the minister to make a speech, if he had not intended to do so. Perhaps for once we think alike.

Mr. MACKENZIE (Vancouver Centre): Then let the minister go ahead.

Mr. GRAYDON: Perhaps the great mind over there would allow the debate to continue. May I ask the minister—

Mr. RALSTON: Perhaps you would allow it to continue.

Mr. GRAYDON: If my hon. friend wants to get in with the great minds also he might submit his qualifications and see if he can pass muster. I thought this was the appropriate time for the minister to make a statement in connection with the matter, instead of waiting until later.

Mr. ILSLEY: That is perfectly correct.

The bill which this resolution seeks authority to introduce is a long and complicated one. It therefore seems desirable for me to explain at some length the provisions of its various parts at this time. Consequently, I propose to make a speech on the resolution which perhaps ordinarily I would make on moving second

reading of the bill. I think this procedure will make it possible for hon. members to get a clearer understanding of the various provisions of the bill and to be in a better position to discuss these provisions when we go on with the second reading. I can assure hon. members I shall limit myself to exposition of the provisions of the bill and the principles underlying it rather than attempt any extended argument.

I also do not think it necessary to weary the house by giving any historical or analytical background or any elaborate statistical information in regard to the housing problem, what we have done in this field in the past and what is being done in other countries. If there is one thing upon which all parties in this house agree it is on the importance of placing a house building programme and the improvement of housing conditions well up in the forefront of the general programme of reconstruction which we are preparing for the post-war period. Furthermore, hon. members now have at their disposal the very elaborate report on housing and community planning prepared by a subcommittee of the advisory committee on reconstruction. While all hon. members may not agree with all of the recommendations contained in this report, nevertheless they will find it a very convenient compendium of information in regard to housing experience and legislation in Canada, Britain and the United States, the dimensions of the post-war housing problem in its various aspects, the need for and principles underlying community planning, and other pertinent aspects of the housing situation. I shall therefore assume that hon. members have this report as a necessary background for the purposes of this debate and will confine myself to a rather simple outline of the proposals which we are making in the bill which will be brought down when this resolution has been passed.

The housing programme to be outlined is a programme of general application. It was not thought feasible in this legislation to make special provision for any particular classes in the community, such as members of the forces or their dependents, ex-members of the forces, or those belonging to any occupational group. As the house knows, Wartime Housing Limited is also carrying on an emergency programme for the provision of houses on a rental basis to dependents of members of the forces in so far as the availability of materials permits and needs in particular localities develop.

I am not in a position to state what specific provision will be made otherwise than under this bill for those now in the forces as and when they are demobilized. This, however, is a separate question, which will, to the extent that it is not covered by this legislation, be dealt with separately. In saying this, I wish to make it clear that apart from the wartime housing programme I have mentioned, I am not intimating that there will be a separate and additional housing programme. I am merely indicating that if and when a statement is made in reference to the special problems of demobilized members of the forces, it will be made by another minister.

The present bill will contain six parts. Part I will deal with the construction of houses to be owned by prospective home-owners; part II with the construction of houses for rental purposes, and also with slum clearance; part III with rural housing or houses on farms and in small and remote communities; part IV with loans for the repair, alteration, modernization or extension of existing homes; part V with housing research and community planning; and part VI with a number of general provisions.

Let me deal first with the provisions of the bill regarding the construction of houses for home ownership. In this part of the bill we follow in general the pattern established by part I of the National Housing Act, 1938, but with some important additions and modifications. The way in which this part works is as follows: The prospective home-owner who has a lot on which he wishes to build a house or a builder who wishes to build a house for sale to a prospective home-owner goes to an approved lending institution with the plans and specifications for the house, details of the location of the lot and other pertinent information. The lending institution ascertains the cost and appraises the value of the land, checks the plans and specifications of the building in order to see that they conform with the minimum standards laid down by the government, checks the estimated cost of production, the credit-worthiness of the borrower, et cetera; and after all this work has been done, if it is willing to participate in a loan to facilitate the construction of the house, submits the application with the supporting material to the national housing administration for its examination and approval. We may then approve the plans and the application as they stand or require certain necessary modifications. If we approve the application, a loan is made jointly by the lending institution and the Minister of Finance with the first mortgage or hypothec running jointly to the two of us. The proceeds of the loan are then paid out in instalments and provision is made for inspection of the house at various stages during its construction in order to assure that the builder or contractor completes the

construction of the house in accordance with the plans and specifications which have been approved. The loan is repaid by monthly instalments which cover not only payment of interest and amortization of principal but also the annual taxes on the property and in case of any loss incurred in respect of the loan, the loss is shared in agreed proportions between the minister and the lending institution.

Hon. members will note that this procedure requires that the minister enter into contracts with approved lending institutions and that these contracts must contain the various provisions governing the making of loans, supervision of construction, the terms of the mortgage and the repayment of the loan, the steps to be taken in case of default, the sharing of losses, and other matters specified in the bill. In the new bill we are extending the definition of a lending institution that may be approved by the governor in council for the purpose of making loans under the legislation, to include not only insurance, loan and trust companies but also trustees of trust funds, building societies, credit unions and other cooperative credit societies authorized to lend money on the security of real or immovable property. We are also defining "cost of construction" in a somewhat broader sense than previously in order to take into account a fair and reasonable value for work done by the owner of the house himself, and also to provide for a fair appraisal of land, where the land has been acquired by gift or demise, and to include development cost and carrying charges where the land has been held by a builder for a considerable time.

The house will also be interested in the terms upon which loans may be made. The new contracts will provide that a joint loan shall not be less than 50 per cent of the lending value of a house—incidentally, lending value is either the estimated cost or the appraised value of a property, whichever is the lesser—and it shall not be more than 95 per cent of the first $2,000 of lending value, plus 85 per cent of the amount by which the lending value exceeds $2,000 but does not exceed $4,000, plus 70 per cent of the amount, if any, by which the lending value exceeds $4,000. Let me give some illustrations of the way in which this works out: If we are considering a house with a lending value of $2,500, the minimum loan under this formula would be $1,250 and the maximum loan would be 95 per cent of the $2,000 plus 85 per cent of $500, or a total of 93 per cent. On a house with a lending value of $3,000, we could make a loan of $2,750 or 91⅔ per cent; on one with a lending value of $4,000 we could make a maximum loan of 90 per cent; on one with a lending value of $5,000 we could make a maximum loan of 86 per cent; and on houses with a lending value in excess of $5,000 the maximum percentage of loan would gradually scale down. I think this formula is as sound a one as can be devised. It is true that representations have been made by the building industry and others that we should increase the value of a house on which we could make 90 per cent loans to $5,000 or $6,000 or even a higher amount, and the subcommittee on housing recommended 90 per cent loans for houses with a lending value up to $6,000. The adoption of that recommendation would mean that a prospective home-owner would only require an equity of $600 to obtain a $6,000 house, whereas under our formula he would require an equity of $1,000. It does not seem to me sound that an individual who has only been able to save $600 should be encouraged to buy a $6,000 house and assume the obligations of a $5,400 mortgage. Nor do I think that at least in the vast majority of cases would that represent sound lending.

Other essential points relate to the rate of interest and to the period for which the loans will run. As I have already announced to the house, the new contracts will provide for an interest rate to be charged to the borrower of not in excess of 4½ per cent. This low rate is made possible by the government advancing its 25 per cent share of the joint loan on a 3 per cent interest basis, the lending institution obtaining a return of 5 per cent on its share of the loan and for the work which it is required to do. Under the Federal Housing Act in the United States, the maximum interest rate allowed on home mortgages is set at 4½ per cent but there is also a mortgage insurance premium charge determined by the risk involved and limited to not less than one-half of one per cent or not more than one per cent of the original face value of the mortgage. Under that act also provision is made for the instalment payment of such initial service charges and appraisal and other fees as the federal housing administrator may approve.

Under our new contracts the maximum term of loan will be twenty years in the ordinary case, but if there is sound community planning and adequate zoning restrictions in respect of the area in which the house is to be located, the loan may be made for a term not exceeding thirty years.

Let me illustrate what these new terms mean for a person wishing to build a house with a lending value of $4,000. The down payment

would be $400, leaving $3,600 to be financed by a joint loan. In the ordinary case this is payable in twenty years, the monthly carrying charges, including principal and interest, being $22.61. If the house is to be built in an area which has been adequately zoned and planned, the loan might be extended for thirty years, in which case the monthly carrying charges would be $18.04.

Mr. GRAYDON: Does that include taxes?

Mr. ILSLEY: No.

In addition, of course, there would be taxes, one-twelfth of which are payable each month along with the instalments of interest and principal.

As to sharing of losses on joint loans made under the provisions of part I of the act, there is a provision that regulations to be made by the governor in council may establish classes or categories of loans based on the ratio of the joint loan to the lending value and on the location of the houses, but the maximum amount of the loss to be borne by His Majesty in respect of any class or category of loan is not to exceed 15 per cent of the aggregate amount of the share of the said lending institution in all joint loans within the class. Hon. members will note that this provision will enable us to establish a number of guarantee pools in order to encourage the making of the type of loan which from our point of view is most desirable. In other words, we can provide a higher pool guarantee for loans on small homes where the percentage of loan to lending value would be very high, and also a higher guarantee for loans made in smaller or more remote communities or in what the lending institutions might regard as less desirable residential sections of our larger towns and cities.

Mr. GRAYDON: It is the same guarantee, as I recall it, as was given in connection with the home improvement loans. It is the same percentage, is it not?

Mr. ILSLEY: It was fifteen per cent. We are proposing under this legislation to make it five per cent for home improvement loans. But the two are not exactly comparable.

Conversely, we could provide for low pool guarantees in the case of the larger loans and loans made in the best residential areas. Our desire will be to make regulations and adapt these regulations from time to time in such a way as to get loans made which are in the public interest but which might not otherwise be made.

Cooperative housing projects may also be financed under part I of the bill. In such projects the cooperating tenant-owners normally own the project collectively by the device of either a corporation or a trustee holding title to the project. The loans to be made to such corporation or trustee representing the tenant-owners will be based on the same general provisions as apply in the case of an ordinary loan to a home-owner except that the shareholder of the corporation or the beneficiary of the trust will have to assume responsibility not only for the monthly instalments of interest, principal and taxes payable in respect of his cooperative apartment but also his pro rata share of additional payments required for operating costs and instalments of interest, principal and taxes where one of the cooperators fails to pay his share.

Perhaps the only other provision of part I of the bill to which I need to call attention at the present time is the section which appropriates the necessary funds for the making of these loans. The bill asks for an appropriation of $100 million in order to make loans under this part and to pay losses in respect of such loans or in respect of loans made under the Dominion Housing Act or the National Housing Act. This, it will be noted, will enable joint loans to be made in the total amount of about $400 million and for a total construction programme exceeding this amount by the amount of the borrowers' equities in respect of the loans less the cost of land. I need not say that this will give a very substantial impetus to employment and business activity in the post-war years.

It may be of interest to hon. members to know that under the dominion and national housing acts up to July 31, 1944, we had made 21,839 joint loans amounting to $87,388,517 in total. These loans provided accommodation for 26,443 families. And so far the net loss incurred by the government under the operation of both these acts has amounted to only $970.

I now come to part II of the bill, which deals with housing for rental purposes. Under this part there are four types of project or activity provided for: first, the financing of ordinary or commercial rental housing projects; secondly, the financing of low-cost rental housing through limited-dividend housing corporations; thirdly, the authorization of certain life insurance and other designated lending institutions to invest a limited proportion of their funds in low-cost or moderate-cost rental housing projects and to hold and manage such projects; and fourthly, the assistance we are proposing to give to promote the clearance of slum or blighted or substandard areas.

In the first type of case loans will be made jointly with approved lending institutions, in somewhat the same way as under part I of the bill, to persons who desire to construct either single family dwellings or a group of single family dwellings or a multiple family housing project to be rented to tenants on a commercial or economic basis. The ordinary apartment house would come within this category. As in the case of part I loans, the government will advance 25 per cent of the amount of the loan and the interest charged to the borrower will be 4½ per cent. But the maximum amount of loan is not to exceed 80 per cent of the lending value of the house or project and we may take a chattel mortgage or assignment of rents or other form of additional security in order to protect adequately the interest of the crown in the loan. Such loan will in the ordinary case not exceed twenty years but may run up to twenty-five years where there are sound community planning and adequate zoning restrictions. The usual provisions for assuring sound plans and specifications, for adequate supervision during the construction process, and the sharing of losses will also apply.

The second type of project provided for is the low-rental housing project intended to be rented to persons of low income, perhaps at rates less than economic rentals for the housing accommodation provided. These are to be developed, constructed and managed by limited dividend housing corporations. Such projects would be similar in nature to the so-called Montreal housing project which I described to the house some weeks ago. The limited dividend housing corporation must provide equity capital equal to at least 10 per cent of the cost of the project, limit its dividends to not more than 5 per cent, agree to provide competent and independent management, keep books and accounts in a form to be prescribed by regulation, permit inspection of the project at any time and comply with other appropriate conditions laid down in the act or in the regulations made thereunder. The loan made by the dominion will not exceed 90 per cent of the cost of the project and will bear interest at the rate of 3 per cent per annum. It may run for a period not exceeding the useful life of the project to be fixed by the minister and in any case not exceeding 50 years. It must be secured by a first mortgage and hypothec upon the project given in favour of the crown. Such supervision of the rentals to be charged by the corporation may be provided for as will assure the maintenance of the low-rental character of the project. In addition, any province, municipality, social agency, trust or person may make contributions to a rent-reduction fund to be held by the limited dividend housing corporation and to be used only for the purpose of reducing the rentals that would otherwise have to be charged. Need for the project by reason of shortage, overcrowding, congestion or the sub-standard character of existing housing accommodation in the municipality or the metropolitan area in which the project is to be located must be established and the area must be adequately planned and zoned. Finally, the contract between the minister and the corporation will provide for the disposition of surplus earnings and will require that the project shall not be sold or otherwise disposed of without the approval of the minister. If the project is sold with the minister's approval, any surplus from the proceeds of sale over and above the limited dividends and the return of the original investment shall be paid to such person or expended in such manner as is provided in the contract or as the minister may direct. In other words the intention is that no capital profits shall accrue to the shareholders of any limited dividend housing project.

The third type of project under the new bill involves one of the most interesting and most radical departures from previous practice in this field. It provides that notwithstanding any restriction on its power to lend or invest money contained in any other statute or law, any life insurance company subject to the jurisdiction of parliament, may subject to certain specified conditions invest its funds to an aggregate amount not exceeding 5 per cent of its total admitted assets in Canada in the purchase of land and the construction thereon of a low-cost or moderate-cost rental housing project, including such buildings or such accommodation for retail stores, shops, offices and other community services, but not including hotels, as the company may deem proper and suitable for the convenience of the tenants of such rental housing project, and thereafter may hold, maintain, repair, alter, demolish, reconstruct, manage, collect or receive income from, sell or convey, in whole or in part, land so acquired and the improvements thereon.

Certain conditions must be complied with before the minister gives his approval to the investment. The project must be in accordance with or in harmony with an official community plan satisfactory to the minister. It must be designed to provide housing accommodation for families of low or moderate income. Before any project is proceeded with the company must submit an application to the minister for his approval accompanied by

maps, plans and specifications, estimates of cost, estimates of probable income and such other information as may be required. These safeguards are for the protection of policy holders as well as to promote desirable housing developments. In order to give a reasonable degree of security to the investment, which is something new for Canadian insurance companies, the bill will also provide for a limited guarantee by the government. If the company agrees with the minister to keep satisfactory records open to his inspection at any time, to establish a reserve consisting of all net earnings in any year in excess of 6 per cent, and to repay out of this reserve any advances made by the minister under a guarantee, the minister may guarantee to the company, for as long as it retains ownership of the whole of the project, a net return in any year after the completion of the project of 2½ per cent per year of the cost of the project for a period not exceeding the estimated useful life of the project and in any case not exceeding 50 years.

Two or more life insurance companies will be allowed to join in the development, ownership and management of a rental housing project of this type and the governor in council also may designate other approved lending institutions, such as trust and loan corporations under the jurisdiction of parliament as eligible to invest not more than 5 per cent of their assets in Canada in projects of this type.

I think it will be quite obvious to honourable members why we are making provision for this type of project in our new housing legislation. One of the great weaknesses in the house-building industry in Canada is the absence of a substantial number of companies with competent management and with sufficiently large resources to acquire large blocks of land, particularly in our larger cities where land values are high, and to develop such areas in a comprehensive way providing all necessary community and incidental services. As some hon. members will be aware, several of the states of the United States have allowed life insurance companies to embark upon this type of project and a number of such companies have developed several very large and very attractive projects. I trust that we will see similar developments undertaken by a number of our Canadian companies.

The fourth feature of part II of the new bill is intended to assist municipalities in clearing slums. This will be done by empowering the government to make direct grants for that purpose. We believe this is the most direct and effective way of getting the job done. Conditions will be attached to the grant, but these will be of a character which are obviously necessary in order to assure the development of the area along sound lines. First, the land acquired and cleared must be developed under a master plan approved by the local municipality. Second, the land must be sold either to a limited dividend housing corporation or life insurance company, which has agreed to build a low-cost or moderate-cost rental housing project thereon. Third, the acquisition and clearing of the land must be approved by the provincial government concerned. It will be apparent that in most cases, particularly in the larger urban municipalities where slum areas are acquired and the buildings presently upon them demolished, the cost of the land so acquired and cleared will usually be too high to provide the site for a low rental or moderate rental housing project. Our problem therefore was to find some way of dealing with this excess acquisition cost, of getting the cost of the land down to the level where it would make feasible a low cost or moderate cost rental housing project. The bill will therefore give authority to the minister with the approval of the governor in council to make a grant to the municipality concerned of 50 per cent of the amount of what I have called the excess acquisition cost, the remainder of this excess acquisition cost to be borne by the municipality or jointly by the municipality and the government of the province concerned.

I have described rather briefly the essential provisions of part II of the act. The appropriation section of this part will authorize loans up to $50 million; that is to say, advances of the government's share of joint loans made through approved lending institutions for the construction of commercial renting projects and the government's 90 per cent loans to limited dividend housing corporations. It will also provide for grants for slum clearance purposes under the conditions I have described not in excess of $20 million. It is rather difficult to estimate the total amount of house construction which will thereby be made possible; it depends on the extent to which the $50 million is divided between loans to limited dividend housing corporations and loans made through lending institutions for commercial renting projects because in the latter case the total loan, including the lending institution's share, will be four times the amount of the government's advance. It is also difficult to estimate to what extent low cost or moderate cost rental housing projects will be proceeded with by life insurance companies and other designated approved lending institutions under the special provisions I have

described. If the life insurance companies were to take full advantage of the full limit of the investing powers now made possible for them, they could embark upon projects costing something in excess of $150 million.

Part III of the bill deals with rural housing. This is one of the most difficult phases of the housing problem in Canada and we have made special efforts to deal with it in a practical manner. One hindrance in the past has been the extra expense involved in making loans to farmers and to other persons in small and remote communities, including fishing and lumbering villages. This we propose to meet by authorizing the minister to make payments to the lending institutions of up to $20 in respect of each loan, together with other reasonable allowances for necessary travelling expenses incurred by the employees or agents of the lending company.

As I have already said, loans to urban house builders will be repayable in monthly instalments. Quite clearly such terms are not suitable to all farmers. It will therefore be provided that farmers may repay housing loans in such a way that the periodic instalments of interest and taxes will accord as nearly as may be practicable with the probable receipts of income by them from their farming operations.

Another very practical difficulty in the field of rural housing arises from the fact that a substantial percentage of Canadian farms are already mortgaged. To meet this situation the bill will provide for consolidation with an existing mortgage loan of a new loan made for the construction of a house upon a farm. Such consolidation, of course, assumes that the lending institution which is to make the loan for the construction of the house will also be the same institution that holds the existing mortgage on the farm. If this is not the case, presumably the only way in which the problem can be met is for the lending institution to acquire the existing mortgage. The government's advance in respect of such consolidated loan will, of course, be limited to 25 per cent of the amount of the loan necessary to build the house and the share of loss assumed by the government will also be the appropriate portion of the new loan made for the construction of the house.

The funds required for making housing loans to farmers and persons in small or remote communities will come out of the $100 million appropriation under part I of the act. In this connection, however, I should point out that in the farm improvement loans bill there is provision for loans to be made by the chartered banks to finance the construction of houses by farmers, including the construction of cottages for farm labourers. Such loans are limited in amount to $3,000 and no mortgage will be taken except in the case where the loan exceeds $2,000 and runs for a period longer than five years. Hon. members will remember that the farm improvement loans bill provides an appropriation of $250 million for all kinds of purposes for which loans are authorized under that legislation. I suspect that because of the greater convenience of the local bank, a great many of the small loans made for farm housing, particularly for farm cottages, will be provided under the provisions of the farm improvement loans bill.

Mr. GRAYDON: Will the loans to farmers for construction purposes include loans for building barns, stables and buildings of that kind?

Mr. ILSLEY: The banks can make loans within certain limitations, for that purpose under the farm improvement loans legislation. We shall have to wait for the bill founded on this resolution to see what its provisions are, but I think it covers houses only. Under the other legislation the banks can make loans for any farm improvements.

Mr. GRAYDON: If the farmer wants a loan to build a barn he will come under one system of assistance, and if he wants a loan to build a house he will come under a different system?

Mr. ILSLEY: Yes, but the interest rate is moderate in both cases.

I have dealt so far with financing the construction of rural houses. This is an essential part of a sound rural housing programme but it is by no means all that is required. Already, under the farm improvement loans bill, provision has been made to facilitate the extension of rural electrification and for the purchase on favourable terms of the electric stoves, refrigerators, washing machines and other equipment that contribute so much to the amenities of life on the farm. In part III of the housing legislation, which I am now discussing, we are taking another step forward by authorizing the minister to enter into contracts with manufacturers for the experimental production of plumbing and heating equipment and other component parts of houses. Actually we have already encouraged building equipment manufacturers to devote extensive study to the development of standardized units of equipment which would have high efficiency and low cost. This clause will enable us to push this type of encouragement to a much greater extent. More important still, the bill will authorize the minister, with the approval of the governor in council, to guarantee or underwrite the sale of a specified number of standardized units of equipment

or component parts manufactured for installation or use in farm or rural houses. The significance of this provision will, I think, be immediately apparent to hon. members. Let us say that as a result of extensive research an equipment manufacturer designed a bathroom unit or a heating unit specially suitable for rural homes. The manufacturer would not know whether he could sell a dozen, or a hundred, or a thousand, or ten thousand of these units to farmers, and the natural tendency would undoubtedly be to produce them on a small scale which would mean a high cost per unit. Under this new provision we could guarantee that the manufacturer would sell, say five thousand or even a larger number of the units in question and thus assure that the particular equipment would be made available to farmers at the lowest possible cost. I believe that this provision should make an important contribution to improved rural housing and we are asking parliament for authority to enter into contracts of the character I have mentioned, subject to the limitation that the aggregate amount of the contract or contingent liabilities assumed by the crown in respect of such contracts does not at any time exceed $5 million.

Part IV of the act deals with home improvement and home extension loans and represents a reenactment with some improvements and extensions of the old Home Improvement Loans Guarantee Act which was passed in 1937, and which proved so successful. Under that act 125,720 loans were made for the repair and modernization of existing urban and rural homes and the total amount of such loans was $49,959,055. Certain losses were incurred in respect of 1,231 loans, and claims have been paid to the lending institutions in the amount of $447,511, of which amount $44,763 has been recovered by the Department. The net loss represents a percentage of ·806 per cent. Up to March 31, 1944, 98·4 per cent of the principal amount of the loans made had been repaid, leaving $811,652 outstanding, or 1·6 per cent. This represented the government's contingent liability in respect of the loans as at that date. If not another dollar were repaid in respect of these loans, our total losses, it will be noted, would be less than 2½ per cent.

Loans under this part are made chiefly through the chartered banks which have offices all over the country, but certain instalment credit agencies may also be approved as lending institutions for this purpose. In the case of what we call a home improvement loan, the principal amount of the loan must not exceed $2,000 in the case of a single family dwelling, or $2,000 for the first family housing unit and an additional $1,000 for every other family housing unit in the case of a multiple family dwelling. In the case of what we call a home extension loan, the principal amount of the loan must not exceed $3,000 for the first family housing unit which is to be added to the existing house and $1,000 for each further addition. Loans under this part are for either three or five years.

Under the old home improvement loans bill the rate of interest to be charged was expressed as a discount of 3½ per cent for a one-year loan repayable in equal monthly instalments, which worked out at an effective rate of 6·02 per cent. In the new bill we are providing for a rate of interest not to exceed 5 per cent per year simple interest, and no fee, service charge, insurance premium, or other charge of any kind can be levied as long as the borrower is not in default.

The total amount of loans which may be guaranteed is not to exceed $100 million but the operation of this part of the act may be terminated at any time by the minister with the approval of the governor in council. In view of the highly successful experience under the Home Improvement Loans Guarantee Act, the guarantee is for an amount not in excess of 5 per cent of the aggregate principal amount of the guaranteed loans made by any bank or approved instalment credit agency. Under the old act this pool guarantee was 15 per cent.

In this connection it must be remembered that the old act covered repairs, alterations and additions to both urban and rural homes. Such repairs, alterations and additions to rural homes will in future be financed by loans under the Farm Improvement Loans Act where the pool guarantee amounts to ten per cent of the total loans made by any bank, and the total amount of the loans to be guaranteed, as I have already indicated, is $250 million.

I come now to the two concluding parts of this long and comprehensive piece of legislation. Part VI contains the usual provisions relating to staff, regulations, reports and proclamation. The only provision to which I would draw your attention is that relating to insurance. The intention under this clause is to enable a borrower to take out reducing term insurance to pay the outstanding amount of his loan in the event of his death before the loan is fully repaid. In certain cases the purchase of this type of insurance may be made mandatory.

To return to part V, this relates to housing research and community planning. If I had time I would like to deal at length with these provisions as they may prove to be of the very greatest importance during the years that

lie ahead. Broadly speaking, this part of the legislation places special responsibilities on the minister with regard to housing conditons throughout Canada and authorizes him to undertake a comprehensive programme designed to promote sound construction and to encourage the development of better housing and community planning.

Authority is given the minister to investigate housing conditions in Canada and abroad, to study how to build houses more economically and efficiently, to prepare plans for low cost houses and to distribute them to advantage, to promote a better understanding of the need for community planning and to cooperate with local authorities in investigating local problems of land utilization and community planning.

Furthermore, the minister with the approval of the governor in council will be authorized to prepare and undertake directly or in cooperation with other departments or agencies of the government of Canada or the government of any province or with any municipality, university, or person, programmes of technical research and investigation into the improvement and development of methods of construction standards, materials, equipment, fabrication, planning, designing, and other factors involved in the construction of improved housing accommodation; to enter into contracts for the production or development of materials, equipment, or component parts for houses through the pilot plant stage of production or development, and for the testing of such materials, equipment or component parts; to publish and distribute the results of such technical research and investigations; conduct competitions to secure plans, designs and specifications for low cost housing; and to make provision either directly or in cooperation with any other department or agency of the government of Canada or with the government of any province or with any university, educational institution or person for promoting training in the construction or designing of houses, in land planning or community planning, or in the management or operation of housing projects.

I think that in this simple outline I have covered all the essential provisions of the bill. I would like to have been able to argue the case for certain of these provisions in some detail but in most cases they speak for themselves, and if differences of opinion should arise about some of them there will be ample opportunity for argument during the debate on second reading of the bill.

There is, however, one important point which I think I cannot pass over without a brief reference. Hon. members will have noted that while this bill involves many-sided and comprehensive legislation dealing with all phases of the housing problem, nevertheless it does not adopt the views of those who believe that our municipalities should engage directly or through local housing authorities in a vast programme of state housing financed largely by dominion government funds. We have given the most careful consideration to the representations made looking to this type of programme, but under Canadian conditions we cannot believe that such a programme would be sound or necessary. Several at least of the provincial governments would, I am sure, not wish their municipalities to embark upon municipal housing projects and we as a dominion could not contemplate with equanimity the pouring out of vast sums of dominion funds to municipal authorities to be expended in the construction of municipal housing which would involve grave problems of administration, not only in the development and construction of the projects but particularly in the management of the projects and the control of tenancy which would be necessary. If the dominion were to make substantial funds available to assist in the construction of low rental housing projects and to provide substantial subsidies for such projects either in the form of abnormally low interest rates or contributions to a rent reduction fund, it would be under obligation to see that these subsidies accrued solely to the advantage of the families of low income for whom they were intended. That would mean that the municipal management of the projects would be required to check the family income of each tenant accommodated and fix a rental rate for each such tenant not in excess of one-fifth of the family income. I do not think it would be possible in a municipal housing project to assure that such control of tenants and rentals would be administered on an efficient and independent basis. That is one of the main reasons why we have avoided that kind of arrangement in the new bill which we are recommending to the house.

On the other hand, we have provided for substantial assistance to municipalities for slum clearance and we have provided methods and procedures whereby low cost or moderate cost rental housing projects may be developed under efficient and independent management. We have provided for very substantial dominion assistance to limited-dividend companies for the construction of low rental projects and we have also made it possible for provincial or municipal governments or

social agencies or other persons to contribute to a rent reduction fund for the purpose of reducing rents payable in such projects still further if this appears necessary in certain areas.

I commend this bill to the favourable attention of the house. It is a measure of major importance not only from the point of view of improving housing and living conditions but also as part of the government's programme to provide employment in the post-war period.

Mr. S. H. KNOWLES (Winnipeg North Centre): I congratulate the minister on his decision to speak at this stage of the proceedings with respect to this measure. I may say at the outset that there were a number of matters that were of deep concern to me from reading the terms of the resolution which he has cleared up. It is also true however that there are some points concerning which he has raised additional questions in my mind. We in this group thoroughly agree with the position taken by the minister that this is a very important piece of legislation. It is also true that all parties in the house are concerned about housing and place it very high among the matters to which the people of Canada should give attention, certainly in the post-war period, preferably just as soon as we possibly can.

We of this group welcome the introduction of the measure, and it will have our support even though on the principle that half a loaf is better than no bread at all. We are not satisfied that the government has gone as far as it should in heeding the recommendations of the report to which the minister referred, published by the advisory committee on reconstruction, known as report number 4, dealing with housing and community planning. It is sometimes referred to as the Curtis report, because the committee was under the chairmanship of Professor C. A. Curtis of Queens university.

I was glad to note, in the outline that the minister gave of the bill itself, that there is in it a section—section 5, I believe—which calls for research into the whole question of housing in Canada. I am sorry that that has not been done already, and that the government has not given attention to the sections of the report which indicate the necessity of planning in advance.

I should like to read a portion of the Curtis report touching on this phase of the matter, appearing at pages 9 and 10:

> The committee places in the forefront of all housing projects the matter of town and community planning. Town planning is essentially the matter of using land in its most efficient and socially desirable way. Many people regard town planning as a matter of parkways, arterial roads, and similar measures. But town planning should mean the utilization of all land in terms of long-range and carefully considered objectives. . . . The institution of at least the essentials of town planning is both preliminary and basic to housing developments. The committee, therefore, regards it as a step which must be taken at the earliest possible moment in preparation for post-war housing projects; and it must be added that on account of the constitutional division of powers in Canada, town planning requires the cooperation of all levels of government in the federal system. It is equally true of modern town planning that it requires innovatory legislation and a spirit of initiative on the part of both citizens and government. Only a wider appreciation of the nature and techniques of town planning will produce the cooperative action necessary from federal, provincial and municipal governments.

The hon. member for Mackenzie (Mr. Nicholson), who has spoken for this group on several occasions on the matter of housing, has appealed a number of times to the government along the very lines set out in the quotation which I have just read. He has urged the government to call conferences of federal, provincial and municipal authorities so that they might get down to brass tacks in this matter of town and community planning well in advance of any housing project upon which we might launch.

There is tremendous urgency for the construction of houses. One does not want to delay for a moment the going ahead with such a measure as the government has announced, but it is a matter of regret to me that we have not had in advance a recognition of the very first recommendation contained in the Curtis report.

Another matter about which we are concerned is the relatively small amount of money that is to be made available. We recognize that compared with pre-war federal budgets $275,000,000 is a great deal of money, but compared with some of the sums that we have found and have been able to pay during the period of the war this amount is small and it is not sufficient to meet the housing needs of Canada. On a number of occasions hon. members have had occasion to refer to the report on the government financed expansion of industrial capacity in Canada, as at December 31, 1943, which was tabled by the Minister of Munitions and Supply (Mr. Howe). I am looking at the page that gives the summary of the investment made by the government in fixed assets. For example, we have put out in facilities for the production of general munitions a sum of more than $535,000,000. Without giving other details our total commitments for fixed assets for war purposes run to over $850,000,000. When we come to housing

surely we are dealing with a fixed asset of great importance to the life of Canada, and I would hope that we might be able, in connection with this most socially important fixed asset, the homes of our Canadian people, to match the amount of money that we have been able to put into fixed assets for the very necessary task of prosecuting the war. I hope that the minister will indicate at some stage of this debate, perhaps when we go into committee of the whole on the resolution a little later, whether this amount of money is one appropriation of $275,000,000 or whether we might expect it to be regarded by the government as the first of several annual appropriations. If it were the latter over a period of, say, ten years, it could be used to make a real contribution to the solution of Canada's housing problem; but if this is the total amount of money which the government feels should be appropriated out of public funds for solving Canada's post-war housing problem, I fear we shall fall far short of meeting our basic needs in this field.

If I took down correctly the figures which the minister gave when he was speaking just now I believe he said that up until the end of July of this year the total amount of loans advanced by the government under the Dominion Housing Act of 1935 and the National Housing Act of 1938 was $87,388,578, and that these loans provided housing accommodation for 26,443 families. I take it he meant that that many housing units were built, whether they were individual houses, suites or other types of accommodation. If the lending by the government of a little over $87,000,000 during the lifetime of these acts has made available only 26,000 dwelling units, it is to be assumed that the lending of $100,000,000 for the building of houses for prospective owners will not provide much more than 30,000 housing units. Further, even if one were to take the entire amount of money set out in this resolution, which is less than $300,000,000, and to treat it generously on the proportion of the figures already given, the highest total number of housing units that one could foresee would be about 90,000. That is too generous an estimate, because not all of this money is availabale for new homes. It is a rough calculation, obviously made on short notice, because I simply took the figures the minister gave a short while ago. But I should like to set that calculation of 90,000 or even 100,000 prospective housing units which may be realized under this legislation against the housing needs of Canada as set out in the Curtis report, published by the advisory committee on reconstruction.

On page 151 of this report, following a discussion of the matter in considerable detail, the committee gives a table showing the needs of a Canadian housing programme for the first ten years of such an effort. It is given in detail, but I shall refer only to the totals. The committee states that in the first ten years of an effective housing programme we should provide for 606,000 urban, non-farm homes and in addition should provide for 94,000 homes in farm areas, or a total of 700,000. I suggest that the house take note of the wide gap between the ninety to one hundred thousand homes that may be built under the legislation to which the minister has referred, according to the calculation I have made, and the seven hundred thousand indicated in the Curtis report as Canada's need for new homes. The table on page 151 goes a bit further and gives the unofficial British programme for housing for the same ten-year period as well as the official New Zealand programme. I need not give the figures set out for those countries, because the important feature is in the next two columns, where the committee has apportioned the British and New Zealand figures to our Canadian situation. The committee says that on the basis of that apportionment, to equal the British programme we in Canada should be producing 921,000 homes, or to equal the New Zealand programme we should be producing 756,000 homes in the ten-year period to which I have referred. It may be that when we are in committee, or on second reading, the minister will be able to indicate other measures that will supplement what is before us at the present time. I hope he will; but I am pointing out that what is before us now—

Mr. McNEVIN: Does not the hon. member think in regard to the comparison with Great Britain that as a result of the devastation in that country the need for housing will be much greater than in this country?

Mr. KNOWLES: That is quite possible. I was not giving an opinion of my own in that instance; I was giving the opinion of the Curtis committee, the subcommittee of the James committee on reconstruction, which went into the matter of housing. As a matter of fact the difference between the recommendation of the committee itself on the basis of our own Canadian needs and these weighted figures for New Zealand and Britain is not very great. The alarming difference appears as between the figure of 700,000 recommended by the Curtis committee and the 100,000 provided in the legislation now before us.

The whole question of the interest rates on houses built under these acts is to us a matter of concern. I still have the hope that the

government may find it possible to arrange for a lower rate of interest, even if they consider it necessary to retain some of the other protective measures to which the minister referred, so that the legislation might better meet the needs of our people. I have here some figures which were obtained from the statisticians of the housing administration as to the monthly payments and the total amounts paid under various rates of interest. These figures deal with the retirement of a $3,000 loan, including interest and principle, under various conditions, over a twenty-year period or over a thirty-year period, at different rates of interest. Perhaps if it is put in tabular form hon. members will understand it better. The figures are as follows:

Monthly Rates and Total Amounts Required to Retire a $3,000 Housing Loan, Including Interest and Principal

	20 years		30 years	
Rate	Monthly	Total	Monthly	Total
2 %.....	$15 15	$3,636	(not available)	
3 %.....	(not available)		$12 57	$4,525 20
4½%.....	$18 25	$4,380	$15 03	$5,410 80

I would point out that over a twenty-year period the home earner would pay $744 in additional interest as between the rates of 2 per cent and 4½ per cent, while over a thirty-year period the difference would be $885.60 as between the rates of 4½ per cent and 3 per cent. I feel very keenly that further consideration should be given this whole question of interest rates. In that connection, and apropos of the other reference made by the minister, I should like to give a quotation from the ministry of housing in New Zealand. The minister referred to the desire on the part of the government to keep to a minimum the loss to the treasury as far as this whole project is concerned. Our minds run in different channels on that point. I cannot feel that the country as a whole is losing if we build homes. Despite the fact that it was done for war purposes we like to think that there is increased wealth in the country because of the fixed assets we have created as a result of our war expenditures. I feel in the same way that when we spend money on the building of homes for the Canadian people we are gaining, not losing. In this connection, after the labour government of New Zealand opened its housing account with the reserve bank of New Zealand on July 1, 1936, just after it was first elected, the housing ministry of that country issued a statement in which it said, in part:

> We are out to create assets against this reserve bank credit, and to the extent that we succeed in giving the nation sound assets, so we will have demonstrated the sanity of socialist finance.

I commend our line of thought to the minister and suggest that he consider that the proposition upon which he is embarking now, namely the investing of public funds in the building of homes for the Canadian people, will not in the real sense involve any loss at all but will mean an increase in real wealth which in turn will contribute to a better life for our people.

Another point to which I should like to refer is the necessity of any housing programme being directed primarily to the needs of people in the lower income brackets. The Curtis committee dealt with this to some considerable extent, pointing out that there are altogether too many people in Canada in these lower income brackets, and the result is that far too many people at the present time are called upon to spend disproportionate amounts of their incomes for rent. We feel, as part of a programme of economic planning, that public funds should be used to relieve that situation. The theory behind that is not strange to the present government. It is very similar to the principle behind family allowances. As a matter of fact that principle is found in part in this housing measure, but it does not begin to go far enough.

Let me quote from page 110 of the Curtis housing report:

> The most striking fact is that average family income (from wages) among one-third of all metropolitan tenants is only a little over $700.

Then there is a reference to table 25. The paragraph continues:

> In three cities it is substantially higher than this average, but in six cities actually lower.

And then reading further down:

> Desirable minimum income levels have been examined in general terms in the report on social security. For a more or less representative family of five persons the assistance or subsistence minimum for the bare essentials of healthy living requires an annual income of $1,135, assuming urban conditions comparable to those in Toronto.

And later, dealing with tenants in urban communities, the report has this to say:

> About 50 per cent of the families living in metropolitan areas throughout the dominion pay a disproportionate rent, and in six cities more than half of the families strain their budgets in some degree by paying an excessive proportion for their housing needs.

What I am driving at in these quotations is that a proportion of the money the government appropriates for housing larger than is given by this measure should be for those in the lower income brackets who are doing what this report says, namely straining their budgets and paying disproportionate amounts for rent. The measure before us provides $100,-

000,000 to assist in the building of homes for prospective home owners. Although providing some help to that group, the measure will not meet the problems of those referred to in the quotations I have read from pages 110 and 120 of the Curtis report.

Of course I realize that behind all this is the government's theory that if houses are built, in some way or another the increase in the number of houses, even if they are expensive houses for those who can afford to own them, will result in those who are down at the bottom, in the slum areas, or without housing accommodation at all, benefiting from the increase. It does not work out that way. We should approach the problem more directly, in fact through a public housing authority. A larger proportion of the money should be appropriated by the government directly for slum clearance, and should follow along the lines which, as indicated in the closing portion of his speech, have been turned down by the minister and the government.

I was glad to hear some of the things the minister had to say this morning, but I was very sorry to hear others. For example I was glad to hear that credit unions and cooperative societies are to be included in the list of approved lending institutions. But I was sadly disappointed to learn from the minister's statement that the government had decided not to consider, beyond the one provision he announced, assisting municipalities in connection with housing. I was glad he made that one provision clear, because it certainly was not clear to me from a reading of the resolution that the $20,000,000 mentioned therein for the aid of municipalities is only for the purpose of enabling municipalities to buy land which is now slum area, but which is valued high.

I cannot agree with the minister when he takes the position that it is possible to lend money to limited dividend housing corporations to build low-rent housing projects, confident that arrangements can be made to supervise and take care of them, and yet that on the other hand administrative difficulties are too great to consider doing the same for municipalities. Particularly in western Canada, from where I come, there has been a tremendous growth in the belief and conviction that municipalities and cities should be going directly into the matter of slum clearance and housing projects. In my city there is a keen social conscience in respect of this matter. The same is true of many cities throughout the west, and I am sorry the government has not yet seen fit to provide ways and means of cooperating directly with cities and municipalities in connection with slum clearance and the building of houses. I hope that matter may yet be considered, either by this government or by whatever government succeeds this one.

Another feature of the resolution which gave me considerable annoyance but which I shall not discuss in detail now—because of some of the comments made by the minister which to some extent allayed my fears—is the very small amount provided for rural housing. I shall have to study more closely what the minister said, to see whether my fears are really set aside. It is my understanding he stated that under other legislation housing might be carried out in rural areas. But certainly so far as this measure is concerned, only $5,000,000 for the farming areas of Canada, out of a total of $275,000,000 was about the unkindest cut of all. The Curtis report's recommendation is that the proportion of money spent on farm housing as compared with urban housing should be in about the ratio of one to six. I would point out that $5,000,000 out of $275,000,000 is a proportion of one to fifty-six. That, by itself, is pretty bad.

Mr. ILSLEY: My hon. friend is under some misapprehension. The $5,000,000 is in respect of the production of equipment. That is the $5,000,000 which is found in paragraph 3 of the resolution which reads:

> To provide special assistance in the contract with approved lending institutions to encourage the making of loans in rural areas.

That is one thing. And then—

> And to enter into contracts with manufacturers of building equipment to assure the production of components for rural homes on an economical cost basis, provided that the gross liability of the dominion in respect of such contracts with manufacturers of components for rural homes outstanding at any one time shall not exceed five million dollars.

That is our liability with respect to contracts for the production of components.

Mr. KNOWLES: Where in the resolution is there any other provision for assistance to rural housing?

Mr. ILSLEY: The rural housing provisions are part of the general housing provisions of part I. That is, under part I of the measure lending institutions jointly with the government, may lend to rural areas, as well as to urban areas. Therefore the large appropriation of $100,000,000 covers rural as well as urban lending.

Mr. KNOWLES: I am glad to hear the situation is not as bald as it appears from a reading of the resolution. It seems to me that in Canada we are only at the beginning

of the realization that housing is a rural problem as much as it is an urban one. Thus far we have thought of housing in terms of slum clearance in congested areas, but it is equally important that the people on our farms should have better homes to live in. I was a little annoyed to find a reference in this Curtis report from which I have been quoting thus far to-day with approval, at page 215 to the effect that the average cost of a farm home would be about $1,500. I represent an urban riding, but it is in western Canada and I have had some experience with conditions in the farming areas of the west. I do not like the idea to get abroad that a $1,500 home on the average is good enough for our farm population. I hope that what we have here is only the beginning of a housing scheme that will go into the rural field as well as the urban, and that from this beginning we will make real progress until we are able to provide for the people on our farms proper homes with the amenities and conveniences that farm people think the city people have, but which many of them are still denied.

I shall not detain the house further at this point except to say that while we welcome this measure even in the dying days of the session and will give it our support, we certainly think that it does not even approach a solution of the pressing problems of those in the lower income brackets who are most in need of housing. We are sorry that it is not a move more in the direction of a public housing authority. We are not satisfied with the method the government is employing, namely, to assist private lending institutions to do the job. I do not say that because we have any particular grievance against private lending institutions—we can discuss that on another occasion—I say that because we feel that the method adopted will not get the job done. One of the vital necessities in Canada is a broad, imaginative, far-reaching housing programme on the basis of which we will really launch out to rebuild our cities and the rural areas of this country so that our people will have an asset of real worth in homes worthy of the sacrifices that have been borne during these war years. This measure is welcome, but it leaves much to be desired.

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, I wish first of all to commend the minister for the great improvement he has indicated in the present housing act over what was provided in the former one. He certainly has made a great step in advance. I would like to have had an opportunity to study more in detail what he said because he covered a lot of ground in a very short space of time. It is a little difficult to know exactly what the arrangements are in respect to a few matters, but these will be clarified in committee. I am glad to know that provision is being made to get rid of the slums which are such a blight on our cities and towns. Nor are our rural districts exempt from similar conditions. Whether the amount provided for this purpose will be sufficient I am not in position to say, but I would think that if this matter is to be dealt with adequately something more than $20,000,000 will be necessary.

The other part of his speech which interested me most was that dealing with the provision for low-cost housing projects. This is one of the greatest needs in this country, and if such projects are undertaken they will do more than anything else to relieve the poor people in our cities particularly those with large families. Not only do we have people living in substandard houses in our slum areas, but we have overcrowding of those slum houses. On a number of occasions I have seen families of four and five living in one room, and I have also seen two families of ten people living in a single room. It was necessary for these people to go out into the yard for their conveniences. Their water was drawn from a tap outside which was frequently frozen up during the winter.

I cannot see how conditions such as these can do other than increase delinquency and crime with its added cost on all municipalities for the upkeep of police forces and penal institutions. I am not sure whether the minister is sufficiently generous in regard to the interest rates to be charged to those who will borrow money to provide this type of accommodation for our lowest income group. That class of individual is unable to pay an economic rent, and the difference between what he can pay and the economic rent will have to be made up by somebody. I think it would be economical for this government to subsidize either the housing authority or the individual so that these people may live in decent houses at rentals they can afford to pay.

Mr. ILSLEY: Would not family allowances help?

Mr. BRUCE: It depends upon whether the family allowances reach the children and are used for the purpose for which they are intended. If this housing bill was in operation and we had large housing projects in our towns and cities and country communities it would go a long way toward relieving the lot of those people for whom family allowances were intended, the humble poor. The outlay by those with large families for rent is per-

haps the largest item and they are finding it increasingly difficult to obtain houses to accommodate their families. We know that even in the rental of very poor houses in our large cities, when a tenant with a large family appears he always has difficulty in getting accommodation. The landlords do not want children in many of these buildings where there are flats, duplexes and so on, and that is particularly noticeable when the family is a very large one. Therefore in providing assistance for low-cost housing projects the government would be wise in being very generous in the amount that they make available for this particular type of housing because thereby they would relieve to a large extent the heavy outlay which all parents have with large families to support. Rent is a major item in the budget of a large family. Perhaps next comes the provision of medical and nursing care, and if we had been able to put through at this session the national health bill we would have gone a long way towards providing relief for those families for whom a bill was passed the other evening.

There is one remark I should like to make with regard to this money which is allocated by the government for housing. When the government tell us that they are giving $100 million or $50 million for the purpose of housing one is apt to draw a wrong conclusion from such a statement, because actually what the government is doing is guaranteeing a certain amount of money against loss. They are allowing the lending companies to lend $100 million, and then the government guarantee the lending institutions up to 15 per cent of their loss. In other words, if the amount lent is $100 million, the government are risking only $15 million. Is not that correct?

Mr. ILSLEY: We risk our own contribution, which is twenty-five per cent of the loan, and we also risk the amount of our guarantee which we give to the lending institutions.

Mr. BRUCE: The government's risk then is twenty-five per cent plus 15?

Mr. ILSLEY: The general scheme of the housing act is that moneys are advanced on joint mortgages taken by the government and by lending institutions, the government putting up twenty-five per cent of the amount of the mortgage and the lending institution seventy-five per cent. We risk losing our twenty-five per cent, and we also guarantee the financial institution against loss up to fifteen per cent of its total losses in a certain category of loans. The hon. gentleman was nearly right, but he did not take into account the possible loss of what we advance ourselves.

Mr. BRUCE: But considering the safeguards which the act provides, there must be very little risk of loss to the government on the twenty-five per cent which it advances.

The minister also told us this morning that out of approximately 23,000 loans the government had a loss of only $970. So that one would feel that the risk which the government is taking in supplying the money is a very small one. I was not quite clear from the statement which the minister read this morning whether the $50 million provided for low rental housing was under the same conditions or not.

Mr. ILSLEY: No.

Mr. BRUCE: The government is not advancing twenty-five per cent of that cost?

Mr. ILSLEY: Perhaps I had better answer these questions in committee rather than here.

Mr. BRUCE: It is a little difficult to discuss the measure when all we have before us is the statement which the minister read rather hurriedly this morning with respect to the provisions.

Dwellings for the lowest income groups, a class of renters, will never be undertaken as a commercial venture by private initiative. Over half of the entire wage-earning population earns $1,000 a year or less, and a very large proportion $600 a year or even less, which means that housing must be available for this section of the Canadian people at rents from $10 to $17 a month.

Overcrowding is a statutory offence in England and Wales, made so by the housing act of 1933. In 27 cities in Canada of over 30,000 population, crowded householders comprise from seven to twenty-eight per cent of all households. The total was approximately 150,000 households, including about one million people. This total comprised eighteen per cent of the households and twenty-nine per cent of the people. Those figures are according to the Canadian census, 1941 statistics.

At one o'clock the house took recess.

The house resumed at three o'clock.

Mr. BRUCE: Speaking on this subject in the house last week or a couple of weeks ago I suggested to the government that the interest rate to be charged on loans under this act should be reduced to two per cent or less, and I did so because I knew that the rent to be

charged is largely determined by the rate of interest paid for the money. It has been shown that if the wages paid to labour employed on the site in the construction of a housing project were cut in half, the annual cost of the housing produced would be reduced only about ten per cent. If the cost of materials entering into the production of housing were cut in half the annual cost would be reduced by only fifteen per cent, but the reduction in financial charges, interest and amortization by half would effect a greater reduction in annual cost than cutting in half the costs of both materials and labour.

The United States housing act embodies a plan for producing new housing at rents equivalent to those charged in the slums. It accomplishes this by authorizing the federal government to perform two separate financial functions, that of banker and that of donor of annual rent subsidies. As banker the United States housing authorities lend to the local housing authority for the purchase of its bonds up to ninety per cent of the capital cost of a project. After the project is completed the United States housing authority assumes its second financial function; it grants annual subsidies in an amount sufficient to cover the difference between the annual economic rent and the rent which low income families can afford to pay.

The local housing authorities in the United States have been able to market bonds running up to the year 1985, which they sell at interest costs that average less than two per cent. The way has thus been paved for establishing a public housing programme in the post-war era on a basis of financing which will ultimately relieve the federal government almost wholly of responsibility for providing capital funds. I see no reason why this plan now in operation in the United States of America should not be made available for this unfortunate group of our citizens in the low income brackets.

The minister spoke about the loan to the Montreal housing authority which was arranged through the good offices of Mr. George W. Spinney, and I hope his example will be followed in Toronto and in other cities. Am I right in assuming that the rate charged for the money to that authority was three per cent?

Mr. ILSLEY: That is right.

Mr. BRUCE: If that were the rate charged other authorities it would encourage many people in various parts of the country to take advantage of the government's offer. Yesterday the mayor of Toronto with a delegation from that city came to see the Prime Minister and some members of the cabinet in regard to assistance for additional housing which they were hoping to acquire for the families of men fighting overseas. The newspapers state that their representations met with a favourable response. I hope that report is correct and that the department over which the Minister of Munitions and Supply presides will undertake the building at once of another 350 houses for the city of Toronto.

We were much interested to hear yesterday of the plans put forward by Mr. Williamson of the Canadian corps with regard to prefabricated houses which could be built at a lower cost, which had a life of about ten years, and which would not likely run the risk that some other houses run of being permanently occupied as homes, so that after their usefulness is over and other more suitable accommodation can be built, these temporary habitations can and will be removed.

We hope that the fighting men, many of whom were drawn from homes in the slums, when they return home will not have to go back to such surroundings, and I think that the provision made under this present act will go a long way towards preventing such an occurrence.

Reference was made this morning by the hon. member for Winnipeg North Centre (Mr. Knowles) to the report on national employment by Mr. Arthur B. Purvis when he undertook an inquiry into the relief of unemployment. In that report he dealt with the type of housing we are now considering for those in the low income group. His report was handed to the government in 1937, a little over seven years ago. I am sorry that the government did not take advantage of his suggestions and undertake a low rental housing plan then. I am going to read one paragraph from what he says in appendix E at page 101. He feels that the dominion government's action is justified at this time and he offers suggestions for low rental housing for the following among other reasons:

> As a measure of public health and social advancement, low rental housing projects will have a direct influence in improving conditions of life for the low wage-earner in urban areas and will be a factor in increasing the employability of our workers in a period in which their employability has been greatly reduced.

I think that is all I need read.

In closing I should like to refer to the report of my committee on housing which was made in 1934, and I shall read one paragraph from page 50. Speaking of the result of poor housing on the people who were condemned to live in houses in the slums, we used these words:

> Shattered nerves and frayed tempers are the unenviable accompaniments of the con-

stant friction and quarrelling inherent in bad housing conditions. Desertion by the husband or wife and the break-up of family life are often directly traceable to intolerable housing conditions.

I wish to say that I most heartily support the measure which was brought down by the minister.

Mr. J. G. DIEFENBAKER (Lake Centre): Any remarks that I make on this resolution will refer in the main to what I believe is the inadequacy of the provisions for rural housing and in my opinion when this resolution was drawn up, insufficient consideration was given to the housing situation in rural Canada. I think most hon. members will be in agreement with the general plan. I think too that had it not been for the orders in council that were passed at the beginning of this war which prevented the National Housing Act operating as it should have, subject of course to the exigencies of the war and the necessity of materials and the like being devoted to war purposes, the housing situation in Canada would not be in the position it is in to-day. However, on the whole I welcome the bill which will follow this resolution. It is a measure that has been asked for by hon. members on all sides of the house to put an end to one of the cankers of social injustice that in large measure has been responsible for the difficulties faced by those in poor circumstances during the years. It represents an endeavour on the part of the country as a whole to translate the activities and the cooperation of war into the pattern of the aftermath of the war. It gives an opportunity to improve living conditions generally throughout the country, and in addition it will ensure, in the implementation of the plan, a measure to take up the slack of unemployment to a considerable degree after the war.

The problem is a large one. I am not going to deal with it on this resolution, but there are some matters that I shall bring to the attention of the minister after the bill receives second reading. I would point out, however, the necessity of securing the cooperation of the municipal authorities and those more directly connected with the problem than the federal authorities. With that in mind I should like to read a statement made by Mr. Ray Atherton, then United States minister, now ambassador to Canada, in a speech which he delivered to the Quebec union of municipalities in October last, in which he dealt with the necessity of securing the cooperation of the municipal authorities. He said:

> Housing is one post-war problem which no democratic nation can afford to neglect.

[Mr. Bruce.]

In 1916 I was stationed in southern England. In 1936 I returned to the same towns and I could not recognize them because of the changes that had taken place in housing in the intervening years. I believe that some three million houses were built in England during the period of 1919 to 1936. In Canada we have lagged behind Britain in providing adequate and sufficient housing for our people. I continue with the remarks of Mr. Atherton:

> The four freedoms become mockeries in areas of bad housing, because the four freedoms must be built upon the rock foundation of healthy and happy family life. No family can achieve its true function when it is miserably housed.

All hon. members must be in agreement with these general statements. Then he went on to give to the people of Canada the benefit of the experience that the United States have had with its housing problem. He said:

> The final solution of housing problems seemed to lie in a successful cooperation between federal, state or provincial, and municipal administrations. Before the war the United States had embarked on a large scale housing programme to provide dwellings at reasonable rentals for low income families. One thing we did learn was that no matter what type of financing was employed the local housing programme succeeded or failed depending upon the quality of municipal administration. Both planning and designing of homes and management of the projects must always remain local concern and no amount of federal remote control can either remedy bad local decisions or improve good local judgment.

I was not able to follow the minister as carefully as I should have liked in his speech this morning in introducing the measure. Having regard to the conditions which exist to-day in all parts of Canada, some of them emergent in urban centres, and others being of a continuing nature, I think every endeavour should be made to secure the cooperation of the municipal authorities all over Canada to make the scheme successful. To that end I suggest that an advisory committee be set up in each province, composed of representatives chosen by the councils in the urban centres. This body of local opinion could advise those in authority when the scheme is being implemented as to the needs and problems in this regard in each province.

We know that emergent conditions exist in all parts of Canada, but more particularly in Montreal, Toronto, Vancouver, Ottawa and Halifax. May I digress for a moment to say that housing conditions will be serious in those places in the coming winter and the government must now do something for the families who between now and winter have to leave the houses they now occupy. The government should see to it that no soldiers' dependents in this country should be evicted

from their homes. I realize the difficulty of passing an order in council so to provide, but something should be done now to obtain the cooperation of the families of soldiers to the end that, if they are willing to do so, they may be moved from these larger cities to the smaller neighbouring towns. The government took some action recently in that connection in the city of Toronto, when it made provision through the wartime prices and trade board for an amendment to the regulations providing that tenants should be entitled to six months' notice. That at best is merely a palliative, however, and will not meet the immediate situation that will face the families of soldiers and other families with the approach of winter. This is a matter that cannot be left to the municipal authorities. It is primarily a federal responsibility, for the reason that these conditions have arisen not because of volunteer migration to the cities but more particularly because of the concentration incidental to the production of munitions, and the fact that the families of soldiers have moved into the cities while the husbands are away. It is a matter for federal action, I repeat, and not primarily a municipal responsibility and it must be faced now.

Now I return to the resolution. The section providing for rural housing reads:

3. to provide special assistance in the contracts with approved lending institutions to encourage the making of loans in rural areas, and to enter into contracts with manufacturers of building equipment to assure the production of components for rural homes on an economical cost basis, provided that the gross liability of the dominion in respect of such contracts with manufacturers of components for rural homes outstanding at any one time shall not exceed five million dollars;

I submit that this amount is totally inadequate to meet the responsibilities of the government and the country to our rural areas.

Mr. ILSLEY: I think the hon. gentleman is making the mistake that was made by the hon. member for Winnipeg North Centre (Mr. Knowles). The $5,000,000 is only in respect of the contracts with manufacturers to make components. It is not the measure of the amount available for rural loans at all; and that is very clear from the section. I am surprised that anyone should make any mistake about it. However, the hon. member for Winnipeg North Centre made the same mistake this morning.

Mr. DIEFENBAKER: I did not hear the hon. member for Winnipeg North Centre make that mistake, but I am reading the section as it stands. Apparently we both came to the same conclusion, however, which would indicate that the section is not worded as carefully as it might have been.

Mr. ILSLEY: No, it does not mean that. It means something else which I should not express.

Mr. DIEFENBAKER: Apparently it does not mean what it says; it means something else. The sections reads:

To provide special assistance in the contracts with approved lending institutions to encourage the making of loans in rural areas—

Reading it up to that point conveys the meaning at which both the hon. member for Winnipeg North Centre and I arrived. Then it says "and," which is a conjunctive:

—and to enter into contracts with manufacturers of building equipment to assure the production of components for rural homes on an economical cost basis—

It actually provides for two things; first, for special assistance in the contracts with approved lending institutions, and second, for entering into contracts with manufacturers. What it really means, then—

Mr. FACTOR: Read the last three lines.

Mr. DIEFENBAKER: I have read them, but I am dealing with the first part. If it is a misunderstanding, well and good; but if it is to convey the meaning attributed to it by the minister I think it should read in this way: "to provide special assistance in contracts with approved lending institutions to encourage the making of loans in rural areas, and to that end to enter into contracts."

Mr. ILSLEY: That is not what it means.

Mr. DIEFENBAKER: Well, Mr. Speaker, the interpretation I placed upon it apparently was also placed upon it by another hon. member, and now we are told that this is not the interpretation that should be placed upon it or the interpretation of those who drafted the resolution.

Mr. ILSLEY: The only difference between my hon. friend and the other hon. gentleman is that the hon. member for Winnipeg North Centre saw the point at once and did not press the matter.

Mr. DIEFENBAKER: Perhaps the minister gave a better explanation than he gave me. It may be that my inability to follow him is no tribute to his explanation or, on the other hand, to my ability to appreciate it. It must be one or the other.

Mr. SENN: The clause is ambiguous.

Mr. ILSLEY: There is no ambiguity about it. It is as plain as the nose on your face.

Mr. DIEFENBAKER: The fact remains, Mr. Speaker, that we require 125,000 houses to be built in the rural areas of this country within ten years after the end of the war, of which 100,000 will be replacements of homes already existing. I saw the statement made recently that if an endeavour was to be made to raise the standard of living of the rural residents of Canada, at least fifty thousand homes should be built in this country during the first full year after the war. We all realize the difficulties in the way of carrying out such a programme, but I do feel that they should share at least on an almost equal basis with the urban centres, to the end that conditions now existing in the country areas of Canada may be remedied as soon as possible.

In that connection I might mention that a complete survey of the situation was made by Mr. Forsey, director of research for the Canadian Congress of Labour, and was published in the *Canadian Unionist* in the latter part of 1943. He pointed out that in twenty-seven Canadian cities of thirty thousand population and over there were 150,000 overcrowded households containing one million people; that in fourteen of the twenty-seven cities at least twenty per cent of the houses needed external repairs, and that farm housing was in a much worse condition. When this programme is brought in, when we have an opportunity of seeing the bill in its entirety and the plan of operation, I hope we shall have a plan which will hold out a new hope for Canadian people in the lower income brackets, and that the rural people will be given an opportunity to have a greater share in those better things of life which in the past have been denied them.

We are all in agreement with the principle of the resolution. I have risen for only one purpose, and that is to ask that in carrying this measure into effect the farm population of Canada shall receive a fair share of the moneys to be appropriated for housing and thereby be given an opportunity to raise its standard of living to a point approximating that enjoyed by the vast majority of people living in the urban centres of Canada.

Mr. FRED ROSE (Cartier): Mr. Speaker, I welcome this resolution as a means of bringing relief to that large section of our people who have no decent homes. And when I use the expression "decent homes" I believe I am using a very mild one, because many of those people live in places which could scarcely be called homes.

In Montreal the situation is particularly serious. Last year Jacqueline Sirois of the Montreal *Standard* made a special investigation into the housing situation of that city. She made her report in four newspaper articles, in which she pointed out that about 6,000 familes in Montreal at that time lived in stores, shacks, public halls, warehouses, and summer cottages unfit for winter habitation; some even lived in boats. She reported that sheds were rented for as much as $15 a month, and that some people living in stores paid rents as high as $48 a month.

Out of these 6,000 families, 1,200 lived in stores, 400 in garages, warehouses and public halls, 4,000 families doubled up and 200 tripled—that is, there were three families in each small home. Since Jacqueline Sirois made that report the situation in Montreal has by no means improved. That condition came to a head in May, 1944, when many people had to leave their homes and had nowhere to go. Many of them of course had no alternative but to take summer homes. We are again going to have a very serious situation when the summer homes have to be closed down, owing to their unfitness for winter habitation.

No doubt the housing crisis in Montreal was aggravated by the fact that tens of thousands of workers came to our city to work in the war factories. But that is not the whole story. To complete it let me say that between the years 1925 and 1942 there were 140,000 marriages. Those people went looking for homes. During that time only 54,000 housing units were built—and this was before those tens of thousands of people flocked to Montreal.

In that city we have always had crowding. The figures show that 24·4 per cent of all homes in Montreal were overcrowded—and when I say overcrowded I mean more than one person to a room. Let us compare that figure with 12 per cent overcrowding in Toronto. That is, we in Montreal have a condition twice as bad as the one in Toronto. Outside Montreal the overcrowding is even worse. In Quebec City 31·8 per cent live in overcrowded homes, and in Hull 34·5 per cent.

Let me show how closely this condition of overcrowding is linked with the health of those communities. The number of children in Montreal who die in their early years is double the number in Toronto. There we have the answer—double the overcrowding: double the number of deaths among children. And where overcrowding is even worse—in Three Rivers —with a percentage of 34·7, the number of deaths among children stands at 118 per thousand live births. The figure in Montreal is 71 per thousand. Again these figures are in proportion to the extent of overcrowding. I am not a medical doctor, but these facts are simple and clear. Anyone who studies social problems will understand what this has meant to us in the province of Quebec.

I should like also to stress the small percentage of homes in Montreal which have central heating. I have lived in houses with no central heating units. I have lived in houses where we had a stove in the kitchen and perhaps another one, a heater, in the hallway. In the mornings we would get up in cold bedrooms. We would go to the kitchen, finding it warm. This passing from one place to another, from one temperature to another, brought about colds. I have no doubt this condition exists in many homes across Canada. Colds are often followed by complications. In Montreal only 36 per cent of homes have central heating, or are heated by furnaces, whereas in Toronto the percentage is 94. In Hull only 16 per cent of the homes are heated by furnaces. Again we can see how these conditions affect health.

I have placed these figures on the record because I believe it has been announced in Montreal that a building scheme, for the erection of modern homes, is to be undertaken. According to reports, however, these homes are not to have central heating. I would say that at this time for any government to advance loans to any group of people to engage in a housing project for the building of homes without central heating is criminal.

Mr. ILSLEY: The last I heard of that project, central heating was contemplated.

Mr. ROSE: Then that was changed.

Mr. ILSLEY: That was the last I heard of it.

Mr. ROSE: The first report was that there was to be no central heating.

Mr. ILSLEY: I know it was planned that way at first.

Mr. ROSE: I saw the plans as they were set out in one of the Montreal papers, and it was indicated that there was to be no central heating. The argument was that it would be cheaper that way. The lack of central heating increases the possibility of fire. Any scheme which is undertaken should include provision for central heating and other facilities, swimming pools, playgrounds, and so on. All these things should be taken into consideration. The government has the power to stipulate that these comforts shall be provided for the people.

The resolution mentions a sum of $50,000,000 for the construction of houses for rental purposes and $100,000,000 for the construction of homes for prospective home-owners. It would be ideal if every family in Canada could own their own home, but under present circumstances that is something hard to achieve. The construction of a house is an expensive project, even allowing for any advances that may be made. A working man is not always too sure where he is going to be next. He may be forced to move in order to obtain work, and under these circumstances he may not feel able to build a home for himself. This is demonstrated by the fact that eighty-nine per cent of the people in Montreal are tenants.

Many people live in poor homes or have no homes at all, and I welcome the fact that $100,000,000 is to be available to help them build their own homes. That is very fine, but I feel that the amount to be advanced for low rental housing should be double this amount.

I shall defer any further observations until the bill is before the house.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I confess that the resolution stage of this measure is a disappointment to me because I had expected something far more generous in the way of a housing scheme at this stage of progress in our country. On the face of it, and not having had an opportunity of examining the bill, I would say that it is just a scheme to give the bankers a lot more business. That is one thing that has impressed me ever since I have been in this house, that every government move seems to have the bankers in mind. The whole object of the government seems to be to turn business their way and to guarantee that business so that they will not lose anything on it. I do not know that there is any particular objection to giving business to the banks provided that the people are given consideration. But here the people seem to be the second or third consideration. I hope I am wrong.

Another objection I find to the scheme is that there is not sufficient provision for using the provinces. I do not know how long it is going to take the idea to percolate into the heads of the men in the government of Canada that there are first-class administrative bodies in this dominion called provincial governments, and that those provincial governments stand ready to take the lead if the dominion government will get out of their way, and that they are prepared to cooperate with the dominion if the dominion government will give them leadership. I may be prejudging the whole scheme, but the indication would seem to be that it will be worked directly between the dominion and the people in the country. Is that right, or is the scheme to be worked through the provinces? If it is to be worked through the provinces, my objection on that score is removed, but if it is not to be worked through the provinces, I say the scheme is faultily drafted.

Mr. ILSLEY: Under part I we shall not work through the provinces, but how are we in the way of the provinces? How are we standing in their way?

Mr. BLACKMORE: I would not say that with this particular measure the dominion government is standing in the way of the provinces, but I would not have to go very far to find plenty of instances in which the dominion government has put itself in the way of the provinces in their efforts to develop in Canada.

Mr. ILSLEY: So long as my hon. friend does not name anything I shall not worry.

Mr. BLACKMORE: It does not take very long to name Alberta, and it does not take very long to find plenty of evidence. As history is written, if the men who write the history are fairminded, we shall see what has happened in the last eight years with the government in power in Ottawa.

Mr. ILSLEY: I will wait for the history to get my information.

Mr. BLACKMORE: You will not have to wait for the history; you can get it by taking this simple fact: the dominion government has not shown the way; it has not recognized the provinces in any of these larger schemes. I would say that there is not a body of men in the Dominion of Canada who are in a better position to tell the needs of the people in Quebec than the government of the province of Quebec. The dominion government might have passed something like an enabling scheme similar to the old age pension scheme, under which they would have said to the provinces: Turn in an account of your housing needs; tell us what you would like to do about your needs with respect to housing; tell us how much money you require to produce the necessary housing in your province; tell us what you think the rates ought to be on that money and we will see what we can do to cooperate with you to get that money and turn it over to you so that you can administer it. Then the logical thing for the province of Quebec to do would be to call in the representatives of the municipalities such as the city of Montreal who would know about this deplorable situation which the hon. member who has just spoken has pictured. They would say to them, "Tell us how bad this deplorable situation is with respect to housing; tell us what you would like to do; tell us how much money it will cost and what rate you will have to take the money on and we will go to work with you along with the dominion government and see what we can do about obtaining the money and turning it over to you so that you can proceed with the work of developing housing in your city."

I submit that that would be the common sense way to work out this problem. The minister asked, "In what respect are we standing in the way of the provinces?" I happen to have in my hand a little booklet which I brought down accidentally and which will indicate just how some of the provinces are going to work on this whole problem of reconstruction. It is called, "Prepare Now." It is a suggested policy for post-war reconstruction embodying features essential to British democracy, issued by the province of Alberta in 1943. A perusal of the pages of this booklet will serve to show that Alberta is at least two laps ahead of the dominion government in every matter pertaining to reconstruction. All that is necessary to establish the point I was contending with the minister a minute ago is to indicate to him that the one body that stands in the way of the province of Alberta achieving the objectives set forth in this little booklet is the government of the Dominion of Canada. The province of Alberta has resources within the province to accomplish all the objectives set forth in this little booklet; the only thing they lack is permission to use the power to create money, the power which has been given to the dominion government by the British North America Act. There is a serious objection to the scheme; it does not give sufficient consideration to the provincial governments and the municipalities.

There is another serious objection. The scheme seems to try to force the people into the mould set by the scheme, whereas the scheme should come down to meet the needs of the people. Immediately the minister will say: If you have a scheme that comes down to meet the needs of the people, the administrative difficulties will be so great that no administrative body could put it into operation. That is true if the administrative body is in Ottawa and is endeavouring to provide regulations that will meet all the needs of the people in all communities from the far end of British Columbia to the other end of Canada in the extreme east. But if the administration is put into the hands of the municipality and the provinces, schemes can be made to meet the needs of the people.

Let me illustrate what I mean by meeting the needs of the people. Let us suppose that there is a family, thoroughly deserving, in Saint John, New Brunswick. This family is able to pay, in accordance with its income, twelve dollars a month rent and no more. We will suppose that there are three or four children in the family. I suppose there would

be no chance for a family like that qualifying for a loan under this scheme unless they were receiving $1,200 a year, whereas we will suppose that they are receiving only six or seven hundred dollars a year. What chance have they of obtaining a loan under this scheme to enable them to build and own a home, pay for it in monthly instalments and be in possession of the home at the end of twenty years? Perhaps the minister can show me how that can be done, but I doubt very much that it can be done under the present scheme. But if the administration were in the hands of the city of Saint John, New Brunswick, the city officials, who could find out all about this family, could probably make arangements under which the family could have a chance to establish themselves in a home of their own. There exists so much poverty and hardship throughout this country, or did before the war and likely will again just as soon as industries incidental to the war are no longer operating, that the greatest possible attention should be given to providing for the people the means of subsistence and of getting homes.

This scheme is open to the objection I have indicated, that it lays down a set of regulations, and if a family can comply with those regulations, well and good; if it cannot, then it does not matter how good the family is, no matter how many soldiers it is raising for the next war nor how many soldiers it has supplied for this war—it does not matter whether the family is unable to get a place to live, it does not matter how many children it has, or that it is denied the privilege of going into a home of its own—the only thing that will be in the minds of those administering this scheme will be this: Can they qualify? If they cannot, they do not count. Or, as a member behind me suggests, can they pay back the loan with interest as laid down in the regulations? That is the only thing in the minds of the men planning and administering this scheme, whereas the thing that really matters is the Canadian people, how many men and women are being raised for Canada, how many can this family raise, how many will it not raise if provision is not made for its having a home. These are the considerations that should have been in the minds of the men drafting a housing scheme which would be worthy of the consideration of this house to-day. But this scheme apparently is not designed to meet the qualifications I have indicated.

I shall not say any more at the present stage because I do not know enough about what is contained in the bill. But I want to find out several things, about the cost of the money, for instance, the availability of the money for housing, the cost of the housing and all that sort of thing. I hope to find that out when we get into committee.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, there are one or two things as to which I should like the Minister of Finance (Mr. Ilsley) to assure the house before this bill is given a second reading. I am quite sure that all the members here are anxious that proper housing at proper cost should be provided for those people whose need is greatest, and if we have the assurance from the minister that that will be done under this scheme, I am confident that it will receive the enthusiastic support of every member here.

Housing is one of the great costs of living, and there must be some assurance given that the people whose income is such that they cannot pay for this housing will be given the opportunity to get a home of their own. Basically and fundamentally our problem is an economic one. The people of Canada can afford only that type of housing which they can pay for out of their income, and only a certain portion of their income can be allotted to housing. If we are to have a repetition of Wartime Housing, with its costs, I am afraid that Canada will live to regret the day she proceeded along those lines. There is little assurance that the people are going to be able to meet the obligations of rental, or the obligations of purchase.

There is also this important thing to be said in regard to the whole scheme, and that is that the costs of building these houses may be much too high. The costs of production, the cost of materials, of lumber and cement are much higher than they should be in Canada. Are these excessive costs to be borne by the people of Canada when they are out of line with what they should be in a land which can provide itself with all the lumber and cement and building materials that the people need? We can provide all these things out of the natural resources of this country merely by applying to them the labour that is so abundant in this country; but as it is now we have to pay toll to those who have control of these natural resources and the power to extract from the purchaser whatever they wish to charge.

Another thing that bothers me in reading over the bill is that it in no way suggests that adequate housing will be provided in those places where housing is needed most. The Minister of Finance has the power to join with approved lending institutions in making loans under certain conditions for the construction of houses, but apparently it is

the lending institutions who are going to decide where they will provide these homes.

I am dubious about where the farmer in Canada is going to come in under this scheme. Housing conditions in most of our cities and in certain rural areas are disgraceful. We have had placed on the record to-day what is happening in one of our largest cities in the matter of housing. If one takes the trouble to go into the city of St. John, New Brunswick, or into almost any rural area in that province, or into any rural area in any other province, one will find housing conditions which are disgraceful. The problem of providing rural housing is not met by this legislation, so far as I can see, and that is where there is a great need for housing. The people in the rural areas, who are performing the work that they do for Canada, require better housing if they are going to maintain agriculture on the standards which it should reach. Many of these people are living in isolated areas and require special attention in the matter of housing.

The trouble in Canada has been that the economic condition of the farmer has not received proper attention in the past, and there is no assurance that it will in the future. I am quite sure that under this bill the lending institutions will not lend money, even with government assurance, in areas where they are not absolutely sure that the farmers will return it. I do not see any solution for better housing conditions where they are vitally needed, namely, in the rural areas of Canada. I will not bother to put the records on *Hansard* again; this has already been done on several occasions. What assurance can the minister give us that the distribution of any benefits which may accrue from this bill will be equitable across Canada, and that the loans will not all be made possibly in one particular area where for the time being economic conditions are good, even in rural areas? Adjacent to cities that dairy farming, for instance, may be a profitable business in these days, and the farmer makes a little more money; but that does not mean that the other agricultural producers in more distant places are not in great need of housing. Is there going to be special consideration for the larger income groups? The people I am thinking about, on the other hand, are in the northern parts of Saskatchewan, in the backwoods of New Brunswick, in the more isolated districts of British Columbia. That is where housing is required in the rural parts of the country. There is provision here for slum clearance where the government lends to limited dividend corporations to assist in the financing of low rental housing projects. Is there similar provision for the agricultural needs in the matter of housing?

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mr. CASTLEDEN: Will the minister make a statement in reply to some of the questions that have been brought to his attention?

Mr. ILSLEY: Will the hon. member put the questions again? They were all answered in my opening statement, every one of them. However, if he will put them one at a time I will answer them again.

Mr. CASTLEDEN: With regard to agriculture, I do not think that the minister's statement gave us sufficient assurance that the distribution of the benefits of the scheme will extend to the farmers.

Mr. ILSLEY: Very extensive provision is made for loans for the purpose of building and improving farm buildings. In the first place, provision is made under the bank act and under the farm loan improvements bill. That was all explained to the house at the time that legislation was under consideration. Under this legislation the farmers are eligible to the same extent as anyone else for loans under the housing act. Moreover, we recognize that many farms have mortgages on them, the mortgage covering a good deal more than the house; they cover the farm as well. And so provision is made in the bill for the consolidation of the mortgages if more money has to be lent by way of mortgage. Moreover, special provisions will be found in the bill to encourage lending institutions to lend in remote areas and places of that kind. I mentioned that in the speech I made this morning in introducing the resolution. They consist of special fees and payment of travelling expenses, because there will be extra expenses of investigation in certain cases. Those are provisions that will be found in the legislation. But if we were to undertake to make sure that there is a distribution of money equally province by province or something of that kind we could never satisfy anyone that the distribution was equitable—never. We have to make money available to persons who comply with certain conditions, and if they comply they will get the money.

Mr. CASTLEDEN: Is there provision here for groups of people who go together to build houses in a cooperative way similar to what we find in Nova Scotia?

Mr. ILSLEY: Yes, there is provision for that.

Mr. CASTLEDEN: For loans from a loan company, or directly from the government?

Mr. ILSLEY: To begin with, there are provisions for loans by cooperative lending institutions, and then there are provisions for loans to cooperative groups who are undertaking special schemes. The hon. gentleman had better wait and see the bill, or read what I said this morning.

Mr. CASTLEDEN: What about the other point I brought up? Is the minister in a position to answer the question about the actual efficient operation of the plan so as to make sure that our people will really get dollar for dollar value for what they buy in housing, taking into consideration the excessive cost of cement, lumber and building material?

Mr. ILSLEY: The whole struggle we have made ever since the beginning of the war has been to keep prices down. That does not apply only to building materials, however; it applies to everything.

Mr. CASTLEDEN: Would you say you were very successful in war-time housing costs?

Mr. ILSLEY: I have no reason to think that War-time Housing incurred excessive costs in the building of houses. I do not think we have been particularly successful in keeping prices down in building materials. In fact, we have been less successful in regard to lumber than anything else. I would say that. I know that is the opinion of the price control authorities, but that does not mean that we have not tried and tried desperately. There has been a great increase in wages, of course, in the logging and lumbering industries, and that has reflected itself inevitably in prices.

Mr. WRIGHT: There was little money spent in western Canada in comparison with other parts of the dominion having regard to the economic conditions that existed out there in the years before the war, and I do not see where in this measure provision is made for supplying houses in areas where they should be supplied, in depressed areas. You have to meet the same conditions in every part of Canada, no matter what the local conditions are. You have to give the same consideration to special conditions which may exist in different areas in Canada. After all, the person who lives in one of those areas needs housing just as much as if he lived in an area where economic conditions are better. There is difficulty in meeting these conditions, but some consideration should be given the matter.

Mr. ILSLEY: This does not provide for subsidizing housing in selected depressed rural areas. It does not do that, and I do not know that any scheme does. I have not seen any.

Mr. WRIGHT: Does not the minister think there should be something to take care of such conditions? The conditions are there. The people are living under those conditions and raising families. The health of the people in those areas is certainly not equal to the average for the Dominion of Canada. So long as we allow people to live there, we should make some effort to see that conditions are better in those areas.

Mr. ILSLEY: I do not know the situation in my hon. friend's province, but in my province you cannot prevent people from living in submarginal or marginal locations. Just what the government should do in respect to housing in those circumstances I do not know. We certainly are doing something very substantial for large families. I think the important thing is to give those people a chance on their income rather than to subsidize the houses. The administrative difficulties would be terrific. If you start selecting places here and there and subsidize housing in the depressed areas in the country there will be charges of inequality. The important thing is to get the income levels and the incomes of the people up and let them avail themselves of reasonable and general schemes such as this.

Mr. COLDWELL: I agree to some extent with what the minister has just said; but what some others have in mind is this: Some plan should be worked out in cooperation with the provincial governments under which instead of people picking out a piece of land and putting a shack on it they will be given the opportunity to build a house; and by means of cooperation something might be done to enable them to support a family and to undertake some obligation. I am very familiar with my own province. We have had people move up in the north country where there is a lot of bush and trees. As the minister suggests, these people are not making an economic living. They are living in little shacks and log houses. The land is good. More has to be done, probably by the provincial government, to make use of the high powered machinery we have to make that land economically usable—in other words to help them to clear land so that they can put in a crop and get a return that will enable them to assume some obligations. But the condition is there. Health and other social conditions are exceedingly poor in those areas. I have seen housing conditions in my own province

that are indescribable. I remarked to the Prime Minister the other day that in his own constituency in the northern part of the province there are indescribable housing conditions. A bill like this, of course, does not help the situation very much. What we need is cooperative undertakings so that people can make a living on land that is good and assume some obligation to build decent houses; in other words, cooperative effort.

Mr. CASTLEDEN: A person of low income in the city cannot afford to build or buy a house, but he can obtain one at low rental. The farmer's income is sometimes the lowest in the whole of Canada. The same opportunities to rent housing accommodation does not exist for him, and there is no possibility of providing for it under this measure.

Mr. ILSLEY: The hon. member asked a question, but it is an indefinite one. It is something like this: Is there any opportunity for a man who does not have any money to buy a house? Is that it?

Mr. CASTLEDEN: No. The low income farmer has not sufficient money to own a house. In the city the low income man has the opportunity to get one at low rental.

Mr. ILSLEY: Under this plan?

Mr. CASTLEDEN: Yes.

Mr. ILSLEY: Yes, we intend to encourage low rentals. There are many houses rented in the country, are there not?

Mr. CASTLEDEN: Not in the rural communities. They may be renting a farm.

Mr. ILSLEY: It depends upon what you mean by very many.

Mr. COLDWELL: I think what my hon. friend is saying is that in the farming sections where you have a scattered population there are very few houses to rent. A few farms are rented—I am afraid the number of rented farms is increasing, but they are relatively few. What my hon. friend means is that in the city the low income man has a chance to rent a house, but when he is out in the country he has no opportunity either to build or to rent a house.

Mr. CRUICKSHANK: I do not wish to indulge in an argument on this measure, but the minister will be well advised to give further consideration to rural houses. Another recommendation I would make to the minister is that consideration be given to reducing by fifty per cent the interest rate charged to soldiers. That is a reasonable request to make in behalf of the soldiers. I am not going into details. Some argument has been put forward by other hon. members in favour of more rural houses. I am in agreement with the principles but probably not with the details of some of the suggestions. The minister would be justified, and I believe the country would back him up, in making a reduction of at least fifty per cent on interest charged the soldiers.

Mr. ILSLEY: Let me ask the hon. gentleman a question. In one city in Canada, as has been said this afternoon, eighty-nine per cent of the people are tenants. If we were to make a cut of fifty per cent in the interest on loans to soldiers would he consider that we had any obligation to pay part of the rent of soldiers who could not buy a house and who have to live in a rented house?

Mr. CRUICKSHANK: I would answer that by asking the minister a question. Is it not the principle of this government—I hope it is—to encourage every Canadian to become a house-owner?

Mr. ILSLEY: I think encouragement should be given to that end, but it is utterly impossible to attain. There are going to be a tremendous number of tenants no matter what you do or how far you go, for many years to come. I am opposed to the suggestion that the hon. member makes. Consideration to returned soldiers should be given in other ways than that. They should be on the same footing as others in regard to the consideration that they get under a scheme of this kind. It is deliberately based on the principle of no exception for any particular class in the community.

Mr. CRUICKSHANK: I am not going to enter into an argument with the minister on this, but I cannot altogether agree with him. I do not believe the people of Canada agree with him. I believe the soldier should be in a preferred class and that the people of Canada will back the minister and this government or any other government in placing them in a preferred class to become house-owners. I do not know the average age of the soldiers, but I presume it would be from twenty-five to twenty-seven years. We presume and hope that they all want to get married when they come back and become house-owners. With regard to the landlords—and I suppose I am in that class since I have rented my farm and my house—I suppose they are the ones to whom preference will be given. Maybe I should be given preference since I have no house in Ottawa and I have rented the one I own in the country. I should not be con-

sidered in the preferred class rather than the man who at nineteen or twenty-one years of age went overseas to fight. He has sacrificed everything, every possibility of earning the necessary capital to make a down payment to acquire a house, in order that I might live in safety here. I believe it is the duty of Canada to give him at least a fifty per cent preference, because he has done all he could to ensure our safety at home.

I shall not be here when some of these measures are discussed further and I have not the knowledge to speak on monetary reforms, but I wish to assure the minister that the province of British Columbia has been fairly well represented in the banking committee at least so far as volume is concerned. We might be further represented in this house when this bill is considered, if we thought money could not be found in some way to cut the cost in half as far as these soldiers are concerned. I do not need to go into details or work it out mathematically, but I want to tell the minister that, leaving out the soldiers for a moment, I do not think the people who have remained at home will be satisfied with anything less than this concession to the soldiers.

Mr. ILSLEY: Before this session is over I believe the hon. gentleman will find that the provision we are making for the soldiers will be considered adequate by this house and by the people of Canada. But if my advice is accepted that provision will take other forms than his proposal, which would present altogether too many difficulties. The hon. gentleman cannot pass upon the desirability of his proposal until he sees the whole war programme in connection with gratuities, reestablishment and rehabilitation. When he does see the whole programme I believe he will be satisfied.

Mr. CRUICKSHANK: I quite agree with the minister, and I regret that he did not see fit to bring this legislation before the house much earlier in the session in order that I might pass upon it. At the moment I am not speaking as a Liberal member or as the member for Fraser Valley; I am speaking as a returned soldier member of this house. I do not believe family allowances or anything else can be as important as the steps we take to endeavour to meet our obligations to the men serving overseas in our behalf. The government may bring in legislation that will provide what I suggest is lacking in this measure. Legislation may be brought in to provide what is lacking in other measures that have been or may be passed before the session is over. I have no way of judging as to that, but as a returned soldier member of this house I consider it my duty to bear in mind at all times that the first interest of the Canadian people is their obligation to the men who are overseas.

This is probably the first time I ever got ahead of my friends to the left, at least that is what they will claim, who always say, "We brought this in." I am glad the minister has stated publicly to-day, in his responsible position as Minister of Finance, that the government is bringing down legislation along the lines advocated in 1940 by the returned soldier member for Fraser Valley. so that the soldiers may be adequately protected.

Mr. KNOWLES: I regret to say that this morning the minister took the punch out of what was to me the most encouraging phrase in this resolution. I refer to these words:

—and to authorize the Minister of Finance under certain conditions to make grants to municipalities, up to an aggregate amount not exceeding twenty million dollars—

I had dared to hope, despite the fact that the total amount allowable under this item was very small, that the principle of helping to set up public housing authorities had been recognized. If I understood the minister correctly he said that this idea had been definitely turned down, as far as the municipalities are concerned. He will correct me if I am wrong, but I understand that this $20,000,000 is only for the purpose of enabling municipalities to buy inflated land in slum areas and turn it over to private organizations for housing projects.

Mr. ILSLEY: It is not exactly land with inflated values; it is land with old buildings on it. When that land is put into a housing project naturally what is called excess acquisition cost has to be considered. That is, the value of what is on the land cannot be taken into consideration in setting up your scheme, but that cost has to be borne by somebody. The value of the land can be considered in setting up a scheme because that value remains; it is not to be removed. All these old buildings have to be swept off, and somebody has to pay for them. This provides for a grant by the dominion of fifty per cent of that excess acquisition cost, provided the municipality or the province, or the province and the municipality, put up the other fifty per cent.

Mr. KNOWLES: But the grant is only for the purpose of helping to meet that excess acquisition cost?

Mr. ILSLEY: Yes.

Mr. KNOWLES: In other words the minister made it very clear that the federal government was not prepared to assist municipalities in municipal housing projects.

Mr. ILSLEY: That is correct.

Mr. KNOWLES: If it is possible to provide money to limited dividend corporations to go in for housing projects, under proper supervision, why should the minister feel that this cannot be done with the municipalities? Can he not trust the municipalities as well as he can trust the limited corporations?

Mr. ILSLEY: I believe the management will be infinitely better by a limited dividend corporation than by the ordinary municipality.

Mr. COLDWELL: That has not been the experience in other countries. In the city of Sheffield, for instance, there is a large municipal housing plan, and I believe it is very well managed. Of course we have not gone in very much for that sort of thing in this country, but it does seem to me that this legislation is weighted in favour of the lending institutions when we should have some public development. Pursuing the thought expressed by the hon. member for Winnipeg North Centre a few moments ago, in connection with the government paying fifty per cent of the cost of the old buildings to be removed, would this apply in a municipality where, for example, they were cleaning up a slum area and leaving the land as an open space?

Mr. ILSLEY: No.

Mr. COLDWELL: It would not?

Mr. ILSLEY: No.

Mr. COLDWELL: Or partly an open space?

Mr. ILSLEY: No. This is only for the purpose of enabling a housing project to go forward.

Mr. COLDWELL: But a housing project, to be healthy, may involve the removal of old property and the erection of new buildings that would not cover nearly as much ground. Would they be permitted to undertake a project of that description? I am dealing with slum clearance.

Mr. ILSLEY: It is slum clearance for the purpose of substituting a housing project. That is the slum clearance contemplated by this legislation, and I am not sure whether the hon. gentleman is thinking of that. It is not slum clearance for the creation of parks, for example.

[Mr. Ilsley.]

Mr. COLDWELL: I am thinking that it may be found beneficial to a community to tear down five or six blocks of slum dwellings, we will say, and to erect new dwellings on three of those blocks, leaving the other two vacant. Would a municipality be permitted to do that, and charge up the cost of the old buildings on the two blocks that were not to be rebuilt?

Mr. ILSLEY: You might have too much land then in proportion to buildings to make the scheme practicable from the economic standpoint, but if you did not there would be no reason why that could not be done.

Mr. GRAYDON: I think it should be made perfectly clear, and the public ought to know, that whatever may be said in favour of this resolution it does not meet the acute housing situation at present facing many parts of Canada. I read in the newspapers last week, and brought the matter to the attention of the minister when I inquired as to the introduction of the housing legislation, that in the city of Toronto there were no less than 800 families who would face acute housing problems before the end of the year. The newspaper report showed that a large number of those families were families in which the breadwinners were either overseas or in the armed forces.

The minister was good enough to indicate some time ago when the legislation was going to be introduced, and gave a skeleton outline of it, so that those who might utilize the facilities afforded by the legislation would have an opportunity of doing so ahead of the actual introduction of the resolution. On that occasion I raised what I thought was a pertinent question, one which should not be overlooked. I pointed out that it is all very well to provide the necessary financial arrangements for a housing programme, but that we must also have the materials with which to build the houses. Priorities is one of the real difficulties now facing those who would build houses. Materials in short supply are a powerful impediment to meeting the housing situation.

Not long ago the parliamentary assistant to the Minister of Munitions and Supply made a statement in which he warned the people in Canada not to become too optimistic about a building programme for the coming autumn. On June 30 the parliamentary assistant said that in 1944 the housing programme must be limited, and went on to give the reasons. He indicated clearly—at least it was clear to me—that any programme of housing would be considerably impeded by virtue of the fact that materials were not available. I am quite ready

to believe that there may be a shortage of many materials required in any housing programme. I have in mind such things as furnaces and construction materials in general. My point in rising at this time is to indicate that I should not like to have the public feel that this housing legislation—in the long-term view, excellent in many respects—would before the end of the year provide any real help to relieve housing. When I say that I have in mind the situation as to materials.

May I endorse the statements and arguments respecting our armed forces personnel which have been made in this debate. It is important that, no matter what civilians may be entitled to, we keep in mind the fact that those who have done the fighting in this war are the ones who have first claim upon the generosity of the government and parliament. In my opinion, and I believe in the opinion of everyone in the house—because this is not a matter in which there is any division politically—those who have done the fighting must have the first consideration and must be the first concern of those who have power to do something for them. That must be so in this as in other matters. As a nation we cannot afford to do anything less than the best for those who are giving their best for us.

Mr. BLACKMORE: I should like the minister help me think through this matter, as it affects my constituency. Suppose in the city of Lethbridge there is a truck driver, the father of three children, who, by means of all manner of effort with his truck, is able to make $900 a year.

Mr. ILSLEY: And how much is he able to save? Tell me that.

Mr. BLACKMORE: How much will he be able to save?—One cannot tell. It depends on how many accidents he has with his truck, and on a lot of other things. Let us suppose that this man is making $900 a year—and with his three children he possibly cannot save anything.

Mr. ILSLEY: That is what I want to know. I would not think he could.

Mr. BLACKMORE: What we are trying to find out is whether this building provision is interested in people or in money. If it is interested in people, it will build homes for people; if it is interested in money, it will build homes for bankers' dividends. That is the fact. In my opinion it is designed to pay bankers' dividends, and not to build homes for people at all. The amount a man can save surely does not enter into it. With his three children and a wife—and his family might grow to seven children, children Canada needs badly—the question is: Are you going to make provision to give him a home in which to rear those children? He has been prepared to make sacrifices to rear them. I want to see how it will work out. This man gets $900 a year. Can he qualify for one of these loans, by any means of which the minister can conceive?

Mr. ILSLEY: He cannot get a loan unless he can make a down payment.

Mr. BLACKMORE: Well, you see, that immediately rules out a huge percentage of the people of Canada. If I remember correctly, the figures given this morning by the hon. member for Parkdale indicated that fifty per cent of the wage-earners of Canada were getting less than $1,000 a year. It is the wage-earners of Canada who are the men who are rearing Canadians of to-morrow. They are the men who are rearing the soldiers for the next war.

Mr. ILSLEY: Better not go too far. Would the hon. member suggest that we provide loans to the extent of one hundred per cent of the value of the property?

Mr. COLDWELL: Is not that the way the housing scheme I had in mind would work out?

Mr. ILSLEY: Let me deal first with the hon. member for Lethbridge.

Mr. BLACKMORE: Let me have the minister's question again.

Mr. ILSLEY: Would the hon. member suggest that in certain conditions or circumstances we should advance loans to one hundred per cent of the value of the property, so that a person applying for a loan would not be under the necessity of putting up anything for himself? He could get title to the property, and the government, or a lending institution—or somebody—could take a loan for the full hundred per cent of the value of the property. And if so, to what persons would we extend that concession? First of all, should we extend it at all? The most I have heard suggested has been ninety per cent. Does the hon. member suggest one hundred per cent?

Mr. BLACKMORE: Does the minister mean one hundred per cent of the value of the home he is going to build?

Mr. ILSLEY: The value of the house and lot.

Mr. BLACKMORE: I do not see any way in which we are going to help substantially the vast percentage of wage-earners in Canada unless some such scheme is devised.

Mr. ILSLEY: And the hon. member is in favour of it, is he?

Mr. BLACKMORE: I am in favour of it, yes. That is the only way in which you can help the people who need it.

Mr. ILSLEY: It would be interesting to find out how many members in the house are in favour of it. I should like to know that, as a matter of practical interest. Members get up and make very fine speeches, mentioning individual cases, and they say: What is the government going to do for this man? How much money are they going to give him? They say: If you do not do something for him, there will be a lot of people you will not be doing anything for. I ask hon. members to put themselves in a practical position once in a while. I know the hon. member for Lethbridge would make a one hundred per cent loan, and I am glad to get that from him.

Mr. COLDWELL: For these low wage and salaried people a scheme in cooperation with the municipalities should be undertaken whereby—

Mr. BLACKMORE: And the provinces.

Mr. COLDWELL: And the provinces, if you will. I am thinking of the organization which is closest to the people at the moment, the municipal organization. A scheme should be worked out whereby houses are erected and rented, or I would prefer to have them sold to purchasers on a rental basis.

Mr. ILSLEY: Without any down payment?

Mr. COLDWELL: Without any down payment. I think there are many families to whom homes must be sold or rented and who are not able to make a down payment. We must face the fact sooner or later that this scheme does not help that type of person.

Mr. ILSLEY: Renting is a different thing.

Mr. COLDWELL: I think it would be better to sell on a rental basis. The people should feel it is their home.

Mr. MacNICOL: Is that not the way it is done in many city schemes? Are the homes not sold on a rental basis? Do they not pay $25 per month, a portion of which goes to pay for the cost of building?

Mr. COLDWELL: I am not ashamed to say that the first home I owned I purchased with a very small down payment. I paid for that home on a rental basis and it took me a number of years to do so. Schemes have been worked out in many countries, especially in Great Britain, where the amount of rental purchase is no more than the ordinary rental for the same class of property. I think this is the right time to do this. I do not see how we can meet the situation the hon. member for Lethbridge was talking about, the truck driver with a wife and three children and earning less than $1,000 a year, by any other means. That man could not pay his expenses and obtain a home on any other basis. I think we should encourage the ownership of homes rather than rent them.

Mr. BLACKMORE: I think the minister realizes the reason why I say that the money should be advanced to the extent of one hundred per cent. I am not saying that the dominion government should advance all that money; it might be advanced through the cooperation of the provinces and the municipalities. The minister knows quite well that every dollar of that money could be created by the Bank of Canada without any cost at all, and it could be advanced to the provinces and the municipalities without any cost to Canada. Under this scheme you are simply putting into use money which has been made already by people and put into savings. No endeavour is being made to use the financial power of the country to help individuals to get homes. The government's interest is not in human beings, it is in the savings which have been accumulated by men who have been fortunate enough to save money.

Mr. ILSLEY: I do not know what the hon. gentleman means.

Mr. BLACKMORE: This is simply to enable people to put savings to profitable use.

Mr. ILSLEY: Oh, no, not at all.

Mr. BLACKMORE: If that were not the case the government would have provided a scheme under which the ordinary individual like the truck driver I mentioned could obtain a home, but it has not done that.

Mr. ILSLEY: Is there a housing shortage in Lethbridge?

Mr. BLACKMORE: There is a housing shortage in every area in this country.

Mr. ILSLEY: All of them?

Mr. BLACKMORE: I am speaking about the constituency I represent, and I would say that there is hardly an area in my constituency in which there is not a housing shortage. My constituency is not an industrial constituency where war work is being carried on. The housing shortage must be simply tremendous

in areas like Toronto, Montreal, Halifax and other centres. We must bear in mind that new Canadians are growing up all the time; they are getting married and must have homes. The figures given by the hon. member for Cartier (Mr. Rose) concerning Montreal are impressive enough. If I remember aright, he said that in Montreal 140,000 couples had been married while only 54,000 homes had been built. It does not take a very astute intellect to work out the situation that will develop in Montreal, and a similar situation has developed in various parts of Canada.

What are we doing to meet the needs of these young folk who are getting married? This scheme should be such that they can take advantage of it. A sound arrangement would be one where young people who are ready to assume the responsibilities of married life could go to the proper agency in their community and say, "We want to build a home and this is what we are able to do." The agency would send out a representative to make sure that they were as they represented themselves and then would say, "If you had to rent a home in this community you would pay $25 a month; you cannot get a home for less; we will endeavour to make arrangements to have a home built for you; you will pay $25 a month and at the end of twenty-five years you will own your home." Perhaps that period could be twenty years. If they had to leave within ten years to go somewhere else that agency should be ready to take over the home, discharge their obligations and give them whatever equity they might have.

That would be a common sense arrangement; that would be a workable arrangement. It would give hope to young people who wished to marry. I do not want to go into another matter while we are on this subject, but it must be borne in mind that it must be made easy for young people of Canada to marry and raise children. There are tens of thousands of young people who do not dare marry because they cannot see how they can make it go; they cannot see any hope of getting a home. Why should not this housing scheme be drafted to meet the needs of the hundreds of thousands of young people who are our greatest possession. There is nothing at all in this scheme to meet the needs of those young Canadians. Practically every one of our returned soldiers will be in that position when he returns. What are we doing for them?

Mr. ILSLEY: The overwhelming majority of those people will have $300 or $400 saved, and $400 is all you need to build a $4,000 home under this scheme.

Mr McNEVIN: I wish to make one observation with respect to the housing shortage. I should like to refer particularly to a condition which is due to the centralization of our war industry in large cities like Toronto, Winnipeg and Montreal. I can go out through the country and find many villages and hamlets where there are vacant houses. I know of one hamlet of ten houses of which three are vacant. One house is equipped with electricity and running water, and the whole three are good dwelling houses. The same condition prevails throughout Canada. I think we should bear that in mind. If there is a great shortage of housing in Montreal, Toronto and other large cities, a survey should be made of the small villages and hamlets to find the accommodation that can be used this winter if there are people without homes.

Mr. COLDWELL: I quite realize that a survey could be made to find vacant houses, but could these people find something to do in order to make a living in those small communities? As a matter of fact this condition is not due to the war. It was present before the war. You have only to read the census figures of 1931 to realize that. I remember a report being made to this parliament; I have a copy of it in my office at the present time. It showed the housing conditions in Canada as revealed by the census figures of 1931, and I was particularly interested in the figures for the city in which I lived at that time, the city of Regina. Even at that time, when there was no war, the congestion in Regina was such that there was an average of two persons to every room in that city. That condition may have improved since or got worse; I do not know, but what I am pointing out to the hon. member for Victoria, Ontario, is that this condition is not due to the war. We had a shortage of several hundred thousand houses in this country before the war broke out.

Mr. McNEVIN: I was not speaking from that angle at all. The suggestion had been made that there might be eight hundred families in Toronto without shelter this winter. You cannot get enough houses built under any scheme between now and Christmas to take care of people in those circumstances, and I was saying that we had in Ontario, in the small municipalities, hamlets and villages, a substantial number of good, habitable houses now vacant which would enable us to take care of an emergent situation. I am in full

accord with what has been said of the necessity of a large housing scheme for the Dominion of Canada as one of our post-war objectives.

Mr. BLACKMORE: How much money would this truck driver have to have to qualify for the loan?

Mr. ILSLEY: If he could build a house for $2,500, he would require five per cent. We advance ninety-five per cent if it is over $2,000, and I think it is ninety per cent if it is over $3,000. I gave the figures this morning. He puts up very little if the cost of the property is only $2,500. At $3,000 we advance a little over ninety-one per cent, and at $4,000, ninety per cent.

Mr. BLACKMORE: At what rate?

Mr. ILSLEY: At 4½ per cent.

Mr. BLACKMORE: And how long would he have to repay the loan?

Mr. ILSLEY: Twenty years, by instalments, and it may be thirty years if there is a zoning plan.

Mr. KNOWLES: I should like to continue the discussion I was having with the minister about twenty minutes ago when the committee got off on another tack. I think the minister has received wrong advice about the municipalities. I am speaking from my experience in western Canada, where, as I said this morning, there is a keen social conscience on this matter of housing. I feel that there will be general disappointment that the government has taken the obstinate view that it will not consider assisting in the setting up of municipal public housing authorities.

Mr. ILSLEY: Why does the hon. member use the word "obstinate"?

Mr. KNOWLES: The minister said this morning that the matter had been considered and that the government had made the definite decision that it did not propose to assist municipalities in that regard.

Mr. ILSLEY: Is there anything more obstinate about that than in the hon. gentleman's own position?

Mr. KNOWLES: That is a fair question. Probably not. I am just as obstinate in my determination that my view will eventually prevail as the minister is in his view.

Mr. ILSLEY: So long as we are both obstinate I do not mind.

Mr. KNOWLES: With the good humour now prevailing we may get somewhere. I was going to ask the minister whether consideration had been given to any other level of public authority, for example, provincial or federal. I take it that representations have been made to the government for assistance to the municipalities, and that that has been considered and turned down. Has the government any alternative to this indirect method of working through private lending companies? Has it considered setting up federal or provincial housing authorities?

Mr. ILSLEY: I do not think the setting up of provincial authorities was considered. It must be remembered that we have had a pretty sad experience in dealing with certain of the provinces so far as recovery is concerned. There are four provinces all of which owe us large sums which apparently they have no intention of paying. When it comes to relations between the dominion government and other public authorities we naturally are getting a little bit careful. But I am not putting it entirely on that ground. There are disadvantages in advancing money and putting other public authorities in this country in debt to the dominion government. It can lead to a very serious situation.

Mr. COLDWELL: For what purpose were these moneys advanced?

Mr. ILSLEY: There is always a reason why they cannot repay after they have signed their names.

Mr. COLDWELL: It was a national calamity.

Mr. ILSLEY: Oh, I know. All the fertility of the human intellect comes right into play in finding reasons why solemn obligations signed by inferior jurisdictions in this country will not under certain conditions be honoured, and we are absolutely powerless to do anything about the matter.

Mr. COLDWELL: These were national calamities.

Mr. ILSLEY: And the hon. gentleman will argue that they should not pay back the advances, just as they argue. But the fact remains that the advances are not repaid.

Mr. KNOWLES: The minister uses the word "recovery", and then speaking in another vein he talks about the amount of money that a person must have before he can be assisted in building a house. He has a different approach to this matter from that which some of us take. I feel that we should come at this matter directly, and that should not seem entirely strange to the government, in view of the family allowance legislation which the government brought down. The government in bringing down that measure has taken the position that children need assistance and that

the thing to do is to put cash directly into the hands of the families concerned so that they will be able to feed and clothe their children better. Again, the minister in reply to the hon. member for Fraser Valley said that we should not be critical of the government's programme with respect to service personnel until everything had been brought down, and he referred to the war service gratuity legislation that is yet to come before the house. There again we are to have an attempt on the part of the government to meet an economic problem directly.

Mr. CRUICKSHANK: I did not say "attempt".

Mr. KNOWLES: At least we are agreed in this that we shall be glad to see the legislation brought down. I feel that in the matter of housing we should not think in terms of financial losses in connection with any programme as a result of which houses are built. If we build houses in Canada we increase the wealth of this country; we increase the goods and services available to provide a good life for our people, and I feel that what we should be doing is to be working through public authorities to build houses and make them available either on a rental basis or at prices at which they can be purchased at practically rental rates, so that our people can enjoy life in their own homes while they are living, instead of spending all their lives in trying to save up the necessary dollars so as to be able to buy a home in which to die.

I should like to say this to the minister. When a soldier enlists we do not ask him if he has enough money to buy a gun or a tank. We do not ask a young man who enlists in the air force if he has enough money to make the down payment on a Lancaster bomber. We directly provide him with this necessary equipment, as essential to the job in which he is engaged. The minister has discussed the financial nature of these things a number of times in the house and has objected rightly to the criticism of the opposition when they tried to argue that we are going bankrupt by doing these things.

The minister said that when we increase our production and devote a large part of it to a great cause we are not going bankrupt, and if we are not going bankrupt in doing that, when we are producing war goods, there is no reason why we should go bankrupt in the production of an essential peace-time undertaking such as homes for our people. I am convinced that the day will come when the principle of governments going indirectly into the providing of homes for the people through the medium of public housing authorities will prevail. I am sorry that what I thought was a first step in that direction in this resolution has been exploded by the minister's speech this morning. I think he got the wrong advice so far as the municipalities in the west are concerned.

Mr. GILLIS: I wish to ask just two questions. First, will the machinery provided in this resolution, in other words the funds, which will be made available to the lending institutions, be administered through the present National Housing Act? Secondly, will the machinery that is being set up take in the credit unions, for example, as an approved lending institution? That institution has gone into housing, in Nova Scotia particularly, to some extent. In discussing the matter the minister definitely indicated that this machinery would not be available to the municipalities.

Mr. ILSLEY: That is right.

Mr. GILLIS: Nova Scotia has a very good provincial housing act, and the authorities there have done considerable excellent work in the field of cooperative housing. Would the machinery now being set up be available to the provincial government to expand the existing legislation they have in that cooperative housing field? They operate to some extent with the credit union movement in the province, and I should like to know whether the funds now being made available can be used provincially, in that province at any rate, to augment and expand their present legislation.

Mr. ILSLEY: I do not understand the latter part of the question. No money will go to the province; none of it will go to the province. The hon. member asks whether credit unions will be approved as lending institutions. If they have the power to lend on real estate, yes; we propose to make them eligible as lending institutions. I do not want to make my statement so sweeping that it will be used against me in case some cannot qualify, because there are some private lending institutions that cannot qualify for one reason or another. Nevertheless, the cooperative lending institutions are to be put on the same basis as the private institutions as far as eligibility is concerned.

Mr. GILLIS: The whole credit union movement in Nova Scotia will qualify because they are tied into a central organization.

Mr. BLACKMORE: There are one or two comments I wish to make on what the minister said a moment ago. He said that the interest on this money which would be advanced to the prospective home builder

would be 4½ per cent. I do not hesitate to say that this is a little over twice too much. No home builder in the country should have to pay more than two per cent.

Mr. ILSLEY: Why two per cent?

Mr. BLACKMORE: I do not say that it would not be well to make it less.

Mr. ILSLEY: I would make it one or nothing if I were in the hon. gentleman's place. The money will not cost anything; it will be debt-free money issued by the Bank of Canada. Why charge anything? That is, looking at it from my hon. friend's point of view.

Mr. BLACKMORE: I did not want to alarm the minister by going too far. The simple fact of the matter is that this question must be understood definitely by the rank and file in Canada, because it is not understood at the present time: The Bank of Canada does print this money without any cost and the money could be advanced.

The ACTING CHAIRMAN (Mr. Golding): Order. Let us confine our remarks to the resolution.

Mr. BLACKMORE: If what I am saying is not relevant to the resolution, then nothing is. You could not get anything that would be relevant to the resolution if what I am saying now is not to the point. It would be impossible to get anything that would be more pertinent. The hon. member for Parkdale, if I recall rightly, pointed out that in the United States the rate was 2 or 2½ per cent.

Mr. ILSLEY: I shall have to wait and see what was said.

Mr. BLACKMORE: I am depending on my memory, but he read an excerpt from the report, I believe, of the Purvis commission in which it was pointed out that in the United States the rate was as I have stated.

Mr. CRUICKSHANK: He is generally wrong.

Mr. BLACKMORE: He may be right. Certain it is, however, that 2½ per cent is enough; it is as high as anyone should pay. The money can be created absolutely debt-free by the Bank of Canada and the minister will not deny it. The only argument he has ever given against the use of the Bank of Canada for the creation of money is that it will cause inflation. Well, seeing that we have created an abundance of goods for war purposes, and that we shall be able to produce enormously after this war, I suggest that it would be nonsense to talk about inflation after the war. The goods and services will be there.

I wish to make another comment on what the minister said about the provinces owing money and not paying it back. I do not know what the situation generally will be in this regard, but I would point out that the Bank of Canada was established for the purpose of creating money in the Dominion of Canada and it has been given the absolute power of issue. It can therefore create money without any gold behind it. If it cannot create money and advance it to the provinces without loss to the dominion, then I suggest that it is impossible to reason at all. Why we should worry about the provinces failing to pay back certain moneys it is difficult to understand. There must be a completely changed attitude towards this whole aspect of finance. The sooner members come to realize that, the sooner they will be in a position to save the country from communism. We cannot go on with the antiquated notions about finance that have filled the minds of members of this house and of the administration. We must acquire a modern realistic attitude toward money, and then we shall see that this proposal with respect to providing money to home owners at 2½ per cent is quite feasible.

Mr. McNEVIN: I do not know what foundation there is for the statement which the hon. member has made with reference to Soviet Russia, because the fact is that Soviet Russia uses approximately the same monetary system as we employ.

Mr. McGEER: I wish to say a few words on the provision made for slum clearance, which has been substantially qualified by the minister in his remarks this morning. Slum clearance is something everyone talks about but nobody does anything about, and the reason is that unless the municipalities are able to develop a programme of slum clearance and prosecute it, the situation remains without anybody being in a position to move on it with any effectiveness. Slum clearance is probably one of the finest examples of the danger of obsolescence fastening itself on to a community through the practice of always thinking of everything in terms of the investment of money. In slum clearance and in the futures of cities there is probably something more important than the individual dwelling houses. I think the more important thing is the environment and the surroundings of the dwelling houses themselves. We have moved along to a time when the number of hours that people work is comparatively small

compared with the number of hours that they have in the way of leisure time. You will hardly find in a Canadian city anything like adequate accommodation for the healthy cultural occupation of leisure time.

I do not know how the figure of $20,000,000 was arrived at, but certainly that amount would not go very far in slum clearance throughout Canada. I should think that you would be able to spend much more than that in the city of Montreal alone. You could spend a good deal of it even in a young city like Vancouver which has not the obsolescence that the older cities have. There are whole areas in that young city that are outmoded to-day. As a matter of fact they were not properly built and they should be cleared away. In my opinion one effective method of slum clearance is to establish in the school areas not merely a school and playground, but a school with all the requirements of the social life of that school centre. Each school should be equipped not with one mediocre bit of ground for the children to play on, but with several divisions of playgrounds. It should have its gymnasium; it should have its stadium; it should have its swimming-pool; it should have its skating-rink, of course; it should have its theatre and its music centre; it should have its accommodation for music and for art, not merely for the children but each school centre in that section of the city should become as well as a centre of education, a centre for cultural entertainment for the whole community. What would it cost? How could it be paid for? It could be paid for in the same way that we pay for our highways, our parks, or those things that we must have in war time and in peace time that never reproduce a dollar of money dividends, but could produce enormously in the dividends of culture, better citizenship and better community life in a sounder, national economy. I know it is easy to say that we cannot afford these things. When the hon. member for Victoria, Ontario, suggests that the Soviet Union are adopting the same kind of monetary system that we are—

Mr. McNEVIN: I did not say that they were adopting the same system, I said that they were using a somewhat similar system.

Mr. McGEER: That is a very different matter. They are using it in an entirely different way. They are putting and will continue to put the emphasis on public expenditure, not on investment to make money, but on investment to provide better accommodation for the people. It is one of the great fallacies of our whole public economy that we insist on putting everything out in the hope that it is going to be paid back either by some profit-making enterprise or by some levy of taxation. I happen to know some of the needs of our Canadian cities. I happened to be one of the mayors who formed the first mayors' conference in the west which became the mayors' conference of the Dominion of Canada. That conference has been actively organized and represents the municipalities of Canada in close cooperation with a similar organization in the United States. They have told us in this parliament through our reconstruction committee that they have not the money either in taxable reserves or in resources to carry on any programme of substantial expansion that would improve either the cities or provide post-war employment.

When you come to split this $20,000,000 how are you going to allocate it? How much is to go to Vancouver, how much to Halifax? Charlottetown is also included, I take it, as well as Montreal and Toronto.

Mr. CASTLEDEN: Not the rural areas?

Mr. McGEER: I would not say that because it included municipalities and that probably takes in a great many rural areas. How are we to divide it? How far will it go round and what impression will it make on the slum condition of our cities? If some programme could be worked out whereby the dominion government would finance municipal schemes not merely of slum clearance but of community betterment, then I think we should be moving along the line where the days of slums in Canada would be done away with.

I fear that I see in this $20,000,000 and in the remarks of the minister this morning the same old attitude that prevailed in 1930 to 1935 and from 1936 to the outbreak of the war when the dominion government under two great parties stood with their backs to the wall flatly refusing to recognize as their responsibility those things which had been imposed upon provincial and municipal authority and which neither provincial nor municipal authority had the means or the powers under the constitution to finance. In my opinion, of all the violations of the true spirit of our Canadian constitution we find the greatest one in the selfish attitude of the federal parliament to the junior departments of government. I find no better expression of that same weakness, shall I say, in our national administration than in the attitude expressed in this bill in connection with slum clearance, and in the utter indifference on the part of the federal authorities to any desire to become associated with provincial and municipal governments in making conditions in the cities better for the masses of the people. What do slum

conditions and the pitiable living conditions that exist in our cities cost us as a nation? What do they cost in health; what do they cost for the maintenance of machinery to prevent the crime that is bred there; what do they cost in the general deterioration of the productive capacity of the whole community? It is not something you can measure accurately, but the actual losses sustained from those conditions are infinitely greater than would be the amount of money required to remove them.

I want now to plead with the government and the minister that this excellent programme, as far as it goes, be strengthened and made much better by carrying it along to the point of taking power to cooperate with the province of Quebec, for example, and the group of municipalities making up the great city of Montreal, in order to do a real job in improving conditions in that great Canadian city—which will become greater as the years go by—to make it a model, and to carry that programme clear across the whole of Canada, from Montreal to the Pacific and from Montreal to the Atlantic. The federal government should embark upon a programme of that kind, for the federal government is the only authority that has power to create the money that can and must be employed if that sort of undertaking is to be pursued. You see, no municipality has a Bank of Canada. No provincial government has any power to raise money other than by taxation. We in Ottawa, in the federal parliament, can raise money by borrowing; we can raise money by taxing; we can raise money by issuing Bank of Canada notes, or we can raise money by borrowing bank deposits. Here we have power to create and issue the money of the people of Canada; and for some parts of the programme, such as the one I am discussing at the moment, we must find some way of financing other than by borrowing, which is merely deferring taxation, or by direct taxation because throughout Canada to-day we have in our municipalities a level of taxation that has converted a large part of our investments in municipal real estate from investments to liabilities. I do not know of a city in this country, unless there be one or two of the very small ones, that has any reserve of taxing power; in fact they have all levied taxes far in excess of the actual value of the property itself. So that if all we are going to have in the way of slum clearance is this $20,000,000, then as far as slum clearance is concerned, as far as any improvement in the poor conditions that exist throughout our Canadian cities is concerned, one of the hopes for the post-war period can now be abandoned.

[Mr. McGeer.]

I went into the idea of establishing community centres of the kind I have described. Of course they would vary in cost. Take a community such as Ottawa; probably you would have to build a dozen or more such centres. In Vancouver we would have to build a much larger number, but the lowest cost at which I could arrive, using the most ordinary equipment, was in the vicinity of $150,000 per unit. To do it as it should be done would cost probably $500,000 per unit. Then, to bring all these various centres under one common centre, where you could have playgrounds, theatres, general stadia affording facilities for competitions, and that sort of thing, would cost a very large sum. I should say that in my own city of Vancouver it would cost a good many million dollars to do that job right, at least somewhere in the vicinity of $10,000,000. Why, we have no more chance of raising that $10,000,000 from real estate taxes, or from any reserve of taxation that may be left to that community, than we would have of flying to the moon. The taxable resources are not there, but the unfortunate living conditions that should be remedied may be found everywhere in that young Canadian city.

It is a remarkable thing that men can think in terms of putting up $60,000,000 for a battleship which can be sunk in ten minutes; but when you come along and say that you would like to have $10,000,000 invested in the city of Vancouver to improve the living conditions of the children particularly and the people generally, men will shudder at the idea of giving a community that kind of protection, which is better than the protection given by a battleship in time of peace and even better than the protection given by a battleship where it may mean the winning of a war. Why should it be that only under pressure of war do men move to find the means for protecting the life of the state? What is more important in the life of the state than the standard of living of the people? In raising and protecting that standard the government performs its full function. But oh, no; we must have some financial complex about these things. We have to be smart business men when we are in the Department of Finance; we have to stand up and say, "We are careful and cautious; we do not put money out here unless we are sure it is going to come back. We have made some investments in the provinces, and now we find them reluctant to pay them back, even though the bond has been signed." Well, we appointed the Sirois commission to look into this housing situation, and to look into provincial and municipal powers to finance obligations which the dominion government had imposed upon

them. The Sirois commission's report made a definite recommendation that the time had come when the whole programme of financing provinces should be revised, because provincial and municipal governments did not have the means to carry out programmes of slum clearance, and a great many other things.

I regret that this housing bill had to come before the house at this late date in the session, because it involves one of the most important phases of our post-war programme, not merely because we should take advantage of the opportunity afforded to improve life in our cities, but because it is in that field that probably the largest measure of unemployment relief is to be found.

Would it not be possible for the government to provide under this measure at least the power to work out those schemes of improving our cities? Let me plead on this basis: Will not the federal government assume and recognize that life in the cities is the very root of Canadian democracy? If it deteriorates and goes down, it cannot help having a serious effect upon the life of the nation. Would not the government recognize, with its superior financial power and strength, that there is a great, growing, national need in which it can serve, in full cooperation? If it is prepared to go as far as it has gone, to the length of saying that children should be given $9 a month to guarantee that they receive the right kind of food, surely it will follow along the same principle and say that in the "east ends" and in slum areas not only should those children have clean milk, and enough of it, but should have the right kinds of playgrounds and environment, the right kind of air in their schools and in their homes.

Does anyone believe for one moment that to do that kind of thing is beyond the capacity of the people of Canada? Will anyone say that there is a member in this chamber, or a citizen in the dominion, who would suggest that we shall not have the men available in the coming post-war period to build those playgrounds, swimming tanks and gymnasia? Does anyone believe for one moment that we shall not have enough instructors to administer those playgrounds? Out of the army alone we shall have back, this time, between 600 and 800 of the most highly-trained physical instructors the Dominion of Canada has ever had.

What are you going to do with them? Does anyone think for one moment that we shall not have the materials? Are we to revert, as we are reverting under this $20,000,000 programme, to where we were in 1936, with idle men, idle materials and jobs crying to be done, because somebody in the Department of Finance has said, "Oh, if you issued $50,000,000 to the Bank of Canada that would be inflation," or, "If you issue $200,000,000 to the Bank of Canada that would be inflation." Are we to go back to that kind of nonsense again, or are we to shudder under a load of debt we have piled up, and say that we have won the war from the aggressor and lost the nation to the debt dealer?

That kind of thing is not going to go on when this war is over. And if this government thinks for one moment that it will be allowed to fail to accept its responsibility for slum clearance, and its responsibility for the betterment of conditions throughout Canadian cities, it is making a very serious mistake. It is making a mistake in the light of a magnificent programme where cost seems not to have been of the least concern. And I would judge from the remarks of the minister this afternoon that we have not heard the best of it yet. That is still to come. Shades of the Hon. Charles Dunning! We have $200,000,000 for this; $300,000,000 for that—and we total it up and find that hardly a day goes by that we do not appropriate at least $100,000,000, or more! Why, they scared the living daylights out of the editorial department of the Ottawa *Morning Journal* by bringing in an appropriation in one week that totalled $1,200,000,000—and all for the betterment of the people of Canada!

What a pity it is that there are just a few little things we cannot seem to digest! Two hundred million dollars for family allowances—and $20,000,000 for slum clearances! If we can give $200,000,000 for family allowances, then we ought to be able to give $200,000,000 for family homes, and for the environment around family homes that will make that $9 a month we are giving the children a real national investment.

Mr. KNOWLES: It is $8.

Mr. McGEER: Oh, I did not know that. Somebody must have got in and knocked that dollar off. I thought it might have been $10, even.

I plead with the minister to rise above this impish nature of the Department of Finance and the treasury board, which does so much, and does so well in some places—and then backs into the old psychology of, "Oh, well, we had better not go too far, because we cannot afford it, and there are so many other important things."

I know one of the greatest jobs this government could do in Canada would be to cooperate with our cities, through the provincial governments, in the development of living conditions that can and should be greatly improved over what they are. I should like to know from the minister just how that $20,000,000 was arrived at.

Mr. ILSLEY: The hon. member for Vancouver-Burrard has made his usual attack upon the Department of Finance. He has been doing so throughout the whole session in the banking and commerce committee, and out of it; and I have got to the place where I must say publicly that I resent it. I am not speaking now in defence of myself. Rather, I am offering a few words in defence of departmental officials of the Department of Finance.

This afternoon the hon. member said that we spend $200,000,000 for this and $300,000,000 for that, and a billion for this and a billion for that—and that is admirable! Apparently the Department of Finance is functioning well when it spends or consents to the expenditure of these very, very large sums of money. He says, "If you can do that for one thing, you can do it for everything. There is no reason why you cannot do it for everything, because you have the Bank of Canada to turn on the printing presses and turn out the money."

That is his argument. Then, with regard to the $20,000,000 for slum clearance he asks, "How is this figure arrived at?" I can say it was not arrived at on any basis of compilation or calculation. We thought that if the plan under this measure worked out, if the municipalities and the provinces were interested in it, we could very well increase the amount by further appropriations, just as further appropriations have been made in the past for purposes of the old housing act. If it does not work, then we shall have to resort to something else or adopt some other scheme. I do not know; there is not much reason why it should not be $50,000,000 instead of $20,000,000, if that would make it look any better, but I do not believe that between now and next spring we shall have any opportunity to spend more than $20,000,000. This summer, this fall and this winter there will be very little slum clearance take place because of the tremendous shortage of materials and labour in the country, as is known to every one. I am not going into this question of the unlimited, indefinite availability of what is called debt-free money.

Mr. McGEER: Or debts either.

Mr. ILSLEY: I am prepared to deal with that. I heard the hon. gentleman state in the banking and commerce committee what he would have done during the war and what he would do in the peace to come. It is surprisingly little different from what we have done or what we are prepared to do. When the hon. gentleman comes down from the heights of oratory to the valleys of practicability he has to admit that we have done about what any intelligent group of persons would do. Other countries have financed the war much as we have. They have financed it by taxation to the extent of the capacity of their peoples to pay, as we have done in this country. They have even borrowed to the extent of their ability to borrow from the public, as we have done with great success. Then, for a comparatively small and insignificant margin they have borrowed either from the central bank or from the chartered banks, depending upon which they thought was the best way to borrow. I am prepared to argue that the manner in which we have borrowed has been to the advantage of this country as compared with the alternative method of borrowing from the Bank of Canada.

I do not want the people of this country to get the impression that it does not make any difference the amount you borrow from the Bank of Canada, that it does not make any difference how much money you turn out on the printing presses of the government. That is the oldest of all fallacies; that is the oldest of all exploded nostrums, the idea that you can turn out money indefinitely. Let people read the history of the French revolution. Let them read the speeches of those eloquent gentlemen like Mirabeau himself, who advocated the issue of assignats. Each issue was argued for as being—

Mr. CRUICKSHANK: What date was that?

Mr. ILSLEY: Between 1790 and 1795.

Mr. CRUICKSHANK: This is 1944.

Mr. ILSLEY: That is the difficulty with people; they think it is a new thing, but it has been tried time after time.

Mr. MacNICOL: The same in the United States civil war.

Mr. SENN: The same in Germany.

Mr. ILSLEY: I am not arguing and I do not say that a moderate expansion of the credit base is not feasible. That is what we have done during the war and before the war. There was a steady improvement in conditions between 1934 when the Bank of Canada came into existence and 1939. The steady improvement in employment figures and farm and wage incomes and so on was parallel to the expansion of the credit base during those years. I do not say that that should not be done after the war; but this idea that it can be done to an unlimited extent and that because we spend $200,000,000 here and $200,000,000 there we should spend $200,000,000 on everything, and that we are nibbling down and displaying a finance department complex and all that kind of thing simply because we

do have some caution at times,—that I say is an idea which is most dangerous for this country.

As I say, I think $20,000,000 is all right for the time being, but so far as I am concerned the $20,000,000 may be increased for this purpose later on. It is the one place in the legislation where perhaps the amount might have been larger, but the bill provides and contemplates a large expenditure of money and I think we had better continue with that as it is now. As I say, if we cannot get along with the $20,000,000, we can supplement it at another session of parliament.

Mr. McGEER: There is one comment I should like to make in reply to the minister. I have never suggested that there is no limit to the amount of money that you can use simply because you have the power to print money. I am not unfamiliar with the history of John Law and the assignats. As a matter of fact I am not unfamiliar with the history of money as it has been written from the dawn of civilization.

The ACTING CHAIRMAN (Mr. Golding): I wonder if we cannot try to stick to the resolution?

Mr. McGEER: Yes, we will stick to this. When a nation has the power to create money and the creation of money stands between the removal of slums and the continuance of slums, then there must be something wrong with a nation that will refuse to create money to be used to improve a condition that should be improved and would make for the betterment of the community at large. I resent the suggestion that I have no understanding of the problem of maintaining balanced finance in the community. I have listened to men talk about the security of money under the gold standard, and that has gone by the board. That was the only thing that was fought for two hundred years ago in France and during the civil war. We have abandoned that kind of thing and to-day we are operating on a straight managed paper standard. We have proved in this war that we can carry on an enormous programme of inflation and still maintain a balanced economy; we have proved that prices can be held comparatively easily.

I am glad the minister admits that this is one place where the figure might be larger. Let me draw the attention of hon. members to one important thing that he said. He said that this figure was arrived at because it was thought it would be enough, without any survey or computation being made; it was just picked out of the sky.

Mr. CRUICKSHANK: How do you know that?

Mr. McGEER: The minister said so. I think I am right.

Mr. ILSLEY: We did not make a survey, we did not circularize the municipalities to consult them on the policy and find out how much they would take.

Mr. McGEER: As a matter of fact the municipalities had already been before the reconstruction committee and had laid a great deal of information before that committee of this parliament. If you had appointed a committee of competent architects and engineers who could have been secured in the areas affected you could have had a complete story of what should be done and what was needed to be done. You could have laid out, not a one year or a next spring programme, but a five or ten year programme.

That has been done in the United States and it is one of their great reconstruction programmes. Every city in the United States has been surveyed and a report made of the total cost. Planning has been made over a long period of time. I think it is important for this committee to know just what it is hoped may be started on that phase of the housing scheme. But it certainly is no indication that there is any real policy or plan. How can these things be financed if they are not to be financed with Canada's national currency? We cannot go on much longer piling up debts for war, or for war on slums. We have come to about the limit of that kind of financing which says that it is fine to use a printing press to issue national debt but unsound to use a printing press to issue national legal tender currency. If we insist on sustaining this debt-claim system, we are putting our feet in the path that led Europe to disaster; make no mistake about that. If you think there is any soundness in piling up debts at the rate of two and three billion dollars a year, which comes down to nothing more or less than this, that you are making promises you cannot keep by issuing promises that you do not intend to keep; if that is sound, all I will say is that it has not been found sound in any other country that has been forced in due course to come to flat repudiation and all the disasters that have afflicted those countries which have gone on blindly believing that they can accumulate over the nation a burden of debt that no individual will accept.

Where is the man in Canada who will say that it is healthy for him individually to be under a load of individual debt? No one will agree with that. Yet we are now called upon

to believe that the thing that is bad for us individually, is going to be good for us collectively, and because we are a little afraid now that we are getting our debts too high, we cannot clear slum conditions within the cities of Canada. I think we can do that, and I think we can do it without increasing debts. I think we can do it through a wise policy of national cooperation with our provinces and municipalities and by a wise administration of our managed paper currency, which is now the only basis of money that we have in the Dominion of Canada. What we went through from 1930 to 1939—

The ACTING CHAIRMAN (Mr. Golding): Order. This is a resolution respecting housing. Let us try to keep to the resolution.

Mr. McGEER: Let me tell you, Mr. Chairman, since probably you are not aware of it, that the housing conditions we are trying to improve are those housing conditions which existed from 1930 to 1939.

The ACTING CHAIRMAN (Mr. Golding): Order. I do not think it is in order to go back to the period from 1930 to 1939, and I hope that the hon. member will confine his remarks to the resolution, which is to improve housing conditions.

Mr. McGEER: I think it has to do with slum clearance, Mr. Chairman, and these slums are the slums which we had from 1930 to 1939, and which are still with us. I do not think it has to do with any other slums.

Mr. COLDWELL: Wartime Housing potential slums.

Mr. McGEER: Of course they have been added to the picture and they will be a serious problem in the post-war picture. One would not need to emphasize the slum conditions as they existed between 1930 and 1939 were it not for the fact that it has a direct bearing on the problem with which we are faced to-day, namely whether we are going to have full employment.

Mr. CRUICKSHANK: Take the place where the members have to live now.

Mr. McGEER: I would think that this phase of the resolution and this phase of the legislation is really much more important than the phase of helping the lending companies in financing homes at a profit. That seems to be where we have rather lost our balance in the housing legislation. We seem to think that if we bolster up the lending companies and associate with them by way of guarantees making it possible for them to lend more, even though the rate of interest is reduced, that is the major part of the government's participation in housing. Here is one particular issue on which I disagree with the Department of Finance. I think it is far more important for the Department of Finance to cooperate with the municipal and provincial governments in doing a public job, in building better schools, better houses and better community surroundings. If the government goes ahead and does that part of the job and maintains the national income, and does it without too great a burden of taxation, it will be found that people are able to build their own homes without having to pay any interest at all. I know a great many young fellows in my own part of the country who saved up their money—school-teachers or mechanics—and built their own homes in the evenings and on their holidays and never paid a dime of interest to anybody. That does not apply to everybody, but I want to tell you, Mr. Chairman, that that is the type of people who make the very best kind of citizens. This thing of piling up a load of interest-bearing debt where a man pays out in interest more than he pays for the land and materials and the labour that goes into his house is just the kind of thing that has carried whole communities to disaster. Why should the Department of Finance become, as it is rapidly becoming, the mainstay, the main support, the helping hand, the guiding light and the guardian angel of all the debt-piling bodies in Canada? That is where we are going to on this housing legislation. All the way through it is helping the financial organizations.

Mr. CLEAVER: Would the hon. member permit a question?

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. McGEER: I should like to ascertain from the minister whether the government would be willing, in the light of the recommendations made by the reconstruction committee and the reports that have been adopted by the house, to lay the foundation at least for cooperation not only on slum clearance but on municipal improvements throughout Canada. Is there any other provision apart from this whereby the government could engage in improving slum areas? Is there any other provision coming down or already down?

Mr. ILSLEY: I do not think so. I think slum clearance and allied subjects are on the list of questions to be taken up at the dominion-provincial conference, where agreement will have to be reached on some phases

of the matter with the provinces and municipalities. This particular provision in this bill is not a slum clearance proposal nearly so much as it is a housing proposal. Slum clearance here is merely incidental to the other provisions of the bill which provide that a low dividend housing corporation or a life insurance company may undertake a project and, if it does, it may do so under the terms set out in the bill. If it is a low dividend corporation the dominion government will lend ninety per cent of the cost of the project at three per cent on certain conditions, the conditions being that the low dividend corporation can make no capital gain out of the venture, that the rates of return will be limited to five per cent. In the case of the Montreal project, it voluntarily limited its own returns to three per cent, and so on. With regard to the life insurance companies, if a life insurance company undertakes a project, there will be a guaranteed return of 2½ per cent per annum on certain conditions, one of them being that the company set up a reserve and pay everything into that reserve which it earns over six per cent, and otherwise conduct itself in compliance with the provisions of the bill. If a low dividend corporation or a life insurance company wishes to develop a project in a part of a city in which there are slums, this provision of the bill relating to slum clearance supplements the other provisions by setting out a procedure under which, if a municipality or a province wishes to pay half of the cost of removing slums, the dominion government will pay the other half. It is not in any way an attempt to deal with the slum situation in the dominion. That is something which would have to be worked out in cooperation with the provinces and municipalities and the division of jurisdiction decided upon. And that is a matter which will have to be considered at the dominion-provincial conference.

Mr. McGEER: If I might call the attention of the minister to the manner in which slum clearance was dealt with by the reconstruction committee in report No. 4 on housing and community planning, dated March 24, and adopted by the house, I would refer him to page 45. I do not know that there is anything wider than this, which authorizes the Minister of Finance under certain conditions to make grants to municipalities up to an aggregate amount not exceeding $20 million for the purpose of assisting in the clearance of slums or blighted areas. That is not incidental to anything; it is a completely distinct programme apart from lending to housebuilding corporations or individuals building houses. This is a declaration of policy on what has been recognized for a great many years as an urgent need throughout the dominion.

Mr. ILSLEY: I explained the limitations this morning; if the hon. gentleman had been here he would have heard me. I explained that this was incidental to the development of a housing project. It is slum clearance for a specific housing purpose. The resolution cannot say everything. I am telling the hon. gentleman what will be in the bill.

Mr. McGEER: I presume, of course, that this is the proper place to try to extend the terms of the bill or to have things included which apparently are not. It seems to me that if we are consistent at all with the programme already adopted by parliament, and there being no other provision for slum clearance, some provision should be made in this bill to take care of it. At any rate, I wish to put this section of the report on the record. I quote from the report at page 45:

> The housing act of 1919 included assistance to local authorities in carrying out schemes undertaken for the clearance of unhealthy areas, in assumption of losses by the government for expenditures in excess of the limited liability of the local authorities. This assistance ended in 1921. A new application of subsidies was developed in the housing act of 1923 in which authorization was given the minister of health to make grants to local authorities towards loss incurred, the amount of the grant in the form of annual contributions being settled in each case through consultation with the local authority. The grant was not to exceed 50 per cent of the estimated average annual loss. Approximately fourteen thousand houses were built under assistance from this act.
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> Yet another innovation in handling subsidies for slum clearance was brought forward under the housing act of 1930 (Greenwood scheme). Annual payments were made on the basis of the number of persons displaced who would later be provided with new accommodations at low rents. These subsidies were 45 shillings per person rehoused in town, 50 shillings in rural districts in England and Wales, and 50 to 55 shillings in rural and urban areas in Scotland, annually for forty years. Additional payments could be applied if part of the building condemned was not insanitary and had to be purchased at market value, such supplementary subsidies not to exceed 15 shillings per person. When the land cost was more than £3,000 per acre in central city areas and tenants had to be rehoused in tenements of over three storeys, the subsidy per person was raised to 70 shillings per annum for forty years. In four years following the enactment, some 27,000 houses were provided under this scheme. In April, 1933, in order to speed up the slum clearance activities, the government, through the minister of health, arranged to survey the country for slum clearance areas and those which required reconditioning.
>
> In August, 1935, a further housing law was enacted which was designed principally to make better provision for the abatement and prevention of overcrowding, the redevelopment of urban areas in connection with the provision of housing accommodations and the reconditioning of buildings. This act also provided for the establishment of a housing advisory committee and of commissions for the management of local authorities' houses. Provision was further made

to enable a local authority, with approval of the minister of health, to arrange with public utility societies, building societies, and so forth, to provide housing for persons displaced by the furtherance of clearance schemes. Consolidation of housing contributions and accounts under the several housing acts now operative was provided, looking to the simplification of this part of the work. This act modified the subsidies allotted for dwellings to relieve overcrowding as follows: on sites costing £1,500 per acre, 100 shillings per year per dwelling for twenty years; on sites ranging from £1,500 to £6,000 per acre, 120 to 160 shillings per year per dwelling for forty years. For buildings on land of higher price, the subsidy is increased 20 shillings for each additional £2,000 per acre paid for land.

Has any survey been made of slum clearances? Has there been any attempt to implement that report in any part of the government's programme?

Mr. ILSLEY: Is the hon. member reading from an English report?

Mr. McGEER: No; the report of the reconstruction committee on housing filed with our own parliament and citing what has been done there, pointing out that we have had three different attempts at it without accomplishing very much. Then they referred to the English system where surveys had been made and bonuses paid. Is there anything suggested along that line for the improvement of housing conditions in Canadian cities, because, if nothing is to be done, how are we to be able to implement the report of any provincial conference without having made some appropriation to carry out some programme to assist the municipalities? Has anything been done to implement that, or can anything be done? If not, why not?

Mr. ILSLEY: I should like to look at that report. I have not had time to do so.

Mr. McGEER: Surely now is the time to look at it before this legislation is dealt with, because the evidence before the reconstruction committee upon which the report was based was definite so far as the cities were concerned. They did not make any bones about placing their position definitely before the committee. I read from the evidence taken before that committee on November 27. It is found at page 871 in minutes of proceedings and evidence, No. 31, and is as follows:

> The financial resources of municipalities are wholly inadequate for any large-scale post-war public works programme such as probably will be required.
>
> A post-war public works programme on the municipal level—where the vast majority of the unemployed are likely to be centred—will require special financing, including an undetermined amount of federal aid.

This, even presuming that the fiscal and tax reforms urged in the earlier section of this memorandum, have been implemented. For, taking a realistic view of the situation, it is apparent that the volume of financing required for the kind of a post-war public works programme likely to be needed is completely beyond the limited revenue or credit resources of local and/or provincial governments.

Moreover, the scope of the problem—urban reconstruction—has gone far beyond the proportions of a mere local responsibility. It is a matter affecting virtually all the urban communities, and involves more than half the population of the country. Only the fiscal capacity of the federal government will be adequate for the task in hand. The question as we see it is not whether the federal government will assume the responsibility, but rather, on what terms, and what conditions, and for what kind of local public works.

It is not our responsibility to put forward or recommend a specific proposal concerning federal financing of local public works. The federal government in due course will announce its own policy in this regard.

In general however, we believe:

1. The federal government should stand ready to extend loans to local governments at the lowest possible interest rates, and for extended periods, consistent with the nature of the specific project for which the money is required.

2. In some instances it will be in the national as well as the local interest for the federal government to make an outright grant to cover in whole or in part the cost of certain kinds of local public works.

3. The proposal, referred to earlier in this memorandum, for the matching with federal dollars of post-war municipal reserve funds earmarked for "approved public works" has much to commend it.

4. The principles incorporated in the Municipal Improvements Assistance Act, 1938, whereby the federal government financed, at low interest rates, self-liquidating local improvements, are sound, and might well form the basis for an extended national improvement act for post-war reconstruction.

5. We agree with the proposition that federal government financing of local public works or housing should be restricted to those municipalities having a master town plan.

6. We believe there is point to the suggestion that the federal government should encourage the preparation of local public works plans by agreeing to underwrite the cost of preparing the detailed plans for public works projects which have been mutually agreed upon as being potentially possible and desirable, whether or not the project is eventually proceeded with.

Such a procedure would permit the accumulation of a shelf of possible local post-war construction reserves, adequate for any eventuality, without unduly burdening the limited financial resources of local communities with the cost of preparing expensive detailed plans. The cost of preparing the plans would of course be a charge against any project eventually proceeded with.

Whatever the federal policy may be with respect to the financing of local public works, it is important—indeed, it is imperative—that a statement be made at an early date regarding the government's intention.

This is the position faced by all the cities of Canada as placed before the reconstruction committee. Is there nothing that we can do about it in Ottawa? Are we to leave that in the air? Are we to leave slum clearances, better housing and general community work, as outlined here, unconsidered, or are we to turn a deaf ear to the plea of the municipalities of Canada for assistance? Does the minister say that we cannot do anything about it at the present time?

Mr. ILSLEY: I say this, that with regard, first, to what programme of public works is to be instituted in the post-war period, whether by municipalities or by the dominion, and second, how that is to be financed, those are subjects which cannot be dealt with at this session. I say that those two subjects must await a dominion-provincial conference which we shall hold as soon as we can. In my judgment that will be in ample time to make provision for a post-war public works programme. We are dealing here not with a post-war public works programme in the municipalities or elsewhere; we are dealing with a specific subject, the subject of housing, which is more urgent than a general public works programme. We are dealing with slum clearance only in so far as it is incidental to the successful institution and carrying through of projects which are provided for in this housing legislation.

Mr. McGEER: You see the difficulty about that is, if the war comes to an end soon, as has been indicated by the Prime Minister in the House of Commons, then it would take a great deal of time to get that programme planned out. There is no way by which you can move into a programme of slum clearance or general housing as a part of the civic life of Canada without having it well organized and planned. Not only would it take time to get that done—

The ACTING CHAIRMAN (Mr. Golding): Order. The minister has stated that he is not in a position to tell the committee what the government's policy will be in the future. We are dealing now with a specific resolution and I must ask the hon. member to confine his remarks to the resolution. The matter of government policy is something for the government itself to announce.

Mr. McGEER: I understood, Mr. Chairman, that we were dealing with the question of slum clearance.

The ACTING CHAIRMAN (Mr. Golding): Order. The hon. member is now discussing what the government's policy will be, relative to certain measures which are suggested in the report of the reconstruction committee. The minister has made it perfectly clear that he is not in a position to state what that policy will be. As I said before, we are dealing with a specific resolution before the committee. We should confine our remarks to this resolution.

Mr. McGEER: In answer to that, Mr. Chairman, a discussion as to whether or not the programme of housing and slum clearance is adequate and sufficient to meet the needs of to-day is certainly in order. Those of us who think it should be expanded or extended surely have a right to plead with the minister and the government to extend it to include something that is not covered.

The ACTING CHAIRMAN (Mr. Golding): Order. The hon. member has pleaded. He has asked the minister what is to be the policy, and the minister has replied that he is not in a position to state what the policy will be. We are dealing with this specific resolution. The hon. member has asked the minister these questions repeatedly, and he has his answer.

Mr. McGEER: Very well, Mr. Chairman, if you rule me out of order.

The ACTING CHAIRMAN (Mr. Golding): Shall the resolution carry? Carried.

Mr. CLEAVER: Mr. Chairman, I was on my feet.

Some hon. MEMBERS: Oh.

Mr. CLEAVER: Oh, all right.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce bill No. 183, to promote the construction of new houses, the repair and modernization of existing houses, the improvement of housing and living conditions, and the expansion of employment in the post-war period.

Motion agreed to and bill read the first time.

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN-YEAR EXTENSION OF BANK CHARTERS

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee on bill No. 91, respecting banks and banking.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

On section 1—Short title.

Mr. GRAYDON: I am not able to find the reprinted copy of this bill as amended and reported by the banking and commerce committee. I wonder if copies are available?

Mr. CLEAVER: In *Votes and Proceedings.*

Mr. KNOWLES: Was the bill itself not reprinted?

The ACTING CHAIRMAN (Mr. Golding): Yes, the bill has been reprinted; it so states on the title page.

Mr. GRAYDON: I wonder if it would be possible for the officials of the house to distribute copies of the reprinted bill.

Mr. ILSLEY: It follows bill No. 171 in my file of bills.

Mr. COLDWELL: Is the minister going to make a statement?

Mr. ILSLEY: No.

Mr. COLDWELL: If the minister is not going to make a statement at this stage—

Mr. ILSLEY: We are in committee of the whole, and I think we had better just go on with the sections one by one.

Mr. M. J. COLDWELL (Rosetown-Biggar): Before we take up these sections one by one I should like to make a few comments. I have seen the reprinted copy of the bill, with the amendments made in committee. While I suppose very seldom in our parliamentary history has a bill been given the lengthy consideration this bill was given in committee; while I personally found it impossible, because of duties here and elsewhere, to attend the meetings of that committee with any great regularity, I have tried to read most of the transcripts of the proceedings there. I find those proceedings so lengthy that it is indeed rather difficult to sift through them, but certain matters of fundamental and outstanding importance were brought before the committee during this lengthy inquiry.

In my opinion this inquiry has been most important because of the implications of our banking system in relation to our post-war problems. Most of the time was spent in going into the report of the Bank of Canada and hearing evidence from the governor of the bank, the minister, the deputy minister and other officials, as well as representatives of the banks, largely based on the material brought before the committee or perhaps I should say brought out in evidence by the committee from the governor of the Bank of Canada and other witnesses. Two or three things struck me forcibly. Hon. members will recall that in his report as governor of the Bank of Canada Mr. Towers said that a million more persons than in 1939 will have to find employment in the immediate post-war period. Later on in his evidence before the committee he said, as will be found at page 84 of the proceedings, that one and a half million more persons will be available for civilian employment than are employed in the sector of civilian employment at the present time. He meant when we come to the period of demobilization following the war. This entails, of course, a tremendous financial and economic problem; and if we are to solve that problem it means that we must engage in vastly increased production or that we must spread the production out over a vastly greater number of people, which means new social and economic problems. At the same time, as that is spread out over more people by shortening hours or in some other way, if we reach the stage where we are producing greater quantities of goods, it involves the distribution also of increased purchasing power and, as Mr. Towers pointed out, a very high level of new capital investment. It is that about which I wish to say something this evening. At page 85 of the transcript of evidence Mr. Towers suggested that we shall require the enormous sum of one and a half billions of dollars of new investment a year, indefinitely, if we are to maintain a national income of the present high level, or approaching the present high level of about seven and a half billions of dollars annually. That is the annual investment he said would be required in order to maintain full employment. This is found at page 85 of the transcript of evidence taken before the committee on banking and commerce.

What has struck me throughout, when we were dealing with these enormous figures and were faced with the enormous problems these figures involve, in terms of goods, services and distribution, was simply this: Is it possible for our present system of private enterprise to accomplish all this?

Another point which was brought out clearly in the committee was this: Surveys show that it is unlikely that private enterprise

itself will be able to carry this tremendous load. I wonder too if it might not be unwilling to carry that obligation.

Mr. ILSLEY: Mr. Towers did not give his approval of the one and a half billion figure.

Mr. COLDWELL: What did he do, then?

Mr. ILSLEY: He said:

It has been estimated that the maintenance of full employment after the war would require capital investment of one and a half billions per annum. There are inevitable qualifications to such estimates; but they are intended to and do serve the purpose of giving us a general idea of the magnitude of the problem.

I think that was taken to be an estimate.

Mr. COLDWELL: Yes, it was. But I think Mr. Towers, in placing that before the committee, did so with his personal approval. That is perhaps a minor detail in the discussion. However, I am glad the minister mentioned it, because I do not wish to quote Mr. Towers as having said anything he did not actually say. But at least the James committee gave that impression.

In the last couple of months some interesting surveys have been made which have a bearing on this problem. One survey deals directly with the banking problem. On May 29 of this year the *Financial Post* published a survey of 2,400 of the largest manufacturing concerns across Canada. In those 2,400 manufacturing concerns were included eight of our major industries. The *Financial Post* listed them as follows: Animal products, including packing, and so on; vegetable products, including canning, dehydration and the like; textiles; wood; paper; iron and steel; non-ferrous metals, and non-metallic minerals. Those are eight of our major industries in Canada.

The *Financial Post* showed that the 2,400 industries combined created one-seventh of the entire national income in 1939. They were asked what they thought they could invest in capital outlay immediately following the war, and the figure they gave for the three years after the war was an average of $106,000,000 a year. That is, they estimate that they will spend approximately one-fifteenth of the one and a half billion dollars that the James committee suggested is required after the war to maintain full employment.

Let us bear in mind, too, that the survey indicates clearly that they feel they can invest this $106,000,000 annually, only provided that there is an attempt made to maintain both full employment, and a high level of export trade. Hon. members will recall that the other day when discussing the family allowances I made the statement that the social security measures were to be welcomed. I pointed out, however, that we were erecting a superstructure of expenditures on social security measures without laying, first of all, an economic foundation. I am not suggesting that those social security measures should wait until we lay that economic foundation; but I am suggesting when we are considering social security measures we ought at the same time to be considering also the economic foundations upon which they must depend.

My criticism of this bill, as it comes from the committee, is that it fails to take into account these problems, and to lay the financial foundations which in my opinion are necessary to meet the grave problems which will arise shortly. I say, "shortly", because I hope that we are nearing the end of this great war.

If the *Financial Post* survey in in any measure correct, it means that somebody, somehow, has to fill the tremendous gap between $106,000,000 and the one and a half billions we require for capital investment annually. Of course there are many other industries, many other manufacturing concerns in the country which will invest in capital expenditures after the war. But when we consider that the big industries which were surveyed were able to see expenditures only to the amount I have indicated to the committee, then it becomes obvious at once that at very best there will be, in any event, a tremendous gap which the government itself will have to fill.

This nation, then, has to look forward to the making of very large expenditures in order to maintain anything approaching full employment. Sometimes I am asked, and quite properly, "What is your definition of full employment?" There are a great many definitions. Sir William Beveridge gave one which was quoted in the house the other day. But the simplest definition I know is that full employment means that every able and willing worker has an opportunity to do productive work at a reasonable level of income. That being so, the government has two functions in this respect. First, it must finance useful projects to create necessary employment and second, it must distribute adequate purchasing power in order that the products of industry may be distributed among the people.

As I have read the evidence given before the committee on banking and commerce, the thought that has struck me is that under the present financial system, under the system this bill maintains, mounting indebtedness to the

private banks must be involved. The government must sell bonds or other securities, treasury certificates and the like, to private banks, in exchange for bank credits which create a deposit against which the government writes cheques in order to meet many of its obligations and expenses. No matter what our views are regarding banks and banking, I think that looking back over the last few years we have been struck by the growth of the government's indebtedness to the private banks. This has increased sharply in the last fifteen years, or since 1930. It seems that whether it is during a peace-time depression or a war-time prosperity the trend has been the same. Not only has it been the same, but what I think is equally important, it has been continuous, whether in the pre-war depression or in the present unhealthy war prosperity. I think the statistics prove this assertion.

Let us look for a moment at the statistics, and again I refer to the evidence before the banking and commerce committee. The Bank of Canada statement shows that the bank holdings of dominion and provincial securities rose from $316 million in 1930 to $1,234 million in 1939. That was a sharp increase. But by the end of 1943 they had risen to $2,627 million. What is equally significant is that they comprised almost one-half of the total assets of all our chartered banks. This creation of debt on the part of the public to the private financial institutions also creates an exceedingly dangerous situation in which there may be, in the post-war period particularly, the thing which we call inflation.

We were told before the banking and commerce committee that loans and securities created bank deposits, and that bank deposits constitute from ninety to ninety-five per cent of our medium of exchange, namely the available cheque money. An attempt, and a very successful one, has been made during this war by means of victory loans to draw off a good deal of purchasing power which might otherwise have punched the price ceiling. But in spite of our victory loans drawing off a considerable amount of purchasing power from our people, bank deposits have risen—I will use round figures—from over $2,000 million before the war to something like $4,500 million at the present time. Apparently full employment under the present financial system cannot be achieved without an increasing accumulation of debt to the private financial interests and at the same time a grave threat of inflation to the country.

Mr. ILSLEY: I have not the figures before me, but I think the hon. member's figure for the deposits is considerably low. I think it was $2,500 million.

Mr. COLDWELL: Was it not $2,400 million.

Mr. ILSLEY: Something like that.

Mr. COLDWELL: I did not take the time to look up that figure. It was not in the record as I saw it and I wanted to be conservative so that I said $2,000 million. But in any event there was a considerable increase to $4,500 million. The facts conveyed by that statement constituted the paradox which faced the committee and which occupied practically all its time. May I suggest that this bill offers no solution at all. Some amendments seeking to deal with the problem were offered, but they were rejected by the committee on the ground that they would hamstring the banks. No amendment or suggestion was adopted that, in my opinion, will meet the situation with which we are now faced.

I should like to mention the principal amendments that were rejected. The first was to prohibit the banks from dealing in government bonds and securities. The second was to maintain cash reserves of one hundred per cent against demand deposits. The third was to prohibit the banks from issuing demand deposits as a substitute for the lawful currency of Canada. Those were the three suggestions made, I think by the hon. member for Vancouver-Burrard and the hon. member for Parry Sound. The fact that must have struck the committee—I know it struck me forcibly—was that apparently on the present basis the chartered banks could not operate without government business. That was the evidence given before the committee. I should like to quote the deputy minister's statement on July 18, as it appears on pages 1242 and 1243 of the evidence, when he said that the banks, if forced to give up their government securities, would go into the red several million dollars each year; that they would lose about $35 million in interest, which would more than wipe out their net earnings of $31,600,000 which they made last year, before taking care of losses or paying any shareholders' dividends.

That illustrates the degree to which the banks are dependent upon government business, public business, instead of private business, and I think it warranted the observation

made by the hon. member for Vancouver-Burrard who is reported on page 1244 of the record as follows:

> . . . if the banking business could not function as a private enterprise servicing private enterprise it must depend upon the earnings from public finance and public enterprise . . . then is it not pretty nearly time that they become recognized as an institution that had evolved into a state public utility that should be operated as such.

The evidence before the committee confirmed my opinion that this bill to extend the charters of the private banks should not be proceeded with, but that the banks should be made public utilities or, as we suggested on second reading of the bill, that they be nationalized. How they should be operated under a nationalized or socialized plan is a matter which the committee could have gone into exhaustively had it been empowered to do so on the second reading. But we could not inquire into that particular suggestion, because the house had already rejected it, and therefore very little discussion of it occurred in committee.

Those are some of the few observations I wish to make on this particular bill at this time, but I wish to refer now to some of the amendments made and to say also that there are in the bill some new sections with which we are in hearty agreement. The amendment that would require the banks to disclose their inner reserves every ten years occupied several weeks of the time of the bank and commerce committee and was finally rejected on the advice of the minister. But the testimony before that committee brought out the fact that the banks can currently escape—I say currently escape—some of the excess profits taxes. The minister himself brought out the fact that two or three banks had set aside higher inner reserves than he thought were warranted, and he suggested an amendment which would meet that situation in the future. I want to say to the minister that his contention that publication of the inner reserves would shake public confidence in our banks and banking system was not a good reason.

Mr. McNEVIN: Was not the minister's action endorsed by several others, including Mr. Clarkson and Professor Jackson?

Mr. COLDWELL: Yes, but the minister is here and the other gentlemen are not, and I am addressing my remarks to the minister. I know he was supported in this by his advisers, but after all it is the minister who has the responsibility and must take it, and the minister's stand carried weight too.

Mr. McNEVIN: I do not think that Mr. Clarkson, the chartered accountant, could be classified as an adviser of the minister, nor could Professor Jackson who represented the retail federation. They both upheld the minister's view.

Mr. COLDWELL: I was thinking of the advisers to the minister. The gentlemen just mentioned may not be advisers to the minister, but they are the people who advised the committee, and they did support the point of view expressed by the minister.

Mrs. CASSELMAN: What stand did the committee as a whole take on the matter?

Mr. COLDWELL: The majority of the committee supported the minister.

Mr. BLACKMORE: Quite automatically.

Mr. COLDWELL. I would not say that.

Mr. GRAHAM: The members of the committee supported the facts as they appeared in the evidence.

Mr. COLDWELL: I am not disputing that. I do not think I have introduced anything objectionable and I do not intend to do so. I am convinced that the men who voted that way were convinced that they were voting quite properly, just as when I would have voted against it as I think quite properly. I am not suggesting anything else.

What I was going to suggest to the minister was this. The discussion which occurred over the inner reserves, which was given wide publicity in the newspapers, without information as to the inner reserves being given, has awakened in the public mind a suspicion both of the banks and of the government itself. I think it would have been far better in the public interest if the information had been given and there had been no question about it at all. The very purpose which the minister says he had in view, that of retaining confidence in the banking institutions, was ill-served by that motion. I believe that more suspicion has thereby been aroused than there was in the country before, and I strongly urge the minister, when we reach the appropriate clause, to give that information to this committee. It may be that the banks have piled up appalling large inner reserves; it may be that they are very, very small; I do not know, but since the question has been raised there is a widespread suspicion in the public mind regarding the inner reserves of the chartered banks and a suspicion, too, of the motives of the government, more particularly perhaps of those of the minister.

One notable thing that the bill as introduced contained was the original subsection 2 of

section 91, legalizing small personal loans; that is, loans under $500 which may be made by the banks without collateral to people who cannot produce the collateral but who desire to get a small loan, and the discount rate was five per cent as it appeared in the original bill, the loan being repayable by monthly instalments, which is often the only way in which small borrowers can repay. But testimony from the assistant general manager of one of the great banks, Mr. Stewart, of the Canadian Bank of Commerce, brought out the fact that his bank had been making personal loans at what was the nominal rate of discount of seven per cent, but that that rate of discount of seven per cent was an effective rate of interest of nearly twelve per cent, to be exact 11·781 per cent.

Mr. ILSLEY: The discount at seven per cent did not result in an effective rate of eleven or twelve per cent. It was the discount at seven per cent, plus an arrangement, which is described in the evidence, for the deposit of money in a savings account and leaving it there. The combined effect of the discount plus this arrangement was a rate of eleven or twelve per cent. I think it is important to keep that in mind.

Mr. COLDWELL: But the total effect was that a rate, as he gave it, of 11·781 per cent was charged. That is given at page 381 of the evidence. I found it difficult to follow the minister's reasoning when he urged the committee to drop subsection 2 of section 91 on the ground that it could not be defined in language sufficiently clear to leave no loopholes for the banks. It did not seem to me that it was beyond the powers of the legal advisers of the government and the clever draftsmen who frame so much of our legislation to find language that would block the loopholes and also prevent small loans from being charged an effective rate of interest that was considered too high. That there is a necessity for these small loans from the chartered banks I think no one will dispute. I think they have served, so far as they have gone, a very useful purpose in spite of the charges—I will not use the term "interest rate"—that have been made. People without collateral often need a small loan of two or three or four or five hundred dollars for an operation or something of that sort or because of sickness, and the banks have been making these loans, but what I think is serious is that they have been making them at an effective rate of interest higher than the rate of interest allowed by the act and in that sense have been practically doing something that is not legal under our legislation. Unfortunately the bill as now before the committee does not meet this need of the borrower for a small loan or legalize the methods used by the banks.

In my opinion the necessities of the post-war situation to which I referred at the outset of my remarks do not warrant the renewal of the bank charters for ten years. This bill ought not to be adopted with that clause in it at the present time. Why? Because many new economic developments will have to be faced in the near future. As I remarked earlier, we have just adopted in this house a necessary but expensive social security programme. We have accumulated during this war an exceedingly heavy debt, and while interest rates are much lower than they were on the war debt at the end of the last war, nevertheless those debt charges constitute a tremendous burden upon this country of 11,500,000 people. As I suggested earlier, because of the gaps that may be found through the inability or unwillingness of private enterprise to assume certain risks and do certain jobs, we shall have to make very large governmental expenditures for projects which we must undertake as a nation in order to meet the needs of our people.

All this, Mr. Chairman, will certainly require significant changes in our fiscal policy, and this means that we have to face significant changes in our banking policy. The amendment moved by the hon. member for Qu'Appelle to limit the life of the charters to the next two years was before the committee and voted down. I supported that motion and will do so again, although I felt we would have been much wiser to have extended the charters just now, pending further parliamentary investigation or even investigation, suggested by the hon. member for Qu'Appelle, by royal commission, for just one year instead of two years; because a royal commission could go into more phases of banking policy and the proposals regarding banking than our narrower terms of reference and the vote in the house would allow us to do.

But this proposal for a two-year extension was rejected by the committee who, I think, were probably persuaded, many of them, to vote against it because they believed that the parliament of Canada had at all times the power to review the charters whenever it so wished. This bill, however, is regarded by a good many people as a contract between this parliament and the banks. It requires the consent of gentlemen in another place—gentlemen who are not elected to parliament but who are appointed for life—and before it could be reopened their consent would be necessary; and it is not impossible that they

might object, indeed they might withhold their consent, to the reopening of the question of bank charters at any time within the next ten years.

Mr. BLACKMORE: They probably would.

Mr. COLDWELL: I will not say what I was going to say, because once or twice when I have expressed myself with regard to the other place I have been accused of making threats and I do not like to be accused of making threats. I think, however, it is altogether likely that we would have some difficulty in that direction.

Some members of the banking and commerce committee were frankly of the opinion, an honest opinion, that the banks had done a good job and should be left alone to continue that job for another ten years. I do not agree with that. One hon. member, however, gave what I thought was an interesting reason for binding the country to a ten-year contract with the banks. He felt that there were dangerous trends in the country that threatened the existing banking system, and he said:

> Let us renew these charters for ten years and fortify to the limit of our capabilities against the disruption of the banking system of Canada.

That will be found at page 1496 of the evidence. When I heard that—and I did happen to hear it—I thought this was a clear demand upon this parliament that we tie the hands now not only of this parliament, which is in its dying days, which, according to the Prime Minister, will not go beyond, we will say, next April or May, but also the hands of the parliament which the people of Canada may elect to succeed this one. I say that an attempt to do that kind of thing is wrong because it tends to thwart the will of the people, and such an attitude is not in conformity with the democracy we are at the present time fighting to preserve.

Those are the principal comments I wish to make on the bill at this time. It will be readily seen, from what I have said already, that we oppose this bill because we do not believe it to be in the best interests of the people of Canada. It is binding the country to the same kind of financial economic system which we had before the war and which has been found wanting, and thus we cannot support this bill to extend the charters of the banks for another ten years.

Mr. R. T. GRAHAM (Swift Current): I think it might be well to review the history of the bill which is before the committee. It is, of course, the bill that renews the charters of the commercial banks for the traditional period of ten years. The resolution preceding the reference of the bill and the proposed amendments to the committee on banking and commerce was discussed in the house and the general principles embodied in the bill were approved by this house. When the bill reached the committee on banking and commerce the task assigned to the committee was, of course, within the principle which the house had approved, to give the consideration, with care and deliberation, to the proposed amendments. The task was further to consider any other amendments or suggestions that came before the committee, generally with the purpose of improving the bill itself and the operations of the chartered banks.

I come from western Canada, and it is common knowledge that we in the west have believed for many years that financial wealth and therefore financial control and direction have been centralized too much in eastern Canada. We remember the happenings in western Canada during the period of the great depression that had such a terrible impact on the economy of the three western provinces. In addition it has been my lot in life to champion without exception the cause of the consumer and the producer class in this country; therefore I do not appear before this committee as the champion of any large corporate enterprise as such. In all the research work that I have had an opportunity of doing and in all the committees that I have taken part in I have attempted to maintain at least a balanced mind with regard to the matters under deliberation and not to adopt the attitude of wholesale condemnation in order to correct some of the things that should be corrected in the banking or other systems of this country.

In the course of the committee's many sittings dealing with this particular bill I took the opportunity of bringing to the committee and to the representatives of the chartered banks some of the criticism that I thought should be levelled at the past record of the chartered banks, particularly in western Canada. For instance, I pointed out that I found that, when the depression period emerged, the banks pursued too restrictive a policy particularly toward the small borrower and producer in this country. That was partly brought about by the necessity of the banks putting themselves in a liquid position to meet possible demands and their inability to realize on larger loans made in eastern Canada for the development of more or less large corporate concerns. I felt that in pursuing that policy to the extent that they did the banks

had failed to discharge their primary function, namely, lending to take care of the current business of this nation, and that had they not been involved in large loans to large corporations they might have pursued a less restrictive policy toward the farmers of western Canada and, I presume, elsewhere when the depression came upon us.

Then I suggested that the banks in periods not necessarily of inflation but in boom times are inclined to follow the crowd and to make unwise expansions in lending policy. I hope the banks have learned a lesson and will apply the lesson and see to it that their policy in the future is a more temperate one in order to check boom conditions and in order to do what they should do to check the effects of depressions when they come about. In addition to that I pressed the banks to realize that they are national institutions, and that wherever they do business they should realize the conditions under which the producer in that particular area has to carry on his business. I was speaking particularly of the western farmer. The western farmer has long ago discovered, as we all have who have resided in that section for any length of time, that the words "annual business" is not a proper term to apply to the type of business the western farmer has to carry on because of climatic conditions. It therefore seems to me that any banking system must in its banking policy take into consideration the conditions under which its borrowers must carry on their business, and that the period of the loan and the time of repayment should not necessarily be one year, but should be that period in which a reasonably good farmer attempting to discharge his obligations can reasonably be expected to repay the loan he has obtained from the banks. In other words, I believe that the chartered banks must reach a decision. Either they must decide that they are not national in their lending policy, that they do not believe that western Canada offers a fair field for their banking activities, and that therefore they are withdrawing, or they must recognize the conditions under which the farmers of western Canada are operating and fit their banking policy to discharge that national duty toward that particular class of borrower.

As I listened in the committee to the statements of the senior officials of the chartered banks, it did appear to me that they are attempting to fit their banking policy into the actual conditions which we know in a given period of time obtain in western Canada. These were the criticisms that I thought were fair and proper to bring to the attention of the committee and of the officials of the banks when they appeared before us. But may I say, Mr. Chairman, that these criticisms did not blind me to the fundamentals of the Canadian picture with regard to the necessity of commercial banking institutions. The record of the Canadian banks when compared with that of any other banking system in the world is a record that by and large we can take the greatest pride in. I hold in my hand a statement of the chairman of the reserve bank of the United States which draws attention to the fact that in the period of the depression in the United States, the same period that I have referred to as the thirties—some 9,700 United States banks failed. There is not one hon. member who has lived as long as members of the House of Commons have lived who cannot imagine the terrific disaster that came to so many communities in that great country to the south as a result of those failures. In addition to that a great many other banks had to be saved by the action of the President of the United States in declaring a bank holiday. In other words, when we compare the record of our Canadian banks and the practices under which that banking system is operated with the record of the banks in the friendly country to the south of us which is economically very much like our own, we realize that the Canadian banks have a record that merits a great deal of approval so far as the safety of those banking institutions is concerned.

What are the primary purposes of a commercial banking system in a country such as ours? I think it is obvious that it is wise and proper to have safe depositories for the savings of the people. It is wise and proper, and in my opinion necessary, to have commercial banks to carry the current accounts or the checking accounts of the business men and the people of this nation, and to act as a clearing-house for the vast multitude of business operations that are settled between individuals every day in this country. The banks, of course, have performed that function for this nation. Then there are other services that the banks perform in the ordinary course of their banking business. One is a safe depository for valuable papers. We all know it is a very wise precaution for anyone who fears fire or other disaster to see to it that important documents are kept in a safe depository, and the banks give us that service at a very reasonable charge.

Until quite recently the banks discharged another important function. They were given the right, subject to taxation and certain

limitations, to issue our cash in the form of bills in denominations of $5 and upwards. For many years that was a valuable part of the business allotted to the banks under the act. As hon. members know, however, it has been considered wise gradually to diminish the power of the banks to issue currency; that right is now being taken over by the Bank of Canada, and by 1950 the chartered banks will have lost that function and will no longer have the right to issue any part of the currency used in this country.

Then, as I have said, it is the function of the chartered banks to collect the savings of the people and, having collected them, to make those savings available by way of loan or by way of investment to individual or corporate enterprises in this country, of course subject to the limitations of the Bank Act as to the things in which the bank can invest and the security on which it can make loans. That, of course, is a very important function, and a very difficult one to discharge properly. Henry Mencken in his book, "The History of Religions", makes the point that the acceptance of the biblical ban upon usury, otherwise known as interest, held back the progress of the world for three or four hundred years, as he puts it. One can easily see that making available to productive enterprise the collective savings of the people has been a great agency in bringing about the great expansion of business that has taken place during the last two or three hundred years. The average individual would never think of making a loan, because the amount of money at his disposal would not be of very much use in any particular development. Through the agency of the chartered banks, however, on the one hand we provide a safe depository for the savings of the people and on the other we collect the results of their thrift and make it available at rates determined by parliament to the nation in order to develop and expand our commerce, add to the national income, increase the nation's wealth, and improve the welfare of the people as a whole.

There is one factor which I think is often overlooked but which I feel is of vital importance. The banks can exist and continue in business and discharge the duties we have imposed upon them by the Bank Act only as long as they are able to retain the confidence of the people. Confidence is the greatest asset any banking institution can have. That is why it seems to me that the founders of this nation were wise when they decided not to grant a monopoly to any bankers, but to see to it that the institutions which were given the right to collect the savings of the people and guarantee their safety, and to lend these collective savings to productive enterprise, were such as would protect those savings as far as might be humanly possible. While the record of the Canadian banks has been good, it is unfortunately a fact that there have been failures. Quite a number of men have considered, as some do to-day, that the banking business is a bonanza; that by some formula one can easily grow wealthy if he merely succeeds in getting a charter under the terms of the Bank Act. The records, of course, show that those banks which departed from policies of reasonable safety in discharging the duties for which they were created and which were unable to retain the confidence of the people in their integrity, finally ended by being merged with or taken over by some other bank or went into bankruptcy, sometimes with the shareholders losing all the money they had invested.

Then, when one considers the widespread use our people make of the services offered by the Canadian banks I think we would be blind if we did not realize the necessity of maintaining some such institutions as the commercial banks of this country. More than four million of our people have deposits in the chartered banks amounting to less than $1,000 each. This shows the widespread use of the banks by those who have not great wealth. If we consider the deposits up to $5,000 each we find that the aggregate of such deposits is almost as great as that of deposits of under $1,000. And that figure of four million people does not represent all those who are interested directly or indirectly in these deposits. I recall that an hon. member who sat beside me in the committee said that in his family of four, consisting of himself, his wife and two young children, there was only one bank account, but that his wife and two children had as much interest in his account as he had. So that the number of those interested in the safety and well-being of these banking institutions could be multiplied considerably.

Our approach to the consideration of the renewal of the charters, I suggest, should be this. What functions are the banks supposed to perform? They are a quasi-public utility, as we all admit and as the banks agree. Having decided what those functions are—and I have tried to give them to the committee—then it seems to me our task is to decide whether or not those functions have been performed with reasonable efficiency and at reasonable cost to the nation. The hon. member for Victoria, British Columbia, is not here at the moment, but he put the matter before the committee very plainly, and I agreed with him. In my opinion, after having followed very carefully indeed all the evidence presented by the officials of the banks, the governor of the Bank of Canada, the deputy minister and others, on the

whole, subject to the criticisms I have indicated, the banks have discharged the duties imposed upon them in a very efficient manner indeed. It was brought to our attention that in the year 1943, a comparatively good year for the banks and much above the average for the preceding fifteen years, the banks made a net return of only 6·03 per cent on the shareholders' equity. I submit to the hon. members of this committee that this is not an unreasonable return on that equity, and that quite obviously the banks are not charging the people of Canada too much for the services that we think are necessary properly to conduct the country's commercial and financial business.

The hon. member for Rosetown-Biggar mentioned some of the amendments which were dealt with by the committee, and which were approved and recommended to this committee of the whole house. One was a reduction of the rate of interest from seven per cent to six per cent. That is a very real advance toward reducing the cost of money to those requiring to use bank services when borrowing money. It is only one per cent, but let us remember that one per cent is a very considerable reduction when one applies it to the total of the sums lent throughout this country by the chartered banks.

In addition, from the point of view of one who represents an agricultural constituency I was delighted, of course, to see the provision for encouraging loans to farmers at a rate of five per cent, for the purpose of making specified farm improvements.

I do not intend to go into detail in respect of this particular provision, but it, too, is an amendment to the Bank Act which should be of great value to the farming community. This type of loan has been encouraged by the government's undertaking to guarantee against loss in loans made to farmers for those specific purposes, and to the extent of ten per cent of the aggregate amount so lent, and limited by a total over-all amount.

The hon. member for Rosetown-Biggar referred to another amendment suggested by the minister, and that was the matter of small loans. While I do not think the hon. member meant to be unfair, yet I thought he did not deal quite correctly with the history of that amendment. As hon. members know, under the Small Loans Act, that type of loan is repayable on monthly instalments without security, and the rate is roughly two per cent a month. In order to make available a cheaper source of money the minister suggested that we include in the Bank Act a special section enabling the banks, if they saw fit to do so, to make loans on the same terms to the same type of borrower at a final cost of approximately 9¾ per cent. The committee discussed that particular amendment at great length. The objection to it, expressed by a number of members, was that while everyone in the committee felt that we would be performing a very real service to the smaller income group needing loans of that kind, it would be difficult indeed to remove from the minds of the public the suggestion that the banks might include in that particular category farmers and others who would be entitled by other provisions of the bill to a lower rate of interest.

The minister reluctantly—he did not urge it—suggested that in view of the criticism it might be wise for the committee to consider withdrawing that particular amendment. I say to this committee that, in common with the hon. member for Rosetown-Biggar, I was very reluctant to agree to the withdrawal of that particular amendment. I must confess, however, I did agree with the minister that, in the light of the discussion, it was wise to do as he suggested. The basic thing we wished to accomplish was to assist in providing a source of loans to persons who must borrow under those conditions, at a lower rate of interest than is available to them from any other source. My opinion is that while the amendment was withdrawn, inevitably common sense will cause it some day to be put into the Bank Act, so as to encourage the banks to carry on that type of business.

There was another reason. We were advised that the Canadian Bank of Commerce and one other bank—I believe it was the bank of Montreal—were already carrying on this type of business, and within the terms of the Bank Act as at present framed. The committee noted that while we were withdrawing the amendment, the banks were undertaking voluntarily to attempt, under the terms of the Bank Act as amended, to carry on the very type of business we wished to encourage. So that was another important reason why we adopted somewhat reluctantly the suggestion that the amendment should be withdrawn. That is, the banks are experimenting in the field of small loans, and will accomplish the desired purpose of giving that class of borrower a cheaper source of money if, in an emergency, he needs it.

Then, we provided for a better system of returns to the inspector general. And in the matter of inner reserves, which was discussed by the hon. member for Rosetown-Biggar, an amendment was made to the effect that the Minister of Finance is now charged with a statutory duty to make a report to the Minister of National Revenue if he considers that the inner reserves are higher than necessary for the purposes for which they are kept.

This amendment is, of course, to make it clear that the chartered banks are not escaping the taxation from time to time imposed upon them by parliament.

I shall for the moment deal with the so-called inner reserves. They are sometimes called "inside reserves," and some who wish to criticize use the term "hidden reserves". As I listened to the evidence regarding these reserves I was convinced that the banks pursued the same policy as any large corporation pursues in the matter of its reserves. The only difference is that they are dealing with the value of loans rather than the value of inventory in the shape of stock or merchandise. These inner reserves are created, outside of that portion which is put into reserve through surplus realized from sale of its stock, by a proper evaluation of the assets each year. If some of the loans have an element of risk which would appear to lower their value, then the value of those loans is depreciated, and the difference between the total amount of the loans and the depreciated value constitutes these so-called inner reserves.

This is a perfectly proper system, guarding against risks which are inevitable in banking. Despite all the rumours and the discussion which has taken place on that particular item, in my opinion no one need fear in the least the setting up of inner reserves. It is a perfectly proper safeguard, and particularly on the part of an institution which must in our interests—not its own—maintain the confidence of the people in the integrity and safety of that institution in which the people's money is deposited.

In addition, I think it is not generally known that these banks do not operate without strict supervision. As we know, they have their own auditors and, in addition, they have shareholders' auditors. Those auditors are appointed to go over all the books of the banks. They have access to every bit of information, including that connected with inner reserves. The decision in respect of the choice of the shareholders' auditors is that of the Minister of Finance.

In addition to that, we have the inspector general, whose duty it is to keep fully informed as to the position of each of the banks, and as to all matters connected with the business of those institutions. Therefore we have a government official responsible to this parliament to see to it that there is a continuous check kept on the banking institutions of the country, so that the position of the depositors, the borrowers, the shareholders and the public may be protected. And, mark you, the public have a very real interest in the safety and welfare of these banking institutions.

As the work of the committee developed we left, I think unwisely, the task assigned to the committee by the house, that is, the consideration of bill No. 91 and the suggested amendments thereto, and we ranged far and wide into matters that had nothing to do with the Bank Act, matters that had to do with government financing and the general financial policy of this country. I should like to summarize briefly some of the suggestions that were made.

As every one knows, the C.C.F. stand for the socialization of the commercial banks of this country. I must commend the members of that particular group who were on the committee for recognizing that prior to the bill being sent to the committee the house had decided against them on the principle and therefore the committee was not the proper place again to press their theories that the banks should be nationalized. Yet we know that that is the declared policy of the C.C.F.

But I want to point out that the recognized policy of the C.C.F. is to nationalize the banks, not for the reason given to-night by the hon. member for Rosetown-Biggar, but in order to secure the control over money and credit that will permit them to nationalize everything else that they may wish to nationalize. It is a means to an end, and that is the manner in which we must pass judgment upon the advocacy of nationalization by the C.C.F.

I am not going to deal at length with the Social Credit standing because with due deference to the members of that party I must admit that throughout the whole course of the committee I remained a little puzzled as to exactly what the Social Credit members wished to do with regard to the banking system of this country. Like us, they uphold the advisability of leaving the commercial banking business of the nation, particularly the lending part, in the hands of the present privately owned institutions. They feel, as we do, that under the Bank Act and under proper supervision the banks can perform much better and more efficiently the duties of a banking system than could a government-owned system.

In addition we had presented to us by the hon. member for Vancouver-Burrard and the hon. member for Parry Sound certain theories that they held with regard to the financial policy that should be pursued by this country. I have not the time to go into the wide range of thought that was brought before the committee by those two members. The hon. member for Parry Sound suggested that

we should take over the $2,700 million of dominion securities now held by the banks and give the banks in lieu thereof Bank of Canada currency and provide for a one hundred per cent reserve to guard against inflation. He contended that that would be a great thing for this country.

As the hon. member for Rosetown-Biggar pointed out, it was made quite clear to us that if we followed the suggestion of the hon. member for Parry Sound, the interest that the banks would have lost by the taking away of the investment of the savings of their depositors in that type of security—it is the safest in the world and we want the banks to be safe in the matter of their investments—would have more than wiped out the total net earnings of the banks in 1943. In other words, we would have had to face the necessity of destroying our commercial banking system or force the banks into some other means of obtaining revenue. I think that would be unfair, unwise and inadvisable, and for this reason.

While all the people of this country through the medium of taxation, contribute to paying the interest on government securities, this would not be the case if we adopted the suggestion. Our taxes are raised on the principle that those who earn more should pay more than those who earn less. They are based on the measure of the income of the individual. If we attempted to take away this source of revenue from the banks and allowed the banks to add to their service charges, to the rates of interest on their loans and to other charges they might concoct in order to replace the revenues lost, this load would fall upon the little people, the people with small savings who use the banks in the way I have mentioned and on those who otherwise use the services provided by the banks. It would be quite inequitable. It would be transferring from the total population to a few—part of the load of carrying on the banking system of the country.

When I turn to the suggestions of the hon. member for Vancouver-Burrard I hesitate to attempt to give to this committee exactly the plan that he thinks necessary for the proper carrying out of the banking system of this dominion. I think, of course, that he is fearful of the debt load which has mounted steadily and to a considerable extent during the war years. However, I think all of us realize that this war has to be paid for in one way or another. It is the annual cost of carrying that debt and to whom the interest is payable that is important.

The record of the financial and banking practices of Canada during the war is something that we should be extremely proud of. What other country in the world can face the financial obligation of carrying on this war to victory with greater assurance? The financial policy pursued by this government, the integrity of our banking system has permitted us to carry on this unprecedented effort with the least strain of any country I know of. I consider, too, that we shall be able to face with confidence the post-war period and the problems which the hon. member for Vancouver-Burrard has properly raised. We shall be able to meet those problems and finance them with more courage and optimism than any other country. Credit for this is due to the elasticity of the financial policy and banking practices of this country and their ability to expand for any purpose. I believe that if there is any country in the world that can be reasonably proud of the financial policy that has been pursued and the banking system that is in vogue, it is Canada.

It emerged during the evidence before the committee that Australia tried the experiment of financing its war effort by the issue of national currency. They realized in fairness that when that national currency came to a bank in the shape of deposits, those deposits were not an asset of the bank. They became a liability and it cost the bank money to service them. They ran the risk of making the investments and loans that we speak about, and, believe me, they are not without risk. That is one of the major mistakes it seems to me that is made by most people who consider this problem. Deposits are a liability of the bank, and it costs the bank considerable to service them.

When we consider the number of branch buildings, the rentals paid, the cost of maintenance, the staff, the risks of robbery and other risks incidental to the banking business it is obvious that the banks which in 1943, a good year, earned only 6·03 per cent, are not agencies for the creation of vast profits, as they are somtimes pictured to the people of this country. We do injury to ourselves when we do not make sure not to distort the facts.

I find myself in hearty agreement with the committee in reporting this bill as amended to the house. There was the question of the appointment of a royal commission to examine the questions raised by the hon. member for Vancouver-Burrard and others. I do not believe anything emerged in the committee that would disturb my conviction that we have learned a great deal in the last two decades and we are applying what we learned to the banking system of this country.

There is prevalent, however, a widespread misunderstanding and a lack of appreciation of what is involved in such matters as the

government borrowing from the banks in order to carry on its business. I have mentioned Australia. After Australia made that experiment they found that in fairness they had to give to the Australian banks three-quarters of one per cent as a service charge for the service which the banks performed in connection with government policy, and by a coincidence that is exactly the rate which the Canadian government in the early part of this war arranged to pay to the Canadian chartered banks for the money which it borrowed. Because of this widespread misapprehension and misunderstanding of what is involved, while I would not say that I recommend the appointment of a royal commission I think it would be fair for me to say that I would recommend to the government the careful consideration of the appointment of a royal commission, if they can secure the proper personnel, to bring up to date the investigations made by the Macmillan commission in 1933 and to review the whole question of our banking and financial policy, and thus help to clear the minds of our people with regard to these matters.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Chairman, I wish to make several observations before this measure carries. I do not believe that the committee should have recommended that the banks' charters be renewed for ten years. As the hon. member who has just taken his seat has indicated, I think there is great need for a careful and thorough investigation into the whole matter of the financial and economic system which is being pursued by Canada. In a country so bountifully endowed with natural resources as is the Dominion of Canada we ought not to have witnessed the spectacle of upwards of one million unemployed during the depression. It is argued by advocates of our existing financial system that what occurred in the depression years was a phenomenon which was in Canada largely the result of certain actions which had taken place outside Canada and that, therefore, Canada should not be held responsible entirely for the great depression. I listened with a great deal of interest to the evidence given in the committee and I failed to find any thoroughly satisfying reason why we should altogether accept that explanation. I cannot escape the conviction that if Canada had been entirely an island separated completely from the rest of the world it would have been possible to have devised and erected a financial and economic system in Canada which could at least have enabled the people of Canada to enjoy the results of the potential economic activities of the people of this country. For example, if the people of Canada could produce all the milk that the people of Canada could possibly use, it ought to have been possible for us to enable all the people of Canada to have all the milk that they could use; and if that was not possible we ought to know the reason why. If the financial system of the country is not responsible for our inability to give the people of this country the means to use the goods we can produce, then we ought to know what is responsible.

Here was a country, Canada, in the depression, capable of producing all the enormous output which we have shown we were capable of producing, vast amounts of grains and foodstuffs of many different kinds, together with tremendous quantities of manufactured goods of one sort and another—a war effort which has commended the admiration if not the astonishment of practically the whole world, including ourselves—and the only reason for all this seems to be that we have been able somehow or another during this war to liberate into our body economic money and that we have been able to dispose of our products at reasonable prices, even if we had to give some of them away to the Germans. I submit that to any individual of ordinary intelligence that poses a problem which should challenge him to the greatest possible effort to explain why it was that whereas we could do the wonderful things we have done during this war, we could do nothing to put our people to work or keep them at work during the depression or at least supply them with the necessities of life.

I believe that the flaw lay in our economic system or in our financial system. I am not prepared to say that it was entirely the fault of the banks or of the banking system. But if it was not the fault of our banking system it was certainly the fault of some other aspect of our financial system. My feeling in the banking and commerce committee was that it would be an excellent thing for the committee to go into that whole matter and find out what was the trouble. The majority of the committee thought I was wrong in that respect, but I still believe that the committee should devote a great deal of time to determine why it was that our banking system signally failed during the depression and why it was that we were unable to distribute the goods and services which we unquestionably were able to produce if we could have disposed of them at fair prices all during those dreadful years of the 1930s.

I raised the question several times in the committee, but somehow or another I always

seemed to be out of order, that our main problem in this generation is a problem of distribution. We have solved the problem of production. Once or twice I endeavoured to point out to the committee that the United States, for example, in 1935, with its industrial equipment as of that time, was capable of producing enough goods and services to supply every family in the United States with $4,400 worth of goods and services a year, but for some reason or another the United States did not produce those goods and services and did not supply the people with them. The result was that whereas the United States could have been the richest, the most prosperous and happiest nation in the world, actually it was one of the most wretched countries in the world, following the same financial system under which we suffer. It had 23,500,000 people on relief and between eleven and fifteen million unemployed. If the tragic failure of the United States in 1935 to produce the goods and services which it could have produced, and to enable its people to gain access to those goods and services, was not the result of a faulty banking system, then I suggest that it is the problem of this generation to find out what it was the result of.

Mr. ILSLEY: On a point of order, Mr. Chairman, I believe we are on section 2, not 1.

Mr. BLACKMORE: We are on section 1.

Mr. ILSLEY: What section are we on, Mr. Chairman?

The ACTING CHAIRMAN (Mr. Golding): Section 2.

Mr. McGEER: No; section 1.

Mr. BLACKMORE: I rose when you called section 1, Mr. Speaker, because I knew that if there was the ghost of a chance there would be the same old story that we have had all summer—out of order.

The ACTING CHAIRMAN (Mr. Golding): Section 1 was called and carried and I called section 2. It was when I called section 2 that the hon. member rose to speak. Section 1 is carried.

Mr. BLACKMORE: Mr. Chairman, I said no, when you called section 1. I said no.

The ACTING CHAIRMAN (Mr. Golding): Order. Section 1 was carried.

Mr. BLACKMORE: I said no when you called section 1.

The ACTING CHAIRMAN (Mr. Golding): Section 1 was carried.

[Mr. Blackmore.]

Mr. BLACKMORE: I was not quite on my feet but I said no.

The ACTING CHAIRMAN (Mr. Golding): Section 2 was called.

Mr. McGEER: We are still on section 1.

The ACTING CHAIRMAN (Mr. Golding): No. Section 1 was carried and then I called section 2, which deals with definitions.

Mr. ILSLEY: The minister is not doing anything, if that is what the hon. member for Vancouver-Burrard means when he says in an undertone that he would ask the minister not to do that. I thought we were on section 1, but I was told that we were on section 2, and that was why I asked you, Mr. Chairman, what section we were on. So that there shall be no accusations of sharp practice, which are entirely out of order, I move that we revert to section 1.

The ACTING CHAIRMAN (Mr. Golding): Is it the wish of the committee that we revert to section 1?

An hon. MEMBER: Agreed.

The ACTING CHAIRMAN (Mr. Golding): Section 1, if there is no objection.

Mr. BLACKMORE: Thank you, Mr. Chairman. It is a great relief to be in a committee that is disposed to be entirely fair, and it is a great relief to see the minister prepared to lead in this matter, because if there is anything that does need discussion at this time it is this subject.

The ACTING CHAIRMAN (Mr. Golding): Order. The hon. member must not make a remark like that. As far as the Chair is concerned, I called section 1 carried and I then called section 2. I am trying to be absolutely fair to everyone and it is not in order for the hon. member to make a remark like that.

Mr. BLACKMORE: Whatsoever there was in the remark that the Chairman finds objectionable I withdraw without qualification.

I was going on to say that if there is any one subject that we ought to discuss at this stage in our history it is this question: what is the matter with our financial and economic system, which has made it so that we were unable during the 1930s to use our natural resources, both material and human, to produce a high standard of living for our people, whereas, from 1939 to 1945, we have been able to use those resources, material and human, to produce one of the most magnificent war efforts which it would be possible for a Canadian to conceive of? That question needs to be explained. It is my judgment that it should be explained in the committee, and the

question whether or not this bill passes for ten years or for one year is one that ought to be determined by considerations of the deficiency, on the one hand, or the success, on the other, of our financial system as it has been established since the last time we granted the banks a renewal of their charter.

In addition to our failure to distribute our goods, I think a good deal of attention should be paid to the matter of debt. The hon. member for Vancouver-Burrard has spoken with great eloquence and effectiveness regarding this serious aspect of our economy at the present time. Consequently I do not propose to go into any great detail with regard to our debt.

I think the hon. member who spoke just before me rejoiced over the magnificent war effort of Canada and said that it ought to be paid for and had to be paid for, and the only way in which we could pay for it, I gathered he implied, was through the accumulation of an enormous debt. I do not believe that we should have an enormous debt financially as a result of a war like this. The war is paid for with blood and tears and material. And when that payment is made there certainly should be no financial debt. Why, in the days before Canada was, the savages fought wars; all they used was the resources at their disposal, material and human; and when they finished their wars they had no national debts hanging over them. Now, it seems a most strange situation if we, with civilization to help us, using our materials and men as freely as they did, and losing just as heavily as they did, have a debt accumulated for all generations to carry and to endeavour to pay off. I say, therefore, that the fourteen billions of public debt which this country is likely to owe by the end of 1944 constitutes a challenge to this generation. I do not believe that the members of this house can lightly neglect that challenge, nor do I believe that the members of the committee can afford lightly to disregard it. There should be some means or other whereby we could liquidate that debt and make our war effort a real pay-as-you-go effort. I am still of that opinion and still believe that the committee neglected its duty in failing to study the question of debt and to make recommendations to the government with respect to a policy which might possibly enable the government to conduct a war like this without the accumulation of public debt.

Another matter which I believe must give all thoughtful members grave concern is the prospect of unemployment. A responsible committee in the United States, appointed some time in the early days of 1942, if I remember correctly, to examine into the whole question of possibilities after the war, reported early in 1943 that shortly after the war closed there would be twenty million unemployed in that country. I expect a similar condition to exist in Canada. I think the president of the Bank of Canada in his report this year to the minister indicated that in his opinion there was grave concern on this score. When we come to unemployment we come to a problem of failure to use our human resources. It ought to be possible for a country like Canada to use its human resources to produce goods and services to be distributed among the people so that the people of Canada may enjoy a high standard of living.

If the Dominion of Canada is unable to use its human resources and its material resources to produce goods and services to distribute among the people to give them a high standard of living, that fact must be conclusive evidence that something radically wrong exists. Whether the thing that is wrong lies in the banking system or whether it lies in the general financial and economic system that is used is a matter which, of course, will require a great deal of study to determine. But I think it certainly is a matter of finance because distribution is a matter of finance. We cannot employ men unless we can use resources, and we cannot use resources unless we can get money. We cannot get money unless we use our financial system. If the banking system is the major element in our financial system, and it appears to be so, then unquestionably there must be something wrong with the banking system, or there must be something deficient in our financial system independent of the banking system. What that is I believe we ought to study with the greatest thoroughness.

My remarks to-night merely indicate the reasons why I believe that we should not now pass this bill giving the banks a charter for ten years more until we have some of those vexatious questions cleared up. If we grant the banks charters for only one year, for example, then every year they will come to this parliament for a renewal of their charters, and every year we can conduct an examination into their business and into the way in which they conduct it, into the financial system of this country in an endeavour to determine its deficiencies and consequently keep ourselves in a growing condition. But if we pass the Bank Act for ten years, then we shall not have all that study every year. Everybody will tend to rest on his oars. The banks will go back

to their business of banking, and what will happen to the country I tremble to contemplate.

I had the privilege of sitting in this house from 1935 to 1939, and I must say that one thing that struck me almost with despair in contemplating the government was the way in which they seemed to shrug helpless shoulders and wave hopeless hands whenever they were urged to do anything about the unemployment that we had in this country. They seemed to think that nothing could be done. If we pass this bank bill, giving the banks a renewal of charter for ten years, we shall be preparing the stage for a repetition of just that very thing. It may be argued, and it will be argued, by some government advocates that the government is now bringing down a great many social services, and that consequently conditions will not be as they were before. We are to have family allowances now. We are to have floors under agricultural prices. We are to have an industrial development bank. We are to have farm credit arrangements. Presumably all these things are to improve conditions, but I ask, Mr. Chairman, what will happen if it is discovered that this country is unable to dispose of its products and consequently a serious unemployment situation develops shortly after the war and revenues begin to fall off and the government finds itself unable to collect enough revenue to pay the interest on the accumulated debt and at the same time to service all these new social services which we now have the stage set to give to the people? Where is the money to come from? Surely every hon. member of our committee must be realistic enough to recognize that this question needs very careful consideration. Suppose it should be discovered that there was not enough money in the consolidated revenue fund to pay the family allowances and to pay the interest on the accumulated debt; which way would the members of this committee vote? To pay the interest on the debt or to pay family allowances? That is a question which cannot be answered by just lightly waving the hand. I found all during the committee stern opposition to the idea that it would be in any way safe for us to create money debt-free.

I confess that I can see no other way in the world in which the revenues of this country can be supplemented sufficiently to enable the government to discharge its responsibilities to the holders of our debt and its responsibilities to the people in the matter of social services. I can see no other way in the world in which the revenues can be supplemented except by the creation of debt-free money, and no one has taken the trouble to show me any way of supplementing it. No one did in the committee.

[Mr. Blackmore.]

Somehow or another everybody seemed to take it for granted that as soon as the war is over all is going to be well. As the father of boys returning from that war, I do not find these assurances of optimism at all satisfying to me. My greatest anxiety at the present time is whether or not my children are to be able to find employment after this war. I enabled them, as far as I could, to qualify themselves to fit into the economic life of the country, but I remember 1934 and 1935. I was elected to this parliament in 1935, and I resigned my position, just a little high school position with a salary of $1,300 attached to it. Just three days after there were 735 applications for my position and among the applicants were a good many Ph.D.'s. Nothing that has been said in this house or in the committee has been sufficient to reassure me that there will not be a return after the war to conditions similar to that. There has been no change whatsoever in the financial system, either advocated or hinted at by the government. The Bank Act is not seriously changed. I will challenge anyone to show any change in the present Bank Act which would make the banks operate materially differently from the way in which they have operated in the last term. As a father in this country I find these considerations very serious.

Without desiring to delay this committee any farther, I just wish to say that I believe this committee ought to exercise the greatest care before it decides to renew the charter of the banks for ten years, and clamp down upon this country a financial system which may not by any means be the kind of thing we shall want in this country to meet the changed conditions in which we may find ourselves within probably just two years.

Section agreed to.

On section 2—Definitions.

Mr. ILSLEY: I wish to propose two slight amendments to section 2. The first is that paragraph (b) be deleted and the following substituted therefor:

(b) "agricultural implements" means tools, implements, apparatus, appliances and machines, of any kind not usually affixed to real or immovable property, for use on or in connection with a farm, and vehicles for use in the business of farming and, without limiting the generality of the foregoing, includes ploughs, harrows, drills, seeders, cultivators, mowing machines, reapers, binders, threshing machines, combines, tractors, movable granaries, trucks for carrying products of agriculture, cream separators, churns, washing machines, spraying apparatus,

incubators, milking machines, refrigerators, and heating and cooking appliances for farming operations or use in the farm home of a kind not usually affixed to real or immovable property.

The only change from the printed bill before the committee is that the words "or in connection with" are inserted after the word "on" in the fourth line of the paragraph; the word "and" is taken out at the end of line 19, and the word "and" is taken out in line 20. Some amendments were made in the committee, but those are printed. This makes very slight changes, the principal one being the insertion of the words "or in connection with".

Mr. ST. LAURENT: I move accordingly.

Amendment agreed to.

Mr. ILSLEY: Then there is an amendment to paragraph (h) of section 2; that it be amended by inserting the words "in Canada" after the word "land" in line 14. This amendment follows upon an amendment made to the farm improvements loan bill.

Mr. ST. LAURENT: I move accordingly.

Amendment agreed to.

Section as amended agreed to.

Sections 3 to 11 inclusive agreed to.

On section 12—Opening of stock books.

Mr. BLACKMORE: I wonder if this section might be allowed to stand until a later time.

Mr. ILSLEY: Very well.

Section stands.

Sections 13 to 28 inclusive agreed to.

On section 29—Appointment of officers.

Mr. GRAYDON: I was not privileged to be a member of the banking and commerce committee. Would the minister indicate whether or not the question came up of the occupations of the directors of these banks and their relationship generally to the community which the banks are supposed to serve. I have no doubt that this matter was discussed, and if so, I have no desire to introduce it at the moment, except to ask the minister the question.

Mr. ILSLEY: The question that came up was whether the banks could not and should not make a greater attempt than they have made in the past to introduce into their directorates representatives of agriculture, labour, small business and so on. When we looked into the matter we found that the share qualification necessary for a director was fairly high, to enable persons of moderate and certainly those of small means to obtain the necessary shares to qualify as directors. Therefore we introduced an amendment to section 20, which has been passed, which would permit one-fourth of the number of directors to qualify, as far as share ownership is concerned, without such a large expenditure of money as has been required in the past. For not more than one-quarter of the number of directors the minimum requirement of subscriptions to stock was reduced to $1,500, $2,000 and $2,500 of par value of stock, respectively. The banks gave some evidence about the influence that directors have upon lending policy in various parts of the country, and the territorial distribution of directors. Nothing very much was said about the occupations of directors, apart from the discussion I have mentioned. But that amendment was introduced so as to make it easier for persons of small means to obtain the necessary share qualifications.

Mr. GRAYDON: Was the question of a maximum age limit for directors of banks discussed in the committee?

Mr. ILSLEY: No, it was not, but it is an interesting subject.

Mr. GRAYDON: I have no suggestion to make with respect to it, except that it is a matter which perhaps in due course should have the consideration of the house and the government. However, I realize that there are a number of ramifications in the subject which do not appear on the surface. Very often injustices might be done to good Canadian citizens who are making great contributions—contributions which younger people might or might not be able to make. The matter has been brought to my attention from time to time, and it might be considered in due course.

Mr. ILSLEY: When we were preparing the amendments to the Bank Act I gave consideration to placing in it the same age restriction as applies in the Bank of Canada Act. That is a pretty high age restriction. I think it is seventy-five years. I did not feel qualified to select a particular age, and say that nobody above that age would be qualified or should be permitted to act as a bank director.

Mr. GRAYDON: I realize the difficulty. I think there is not a member in the house who would not realize that some of the most advanced and most progressive people in Canada are found among the older people. In some instances some of those older people are extremely reactionary. Those characteristics are not always limited to certain age

groups. A gentleman well over the age limit set out in the Bank of Canada Act came to see me the other day, and he is, I believe, one of the most advanced thinkers of his time. Perhaps it is not fair to suggest that an age limit will cure some of the difficulties, because all these things cannot be measured by the yardstick of years.

Section agreed to.

Sections 30 and 31 agreed to.

On section 32—Increase of capital.

Mr. MacNICOL: This is the first section in which I see the words "treasury board". Does that mean the government's treasury board?

Mr. ILSLEY: Yes.

Section agreed to.

Sections 33 to 58 inclusive, agreed to.

On section 59—Cash reserves in Bank of Canada notes and deposits.

Mr. McGEER: I ask that this section stand.

Section stands.

Sections 60 to 74 inclusive agreed to.

On section 75—Business and powers of bank.

Mr. McGEER: I would ask that this section stand.

Section stands.

Sections 76 to 165 inclusive agreed to.

Schedules A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, and Q agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, August 7, 1944

The house met at eleven o'clock.

THE PRIME MINISTER

FELICITATIONS AND GOOD WISHES ON TWENTY-FIFTH ANNIVERSARY OF ACCESSION TO LEADERSHIP OF LIBERAL PARTY

Mr. GORDON GRAYDON (Leader of the Opposition): It is refreshing for public men to pause during these days of heavy war-time burdens, anxieties and responsibilities and to observe fittingly occasions of importance in the lives of others. To-day I rise to recognize the twenty-fifth anniversary of the elevation of the present Prime Minister to the leadership of the Liberal party, because I feel that it is singularly appropriate that some of us outside that political family circle should join with those Canadians of a different political complexion to pay a tribute and to do honour to one whose length of service in the public arena as a chieftain exceeds that of any national leader in the world to-day.

In lighter vein as befits a happy occasion such as this, may I go so far as to say that to-day is actually the silver wedding anniversary of the marriage of the Prime Minister and the Liberal party. While the happy couple were joined in holy wedlock exactly a quarter of a century ago, it could in all fairness be said, I think, that the courtship was a somewhat long and at times a spectacular affair, and that his success in that earlier race was the result of a technique overwhelming in its consequences and surprisingly successful for a bachelor. In short, the Prime Minister wooed and won, and what is more, during the intervening period since it may well be noted that the well-known and comparatively industrious committee of another place has been provided by virtue of this union with no grist for its matrimonial mill to date. The admonition "till death us do part" so far has been strictly observed.

Akin to the experience of many families, prior to this new era of family allowances, floor prices and high levels of national income, the matrimonial pathway of these political honeymooners was not always strewn with roses, although flowers there were in abundance at times. There were those troublous periods in the uncertain twenties when the political home had to be shared by other political families to make ends meet. The early thirties saw the mortgage foreclosed, the sheriff in possession and the title almost lost; but the breadwinner kept his chin up and his courage undaunted until in the middle thirties the political stock market went soaring once more and reached new highs never known before by these humble speculators. The happy couple, visibly much happier now, repossessed themselves of their political belongings, got back their home, and rejoiced in being able once more to have the spare room of the house free from the political tenants of an earlier time, although it should be pointed out that meanwhile some of those tenants had changed their names and had themselves become legally adopted and full-fledged members of the household. Success after success met the family endeavours until in the early forties the family had grown to unheard-of proportions, almost to the point,

one imagines, of parental embarrassment. The normal flow of succeeding events has, however, somewhat lessened the housing congestion, and the neighbours, who think they know, are saying that there are signs of new factors in the offing which are apt further to remedy the crowding difficulties. Upon that aspect, of course, I could not on such a happy occasion as this be expected to comment.

Meanwhile some of the family have started little homes for themselves—at this point one cannot help recalling those who have left to live down in the southeast corner of the political garden. Then again it might not be amiss to point out that in the old party home itself there are said to be some of the bigger and older boys who should really be setting up separate homes for themselves as well right now. With their somewhat playful vigour they are said to create problems in the home which tax to the limit even the gentle, forgiving and patient disposition of the parents, to say nothing of the other members of the family as well. But these are not affairs for us who are only neighbours to discuss. Therefore I pass on to more serious things.

In the days that are to come, as in the past, the Prime Minister will have in full measure our good will and our genuine wishes; but with respect to wishing him good luck I should perhaps make one reservation, and one only. It is the reservation which was aptly inserted by the late Right Hon. Ernest Lapointe when he congratulated me in 1941 upon my elevation to the national chairmanship of our party. As between political adversaries but who were close personal friends his word had a depth and breadth of meaning not readily measured by ordinary yardsticks.

On this occasion, so close to a general election, perhaps the Prime Minister will not mind if my native political caution prompts me, without diminishing the warmth of my personal sentiments, to repeat Mr. Lapointe's observation and say to him as Mr. Lapointe said to me, "I wish you luck, but not too much." As house leader of our party I convey on this occasion warm and cordial felicitations to the Prime Minister. This day will be a prized and treasured one for him and his friends; but we as political neighbours in the great Canadian community perhaps may be excused for taking the liberty of looking over the fence to have a little share in the enjoyment of to-day as well.

In conclusion may I say that regardless of the issues which sometimes appear to divide us, in the field of politics or otherwise, let us ever keep in mind that we are all Canadians, striving to do and to give our best in the interests of a greater Canada, of a strengthened British commonwealth and empire, moving toward the goal of a better world of peace and plenty in the days ahead. With that thought in mind, this nation and this parliament, with a keen appreciation of the serious war-time responsibilities resting upon his shoulders, salute the Prime Minister on this, his day of days.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I think one of the glories of the British democratic system is that men may differ and yet feel the warmest personal regard for those with whom they differ. To-day I rise on behalf of those associated with me to endorse what the leader of the opposition (Mr. Graydon) has said in regard to this anniversary of the right hon. the Prime Minister's accession to the leadership of the Liberal party. We wish him long life. We know that the contribution he has made to this country throughout a very long public career will be remembered in future histories of our land. We wish him, therefore, many happy returns of this day, and we do so sincerely. We hope he may be spared to give counsel and advice no matter what the political circumstances of the future may be. We join therefore in the tendering of best wishes to the Prime Minister.

Mr. J. H. BLACKMORE (Lethbridge): Once in a while, Mr. Speaker, a man lives long enough to be rewarded for his efforts. To-day I believe the Prime Minister is privileged to enjoy the reward of long and earnest effort. So many fine things already have been said that for me to try to add anything I believe would be something like gilding the lily. I will just conclude by saying that we wish to join with those who have congratulated the Prime Minister on this very happy day; we wish him long life and great success—but not too much.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker and hon. members of the House of Commons, in the twenty-five years I have had the honour of being leader of the Liberal party in Canada there have been many events and many occasions to which I look back with gratitude and pride. I think I can say quite honestly that no occasion, no event in that long period of time, has meant more to me than the welcome I have received this morning from my fellow members of the House of Commons, and the pleasure I have derived from the eloquent and extremely generous words which have been uttered by the leader of the opposition and the leaders of the other parties opposite.

I need scarcely say to Mr. Graydon, Mr. Coldwell and Mr. Blackmore—and I use their names because these gentlemen are intimate personal friends—that I have been deeply touched by their expressions of good will, the more so in that they have been shared in such a generous way by all associated with them in the parties which they represent. I thank you, gentlemen, with all my heart for what you have expressed this morning.

Looking back over the whole of the past twenty-five years there is nothing for which I have reason to be so grateful as the unfailing loyalty and constant support I have received from the members of my own party. I doubt whether in the history of politics there has been an instance in which the leader of a party has been more fortunate in the continuous and unfailing support he has received over such a long period. May I say also that I appreciate equally the good will that has been extended to me during that time by hon. members of this House of Commons who have belonged to other parties. In that again I think I have been perhaps far more fortunate than most men in public life. While I can recall occasions on which situations have developed that have been trying and difficult for all of us, I must confess that looking over the past twenty-five years what comes most to my mind next to the fidelity of my supporters is the magnanimity of most of my opponents in this House of Commons, and the friendships which I have been privileged to share with them. If twenty-five years ago to-day, when I was chosen leader of my party, I had known that my course would run over so long a period, during times such as we have since experienced; if I could have had a vision of the responsibilities which would come upon one's shoulders over that period of time, I doubt if I could have seen my way to accept so great a responsibility. But—

> Heaven from all creatures hides the book of fate,
> All but the page prescribed, their present state.

Fortunately I have been able to take a day at a time, a month at a time, a year at a time, and it has stretched out now to twenty-five years.

For these years of public service in the parliament of Canada I can only feel a sense of the deepest gratitude. Apart from all else, public life offers two great rewards, perhaps I should say two great opportunities as well as great rewards. The greatest opportunity is that of public service. From long experience I know that no motive lies closer to the hearts of men who enter public life than the desire to serve their fellow men. That I think has been true of all or mostly all men who have entered public life in our country. They may have differed as to the methods, but the motive was the same. I sometimes think we do not realize how great this opportunity is. I sometimes think that a member of parliament who does not happen to be a member of the ministry, or who is in the opposition, does not begin to comprehend the great part he is privileged to play in shaping the future and the destiny of his country. After all, it is ideas that count for most, and it matters little the source from whence they come; if the idea be right and sound it will tell for all time. That opportunity and that reward one has in public life. Having had the privilege to serve as leader of my party for twenty-five years and enjoyed the great opportunities which have come with that position, I am profoundly thankful to Providence for all that this has meant and for having been able to reach this day with that full measure of health and strength which, happily, I still possess.

The other great opportunity and reward of public life are the friendships which one forms with members of both houses, with members of this House of Commons and of the Senate, and with others associated in the work of parliament. In the very nature of things we are here brought more closely together than are corresponding groups anywhere else. We are drawn together in the realm of ideas and ideals, and it is upon ideas and ideals that the great community of friendship itself is based.

I can think of nothing richer in a man's life than to have been privileged to share over a quarter of a century the close friendships which come through membership in the House of Commons. I do not forget that I have been longer in parliament than I have been leader of my party. To-day I believe there is only one member in the house, the hon. member for Richelieu-Verchères (Mr. Cardin), who has been in the House of Commons a longer time than I have been. And, looking at the list of privy councillors in the Parliamentary Guide, I find that there are only two who precede me, one of them Sir William Mulock, who is in his hundred and first year, and the other Sir Allen Aylesworth, who is in his ninetieth year. I do not know whether that signifies that greater age is to be attained by those who remain, but it does bring the thought that whether remaining time be long or short, one has reached a place of very high honour in the company of those who have served in public office in this country.

I agree with the leader of the opposition that there are occasions on which the real spirit of the House of Commons asserts itself in a very noble way. This morning is one of those occasions, and I am sure it is one which

will be remembered by future parliaments, and which will no doubt help to exert its influence upon our public life. I do hope that in our public life we will keep, above everything else, that note of chivalry which I believe to be more necessary in our day and age than it has been at any time previously.

Hon. members will I think agree that in the years I have led my party I have had my fair share of criticism. But I would also say that perhaps no other man in Canadian history over that period of time has been more kindly treated than I have been by the press of this country. Sometimes when very cruel things are said there comes to my mind the observation made by that great leader of the Conservative party, Sir John A. Macdonald, who told his audiences many times that the sticks and stones were to be found in greatest number under the trees which bore the most fruit. There is a lot of truth in that. I should like on this occasion also to recall something which Sir Wilfrid Laurier said on more than one occasion—something of which I have thought very often—that it does not do to cherish resentments in public life. I should like to go a bit further and say that I feel it does not do to create resentments in public life. In fact I can think of nothing so destructive of what is best in the spirit of a nation than any attempt to create prejudice or resentment, whether it be toward individuals, toward classes, toward races, toward religious denominations or toward other countries or other people. In politics, as in other walks of life, it is, I think, a cardinal sin to do aught in the way of detraction that can be avoided, and to lend oneself to perversion of the truth. As we help to maintain high standards in public life, so we help to secure the future of our nation.

May I say at once I am conscious that in the play of politics, back and forth; at moments of earnest pleading for particular causes, one from time to time often says things that he regrets. One never regrets the charitable or kind or generous thing one has said, but inevitably I believe one does come to regret any word which may have caused pain to another. If words of mine in the course of this past twenty-five years have inflicted a wound in the breast of any man, I would ask him to forgive me. May I assure all hon. members that in the years I have been in parliament I have tried to avoid that kind of thing, and have sought as best I could to interpret aright the views of others. I know I have slipped on occasions, and I should not like those particular slips to be remembered. However, I do feel that the joys of friendships which have been so much more a part of public life will endure long after these other things are forgotten.

My hon. friend the leader of the opposition has referred to my state of bachelorhood. A law which I believe to be one of the greatest, is the law of compensation. As my hon. friend has said, it is quite true that this is a sort of silver wedding without a bride. On the other hand, what I have lost in the way of a personal family, I have more than gained in the political family I have had around me all these years.

Sometimes I hear it said that I am a lonely man, that I have few friends, that I see few people. I just wish some of those who hold this mistaken view could get a truer glimpse of my inner nature. I imagine there is no man in Canada who for these twenty-five years has been less lonely than I have, or who has enjoyed greater or more numerous friendships. True, one becomes isolated more or less in affairs; but I do not see how any man holding a position of responsibility at a time like this—if that man takes his responsibilities seriously—can for one moment do other than take every opportunity he possibly can get to prepare in respect of those questions which have to be discussed in parliament, to study the great issues of the day, and to make sure that as few mistakes as possible are made. That, of necessity, deprives one of very much in the way of personal associations. May I say this to hon. members that there has been no privation of which, owing to pressure of work as it has been from day to day, month to month, and year to year, I have been more conscious in recent years than the inability to keep in personal touch with members of all parties in parliament. This has been to me a deep privation. I have lost much of the richness of life through being unable to see, in a personal and intimate fashion, members of this parliament coming from all parts of Canada, members of the press and others. And what is true of parliament is also true, in even larger measure, of the people of Canada, so far as getting about to different parts of the country is concerned. This has been due to a realization of the great trust which has been imposed upon me; the responsibility of seeing that in every way the things of greatest importance at the moment, and at all times are given first attention. I should like to thank hon. members for their understanding of this situation.

May I say one or two words in conclusion. First, a word about this House of Commons. I believe that there has been no parliament in

the history of Canada which as a whole has been worthier of great responsibilities, and has measured up to great issues in a finer way than the present parliament. Everything considered, having relation to the times in which we are living and our responsibility to them, I do not believe that the membership of any parliament in Canada's history has measured up in better fashion than have the members of this war parliament, nor has the average of ability and earnestness of purpose been higher than has been the case with those who occupy seats on both sides of the house.

I do pray that for the sake of our country, for the sake of the great empire of which it is a part, for the sake of the world of to-day, every effort will be made from every quarter to bring into this parliament the best men we can have to occupy the seats here. I can see nothing so serious for the nation than that by any chance the standard of ability and integrity and high purpose should be lowered in any way or from any cause. I believe it is the highest form of patriotism that we should put forward every effort to bring into future parliaments the best men and the best women that can be obtained as representatives of several communities.

Looking to the future, I hope that our parliaments will become more and more representative, that we shall have more and more of those who represent rural parts of Canada as well as the working classes, that we shall have in addition to the professional and business representation a good representation of those brave men and women who have been serving their country with their lives during this great war. I hope that we will see more women in the House of Commons as the days go by. They know the problems of the home perhaps more intimately than men, and it is the problems of the home that are the problems of the nation, and a solution of the problems of the home will prove, I believe, a solution of the problems of the nation.

Then this last word, if I may express it this morning. I have great faith in the future of Canada. I think we are the most fortunate country in the world. I believe that Canada increasingly will become a great world power and. what is even more important, I believe she will become a great beneficent power in the world. I have no fears about the future. Having been spared to live through these past twenty-five years and having witnessed what Canada has done at times of the greatest stress in the history of the world, one would be a pessimist indeed who did not believe that this country will rise and prove equal to any occasion.

[Mr. Mackenzie King.]

I hope that in times to come the association which we enjoy in that great association of nations which comprises the British commonwealth may continue, may endure, as it is one of the greatest blessings to this world. I hope that the friendship which we have for the great country to the south will continue to grow strong and remain firm through time. I hope above all that the good will which this country has helped to create with other nations in other parts of the world will strengthen and develop so that, as the years go on, mankind may witness throughout this globe more often the way of true brotherhood among nations as well as among men.

CANADIAN FORCES

PARTICIPATION OF FIRST CANADIAN ARMY IN OPERATIONS IN NORMANDY

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am glad to be able to inform the house that the First Canadian Army under command of Lieutenant-General H. D. G. Crerar, C.B., D.S.O., has now taken its place in the order of battle and is participating in the operations in Normandy.

HOSPITAL ACCOMMODATION FOR RETURNING WOUNDED—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, I regret the imperative necessity of introducing anything which might interfere with the full enjoyment by the Prime Minister (Mr. Mackenzie King) of the tributes and encomiums of his friends, but the welfare of our returning wounded transcends in importance all other considerations.

I therefore ask for leave to move the adjournment of the house to consider a matter of urgent public importance, namely: the grave emergency which the premier of Ontario in a statement to the press and a letter to the Prime Minister declares has arisen because of the lack of proper hospital accommodation for our returning wounded;

That as a consequence of this critical situation, even men who have lost arms or legs and still need hospital treatment, are being given leave to their homes to provide beds for stretcher cases immediately expected;

That because of the lack of adequate accommodation and organization, many serious cases have failed to receive the prompt and adequate treatment which they need;

And that the situation is extremely serious.

Mr. SPEAKER: Is there a seconder for the motion?

Mr. BRUCE: Seconded by the hon. member for Dufferin-Simcoe (Mr. Rowe).

Mr. SPEAKER: The hon. member gave me a copy of his motion about ten minutes before I came into the house, and since then I have also received a copy of another motion intended to be moved by the hon. member for Cape Breton South (Mr. Gillis). As a consequence, I have had to consider first the motion of the hon. member for Parkdale (Mr. Bruce).

Leave is asked as stated by the hon. member to discuss a grave emergency which the premier of Ontario in a statement to the press and a letter to the Prime Minister declares has arisen because of the lack of proper hospital accommodation for our returning wounded; that as a consequence of this critical situation, even men who have lost arms or legs and still need hospital treatment, are being given leave to their homes to provide beds for stretcher cases immediately expected; that because of the lack of adequate accommodation and organization, many serious cases have failed to receive the prompt and adequate treatment which they need, and that the situation is extremely serious.

The motion for leave moved by the hon. member for Parkdale is based upon a statement made by the premier of Ontario. I would ask him if he on his responsibility as a member and speaking of his own knowledge of the facts will take that responsibility as to the truth or otherwise of the statements that are made; because I point out to the hon. member that a motion for this house to adjourn to discuss a matter raised by a gentleman, however eminent, who is not a member of this house, could hardly be entertained. Any motion of this kind must be based on knowledge of the hon. member who proposes it; he must be prepared to vouch for the truth of the statements and accept responsibility therefor. If the hon. member will give me the assurance that he on his own responsibility as a member and with knowledge of the facts accepts the terms of the motion I will consider it further.

Mr. GRAYDON: Mr. Speaker, may I say a word on that?

Mr. SPEAKER: I think the hon. member for Parkdale (Mr. Bruce) should speak.

Mr. BRUCE: Mr. Speaker, from investigations which I have made and from the information I have received from others in a position to know, I am quite willing to accept the responsibility of making that statement.

Mr. SPEAKER: So far as the degree of urgency is concerned I am clearly of the opinion that there is an urgency which would justify the request of the hon. member for leave to move the adjournment to discuss the matter. It may be, however, that the Minister of Pensions and National Health (Mr. Mackenzie) would wish to speak on this before I arrive at a conclusion.

Mr. MACKENZIE (Vancouver Centre): Mr. Speaker, I do not think that under the rules and orders I am entitled to debate the merits of the motion at this stage, but I can state on my responsibility as a minister of the crown that there is no emergency existing such as is mentioned in the motion to adjourn. I may also inform the members of the house that my estimates on pensions are immediately available for discussion at any moment, when the whole matter can be fully and adequately discussed. I was not able to give to the house complete details in the announcement I made when this matter came up in the press as the result of an interview given by the premier of Ontario, but I did issue a full and comprehensive statement to the press, and I am prepared at the proper time and under proper conditions to give complete details to the house. I will only say at the moment that most strict and careful preparations have been made to meet the situation, that there is no emergency at this time, and that our complete cooperation with the three defence services will ensure that there will never be any such emergency.

Mr. SPEAKER: I am of the opinion that if the matters referred to by the hon. member for Parkdale are as he has stated, there is a degree of urgency. But under the circumstances here, with the statement made previously by the Minister of Pensions and National Health and the statement that he has just now made, I would prefer that the decision should rest with the house. I do not care to take the responsibility of giving leave to the hon. member. Therefore I would ask that those in favour of the motion of the hon. member for leave to move the adjournment of the house to discuss this matter will please rise.

The Clerk Assistant having stated that twenty-one members had risen:

Mr. SPEAKER: The hon. member for Parkdale may proceed.

Mr. MACKENZIE (Vancouver Centre): Mr. Speaker, on a matter of procedure surely—

Mr. SPEAKER: Standing order 31 reads:

Leave to make a motion for the adjournment of the house (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business has been concluded and before notices of motions or orders of the day are entered upon.

The member desiring to make such a motion rises in his place—

As has been done.

—asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter.

As has been done. Then:

If objection is taken, Mr. Speaker requests those members who support the motion to rise in their places and, if more than twenty members rise accordingly, Mr. Speaker calls upon the member who has asked for leave.

I have no option but to call upon the hon. member for Parkdale to proceed.

Mr. BRUCE: Mr. Speaker, the situation in respect to the hospitalization of our wounded as provided by the Department of Pensions and National Health has been a matter of controversy over a period of the last couple of years. I know that the statement has been made that the wounded until discharge are the responsibility of the defence services and that upon discharge the wounded become the responsibility of the Department of Pensions and National Health. As a matter of fact we know that the wounded arriving from overseas are sent to the hospitals of the Department of Pensions and National Health for treatment.

It is a well-known fact that one of the chief hospitals in Ontario, and perhaps in Canada, is the old Christie street hospital in Toronto. That hospital before being taken over was a factory, and was taken over towards the end of the last war only as an emergency to meet an emergent situation.

Mr. SLAGHT: Who took it over?

Mr. BRUCE: It was taken over by the union government, and therefore both sides will have to share in that responsibility. It was never intended to remain as a permanent hospital to take care of the wounded. As I said before, it was taken over only to meet an emergent situation. But surely in the intervening years since then, there has been ample time for the minister and his department to find other and proper accommodation for our wounded, both of the last war and for those who will be returning from this war. What has been done?

We are now in the fifth year of this war. The situation at Christie street hospital was so bad and so serious that last year representations were made to the Department of Pensions and National Health to have them acquire some other property and build a suitable hospital in which to take care of our wounded. It was only after a great deal of public pressure and much effort on the part of the Canadian corps and veterans' organizations, by groups of citizens, the board of trade, the city council and other bodies, and the holding of meetings and the making of public protests, that ultimately the department agreed to accept free from the city of Toronto a considerable acreage of land just outside the city for the purpose of building a suitable hospital upon it for the care of our wounded. That land was acquired last November, and the first sod was turned by the Minister of Pensions and National Health on Armistice day, 1943. It is now over nine months since that ceremony took place, and yet no building has been started on that property.

It was pointed out many months ago that the United States had built many large military hospitals and that the plans for those hospitals could be easily secured by an application to Washington. No such application was made. If these plans had been secured, a local architect could very easily have adapted them to our purposes here and, by letting contracts on a cost plus basis, the work of building the hospital could have been begun as soon as the frost was out of the ground last spring. I do not believe anyone can dispute that. I know that as soon as a firm of architects in Toronto were engaged to make plans for these buildings they worked very hard, day and night, with a staff at their disposal to get these plans ready. Therefore I attach no blame whatever to the architects, engineers or other technicians who have been engaged for all these months on this particular undertaking.

Within the last week or so we have seen a notice in the press that at last—at long last—a unit is to be built at Sunnybrook park, and that unit is to accommodate nurses —it is a nurses' home—together with a building for up-patients, and some engineering works. It seems to me an extraordinary thing, since we have had so much delay, that those responsible for this undertaking did not decide that the first building to be put up at Sunnybrook park should be an active treatment unit. That is what is most urgently needed, and I have no doubt that, if energetically undertaken by a competent man of affairs who has a practical knowledge of building, these buildings could be completed by the end of this year. But we have still the spectacle of Christie street; and if anyone doubts the situation there, as has been

described to this house on more than one occasion by myself, and other hon. members, I ask him to look at the illustrations in the Toronto morning paper; although some members of the government do not regularly read it, perhaps they look at the pictures. These photographs, appearing in this morning's issue, illustrate very clearly what the situation at Christie street is. If they have not seen this newspaper this morning I will send a copy over to the Minister of Pensions and National Health (Mr. Mackenzie). In one room in that building are 82 patients. The beds are so close together that a nurse can scarcely get between them to carry out her duties. If the windows are opened, dust, dirt, steam and smoke from passing trains enter and cover the sheets and patients with smut. Not only the noise of the trains but the noise from surrounding manufacturing plants make it impossible for anyone to sleep during the daytime, and only after great exhaustion can they sleep at night. Yet on that property the department is willing to allow a neurological building to continue to house our nervous patients.

Mr. SPEAKER: May I interrupt the hon. member for a moment? When the hon. member made his motion he was dealing with what, in its terms, is a general condition regarding returning wounded, and which I assumed he had in mind as existent all over the dominion. But the argument which he is now making relates to a localized condition, and had I understood that the hon. member by his motion was making a complaint with regard to a particular hospital I would certainly not have considered it a matter of urgency. If however the hon. member proposes later to show that this is a matter affecting all the dominion as regards the wounded who are coming here for treatment, of course I could see its relevance; but at the moment I cannot.

Mr. GRAYDON: Mr. Speaker, may I speak to a point of order, if it is a point of order which you have raised?

Mr. SPEAKER: The hon. member for Parkdale (Mr. Bruce) is on his feet, and I prefer that the hon. member himself should take responsibility for his motion. He clearly stated at the beginning that he was taking the responsibility for it, and I assume he will do so.

Mr. BRUCE: Perhaps it should not be necessary to refer any more and any longer to the situation at Christie street, which is so well known to members of this government. But I could not deal properly with this subject if I had not alluded to conditions there; and if I may continue for a moment I should like to answer something which has arisen, namely that it has been announced that many thousands of beds are available for our wounded. I am informed that beds are now vacant in Christie street hospital for the first time in months, because wounded who need treatment have been moved out of those beds and sent to their homes so as to allow others to use them. The fact that within recent weeks the minister has announced the acquisition of a building in Peterborough, formerly used as a hostel by the Minister of Munitions and Supply, which will accommodate some three hundred and fifty patients, and has also taken over a hostel in Kingston which he states will accommodate two hundred and fifty more, making a total of six hundred, would indicate that the serious situation about which I complain is more widespread than simply the city of Toronto.

Now we come to the city of Montreal. Some months ago it was revealed by Doctor Wilder Penfield of that city, an eminent neurological surgeon—possibly the greatest neuro-surgeon on this continent—that although he had offered this government the opportunity of building an addition to his hospital to accommodate the neurological patients who were returning from overseas and who required the services of an expert neuro-surgeon, that offer was turned down. Had it been accepted, it is only fair to assume that that building, of one hundred-bed addition to the present neurological institute, would have been completed and ready for this serious type of cases arriving from overseas. In my opinion that showed a total disregard by the head of this department of what might happen to these cases and a neglect to take advantage of a golden opportunity to give our wounded, suffering from head injuries or spinal injuries, the privilege of profiting by the skill of a great surgeon in this specialized department of surgery.

I am not familiar with the situation in other places, but I am informed that it is not very much better. From what we read we know what is going on overseas. We know that our forces have suffered heavy casualties in Normandy and Italy. Although the Minister of National Defence (Mr. Ralston) has not given out the total number of casualties to date suffered in Normandy, we know that the colonel of the Black Watch was killed, and we know that the Royal Regiment of Canada suffered severe casualties. I do not think it will be long before we shall learn that the Queen's Own of Toronto will also have suffered heavy casualties in that theatre of war. I cannot imagine anything more callous than to sit idly by and refuse to provide the very

best type of accommodation for those who are willing to offer their lives to protect our freedom and to save our civilization. That has been the situation in regard to this department. Surely the minister of this department, a veteran of the last war, should have known years ago that we would have casualties. We always have casualties in a war. He should have commenced years ago to build hospitals of a modern type suitably equipped and ready when the time came to be occupied by our wounded men. This he has not done. Therefore, I say, Mr. Speaker, that he has failed in the discharge of his great and onerous responsibility to our wounded.

I do not think that the people of this country will accept the bald statement that he made on Saturday and again to-day that we have thousands of beds available. I should like to ask if in that number are included the two thousand beds stored in the Rawlinson warehouse in Toronto, which were placed there some years ago for air raid precaution purposes, or the other similar beds in storehouses in other parts of Canada. What we want is a sufficient number of modern hospitals with adequate equipment and every facility to treat our wounded men when they come home. Anything less than that will not satisfy the Canadian people.

Mr. M. J. COLDWELL (Rosetown-Biggar): May I say that we supported the hon. member in his move to adjourn the house to discuss this matter of public importance, because, while we have no definite knowledge of the situation which has been outlined, we felt that if there were any suspicion in the country that the very best that ought to be done was not being done, it should be aired at once.

We too feel that perhaps the preparations that have been made in the past to take care of the wounded of the present war and the veterans of the former wars have not reflected credit on this country. From information I have been able to obtain in former years I agree that the situation as to Christie Street hospital has not been very creditable. I had hoped that we might do better for the men who need the best of care in our hospitals. May I add that I think the policy of the immediate past with regard to providing military hospital accommodation has been mistaken. We should have viewed the necessity of military hospitals from a broader angle than this house was prepared to view it. Instead of building temporary accommodation for men who were in training, we should have seen to it that we were preparing for the present and the post-war period.

The minister said he was prepared to make a statement on these matters. While that statement could have been made when the estimates were under discussion, it is just as well, since the matter has arisen this morning, that the opportunity has been afforded to the minister to reply.

Mr. A. R. ADAMSON (York West): I had no idea that this question was coming up this morning. However, I wish to strongly support the hon. member for Parkdale (Mr. Bruce). As the minister knows, I have been to see him personally on many occasions concerning this matter. I do not propose to go into that again at this time. I have been fortunate enough to see what the United States is doing on this continent and at the bases she has obtained under lend-lease in the West Indies and elsewhere, with regard to this problem. I have seen the magnificent hospitals she has built. I feel that we have not been properly apprised of the necessity of continuing these old and temporary hospitals. We see that the United States, Australia and other countries have built magnificent hospitals during the war. The question I cannot help asking myself is, why have not we, who were in the war two years before the United States, built hospitals? I know the condition in my own district; I know the conditions in the hospitals; I have been in them on many occasions. That is the inescapable question. Why have not we been able to do what the United States is doing? Surely care of the wounded is our first obligation, our No. 1 priority in social security.

Mr. GORDON GRAYDON (Leader of the Opposition): This question which has been discussed by the hon. member for Parkdale (Mr. Bruce) perhaps needs little more than an endorsement from me as the leader of the opposition. I am glad, Mr. Speaker, that you saw fit to allow it to be discussed, because the urgency of it has been impressed upon us by the fact that the premier of one of the major provinces, Ontario, has interested himself in the circumstances and the conditions which he has found and upon which he has seen fit to make representations to the department and to the minister.

In his reply I think the minister should deal with one of the proposals advanced by the Premier of Ontario, in reference to the accommodation available at the air force centre at St. Thomas. Acording to a press dispatch which I read on Saturday, which I have not at hand and as to which I simply draw upon my memory at the moment, the premier of Ontario says there is accommodation at that point consisting of some 1,700 beds. Having that fact in mind; having in mind also that apparently men are being moved out of military hospitals before they are completely re-

covered, while still in a convalescent state, I think perhaps this motion is fully justified as to urgency.

I say to you, Mr. Speaker, and through you to the minister, that one of the important factors which must enter into government policy with respect to the war is the caring for our wounded soldiers in an adequate and proper manner. That is part and parcel of our war effort, and is something which appeals to the humanity of us all. I am hopeful that to-day the minister will be in a position to indicate that adequate and proper hospitalization is and will be available for every soldier wounded in this battle for democracy. I think that is important; I believe it is something the people of Canada will expect the government to come to grips with and solve with the very minimum of delay. I shall anxiously await the reply of the minister, and rose simply to indicate my support of the motion which was dealt with so ably by the hon. member for Parkdale.

Hon. W. E. ROWE (Dufferin-Simcoe): It is not my intention to delay the house for very long, Mr. Speaker, in seconding the motion moved by the hon. member for Parkdale (Mr. Bruce). I merely wish to support what the hon. member has said, and to emphasize the urgency of the situation. I am not particularly condemning the Minister of Pensions and National Health (Mr. Mackenzie), because after all this is a matter of government responsibility. I do not believe anyone on the government side is more sympathetic to the returned men than is the minister. But for a long time there has appeared to be a strange and unfortunate contrast between the speed with which we can clear airfields and build barracks for soldiers; the speed, indeed, with which we can manufacture guns we did not think we could build, and the hesitancy with which we make provision for those gallant wounded men who are certainly the most important citizens of this dominion. In the same general way it rather irks me to think of the speed with which we talk about provision for the post-war period; the speed with which we put through family allowances, if you will. Some hon. member says "speed," so perhaps I should modify that statement by saying the speed with which the suggestion of waiting a year was agreed to. Unfortunately I was not in the house at the time to vote against the measure; however there is certainly a great difference between the speed with which we go about our post-war planning for those who are well and the lack of speed with which we build hospitals for those who have been wounded. In one instance the first sod for the construction of Sunnybrook hospital was turned nine months ago. I do not blame the Minister of Pensions and National Health for this situation; I blame it on the government of the day, and indeed as a member of this parliament I must assume part of the responsibility myself if I do not press for its early construction.

I do not want to say very much about Christie street hospital, Mr. Speaker, since you have suggested that perhaps enough has been said in that regard, but I believe it is just as important to look after the gallant men who are undergoing treatment in that hospital as it is to look after people in any other part of this dominion. It almost makes one hang his head in shame to think of that hospital being maintained in that location, whether by this government or the previous government. Personally I do not think it ever should have been located there. However, I understand in the first place it was undertaken as an emergency measure. Anyone who has driven through that district as often as I have; anyone familiar with it, as I am sure seventy-five per cent of the members of this house are, knows the clatter, the dust and the din that are to be found in that district at all times. It is not a fit locality for the hospitalization of any class of our citizens, let alone our returned soldiers. These men should not be cared for in a hospital as wards of the state; they should be given every consideration as the leading champions of our national cause in this, the greatest and most important moment of our history.

I do feel that we should demonstrate in the building of hospitals the same speed that has been shown in the construction of war plants; and I believe our hospitals should be located in the most appropriate places. I believe the Sunnybrook hospital is in a very satisfactory location. Why should not our returned men be given accommodation equal to that provided for our ordinary citizens at the Toronto General hospital, or at the hospitals in Montreal, Halifax, and other places? I am told that more than one-third of the patients in Christie street hospital have been there since the last war, some of them unable to move. Many have grown so accustomed to the noise, the dust, the trains passing by and the grinding, rasping din of the metal manufacturing plant right next door that they have become reconciled to the situation, comforting themselves with the thought that they went through worse conditions when they were wounded overseas. But they should not be expected to endure that sort of thing indefinitely. I believe it is a national obligation on those who have remained at home to pro-

vide for our wounded soldiers, not merely adequately but generously. It is not enough to say that we have eighteen hundred beds available; in a short time we may have twenty-eight hundred men come back wounded. I doubt if anyone can say that there will be no emergency we cannot meet, in view of the hesitation with which we have gone about making our preparations.

The leader of the opposition has mentioned the proposal advanced by the premier of Ontario, who has said that the province is willing to forgo the use of the hospital at St. Thomas, which I understand will provide some 1,700 beds. I suggest that this accommodation could be used in an emergency, and that suitable accommodation elsewhere might be found for members of the R.C.A.F. who are there at the present time, because it does seem that we can make preparations for war a great deal faster than we can take measures for the protection of our returned men. I submit that this is a national emergency, because it affects the morale of our people at this most critical hour. It is bound to affect the enlistment of volunteers, who after all are the only members of our forces who are fighting. We should regard this as an acute national emergency in this hour of greatest crisis. This war may be over soon, as far as Europe is concerned, but in any event we may anticipate the early return of many men who have had their lives blighted by critical wounds. I repeat that before we go on making preparations for peace-time luxury of those who have not been overseas, we should make sure that we are well prepared to meet any emergency that may arise in connection with our returned men. We should have not merely sufficient but ample accommodation, so that these men may be looked after properly, not eighty in one room but one in each room. If this country can vote half a billion dollars for the post-war paternalism which has been suggested in this house, then we cannot afford as a nation to allow these boys to suffer when they return, and not have for them something better than placing eighty of them in one room, with all the dust, din and noise that is involved in the Christie street hospital situation.

I shall not detain the house longer. I should like to hear from the Minister of Pensions and National Health. Again I say I believe he is sympathetic to the returned men. But the responsibility is upon this whole government; therefore it is their first duty and our first duty to see to it that these men have not only a doubtful sufficiency, but adequate and surplus space. Everyone knows that if there are more beds than are required, there are many places in Canada where they can be used, because hospitalization in Canada has been short for the last several years.

Let us therefore have a surplus so that we may be sure that if five thousand more return than we expect, we may have ample provision for them. When we have done that, we can look after those to whom we seem to give so much paternalism in the post-war period.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Mr. Speaker, there is one thing on which every member of this House of Commons will be in complete agreement, and that is that a nation can never pay too much for the complete, tender attention and care of those who are wounded in the nation's service. The chief differences which arise, in my view, are in connection with the sincerity of some allegations made. During the last two or three years when the estimates of my department have been before the committee allegations have been made with respect to hospitalization at Christie Street hospital. I see to-day in a certain journal of Toronto a sensation-mongering series of pictures with reference to the surrounding conditions purported to be there.

Mr. DIEFENBAKER: On a point of order, is the minister permitted to cast aspersions on the sincerity of the motives of hon. members of this house?

Mr. MACKENZIE (Vancouver Centre): Not members of the house. I was not referring to members of the house.

Mr. DIEFENBAKER: There was no limitation made by the minister a moment ago.

Mr. MACKENZIE (Vancouver Centre): My remarks were about those outside the house, and who indeed may be responsible for this debate.

Mr. SPEAKER: I understood the minister to refer to sources outside the house.

Mr. MACKENZIE (Vancouver Centre): Yes. With regard to Christie street hospital, it was purchased, it may be recalled, by a union government. And while I have been in this House of Commons—and I have been here fourteen years, and during a Conservative administration—I have never heard one single word of criticism in regard to the conditions at that hospital, until recently. I did not hear any criticism during those five years when hon. gentlemen opposite were in the government.

But now, of course, the criticism has been vociferous and frequent. I have been many times in that hospital, and I must say I have never seen the slightest justification for

the attacks which have been made. We need Christie street hospital at this time, and we require it until we have the new hospital at Toronto. We commenced last November arrangements for the construction of Sunnybrook hospital, which will be one of the biggest—if not the biggest—in Canada, when it is completed. And I can assure the house that not one hour has been lost in connection with all the preparations made for Sunnybrook. The first contract was let for $2,800,000, and the contract has been let for the first stage of construction. We will proceed as fast as it is humanly possible, the same as has happened in other parts of Canada.

A new hospital is being built in Montreal—the Currie hospital. Then there is the hospital at Deer Lodge, and the new hospital at Calgary, also a new hospital in Edmonton. We have a new hospital in Regina, and in Vancouver we have a new hospital, with extensions. In Ottawa we have a new wing on the civic hospital.

The hon. member for Parkdale has spoken about the neurological centre at Montreal, about which I spoke earlier in this session. We have had consultations with the defence ministers. The defence services also have their own hospitals. The Department of Pensions and National Health has gone into the whole matter. In the last two years at least we have had a central committee on war hospitalization. This committee is composed of some of the most brilliant medical men to be found in Canada. They are able to consider and appraise every suggestion, and they review all suggestions in connection with the building and construction of hospital accommodation. This is not entirely a government committee. Rather it is a committee composed of the most expert and brilliant medical men in Canada. They pass upon every single new wing or new building erected in the country. The government does not authorize alterations or new construction until they have been recommended by those on the committee. I think some hon. members will know the personnel of that committee, and they will realize that it is composed of the most eminent men in medicine, in surgery and hospital administration to be found anywhere in the country. They are eminently able, and have been in charge of the work of passing upon the recommendations of departments.

In regard to neurological centres, may I say that we have accepted their advice, and these centres have been formed in four or five different places in Canada. The hon. member for Parkdale has said that we have not used the services of an eminent surgeon in Montreal, whom I have had the honour of complimenting in this house. We have been using his services for years in the Department of Pensions and National Health; we are using them to-day, and we hope we shall have the privilege of using them as long as they are required.

In no instance have we neglected to carry the advice of the best medical opinion in Canada. I still say we are meeting the situation properly, although that situation has changed recently because of two events. First, there was the new attack upon the old country, by new methods, and second, there was the matter of increased hospital ship accommodation. There may have to be a revision in the estimate made by the experts of the three defence departments in regard to casualties returned to Canada. That has been foreseen, and the condition is being carefully considered.

The Minister of National Defence, along with the other two defence ministers and myself, engaged an expert some time ago to review the whole situation in Canada in the light of the new conditions which now prevail. But if it comes to a desire of rendering every humane service and every other possible service for those boys, this house may rest assured that as long as I am in charge of the portfolio I now hold, that will be done.

May I add that my colleagues in the three defence services—all three—are gallant comrades who know what casualties mean. They learned about casualties in the last war, and I have had the most complete and marvellous cooperation. We have been meeting day after day for some months, especially in the light of the new developments in Europe. Those developments impelled us to review the whole situation.

I must say that a committee of the cabinet deals from time to time with these problems. The cooperation of every member of the government has been missing at no time. Any suggestion the committee has made to the government has been immediately endorsed by every single minister of the crown. I have had the fullest possible cooperation. Looking over the numbers of casualties—which I cannot reveal at the present time—and the construction programme now under way, and the bed accommodation we already have—taking account of the average stay in hospital we can care for about 20,000 new patients between now and Christmas. I must say on my responsibility that I am assured and I am confident that there will be proper accommodation for the boys requiring it. That is the first responsibility of any government, and certainly it is a responsibility which has been met by this government.

I must say, Mr. Speaker, that I regret some of the expressions used in the resolution. I wish it had been couched in a more generally constructive fashion, so as to bring attention to the problem generally. I regret the terms of criticism and inaccuracy in which the resolution is couched. I wish to give this definite assurance to the house. Everything is being done that can be done to deal with the situation, and that has been the case since this government assumed office and ever since the outbreak of the war.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I should like first to compliment Your Honour upon the fairness with which you received the motion of the hon. member for Parkdale (Mr. Bruce). Second, I want to thank the minister for the calmness of his remarks just now. Third, I want to congratulate the hon. member for Parkdale upon bringing forward this matter. The city I represent has sent a large number of soldiers overseas, both in this war and in the last, and naturally I am anxious to do anything I can to bring about proper hospitalization.

I am afraid we are all to blame if there is any shortage of hospital beds. We have concentrated, first on enlistments; second on the making of munitions, and third on post-war preparations for employment. If there has been any neglect it has been perhaps in making preparations to take care of our wounded, of which there will likely be large numbers. I have observed that in the United States, with their usual thoroughness—they are so thorough over there in everything they do, in military preparations and in all other matters in connection with the war—they have shown the way to all the rest of us in preparing to receive the large numbers of wounded who are coming back from armies overseas. I hope that as a result of what the hon. member for Parkdale has brought up the department will, and I believe it will, do everything under heaven to make speedy preparations to receive those who come back wounded from overseas.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I feel that I should say a word in connection with this matter from the point of view of the army, the navy and air force which are responsible for their own casualties up to a certain point. So far as the army is concerned, that point is when men in army hospitals are found not to be reparable within a reasonable length of time—that is, when it is found that men will not be back for service within a reasonable length of time. When that point is reached the thing to do is to have them make the change-over to civilian life and go to the care of Pensions and National Health. That is the general division of responsibility.

The army in connection with its responsibility of taking care of casualties when they first come home, unless they have injuries which can immediately be designated as of the irreparable nature I have spoken of, has its own hospitals all over Canada to which these men are sent. I want to say with regard to the army hospitals that we have felt, having regard to the word which we get from overseas—not so much as to the number of casualties, because I think we have anticipated the number of casualties all right—on account of the possible speed with which there will be an increase of evacuations from the United Kingdom as a result of conditions there, and on account of possible increased shipping accommodation, that we should increase our facilities. Plans have been made in a number of cases to increase facilities. Perhaps I could put it in another way by saying that we should speed up the provision of those facilities in case there should be any increase in evacuations from the United Kingdom. The army is doing this and I may say that we have regarded it as being so important that we have brought in a man from the outside to deal solely with the matter particularly from the engineering and construction angle, to see that the plans which are being made are dealt with promptly and to see that every possible pressure is put on the situation so that there will be no possible lack of accommodation so far as the army is concerned for any number of casualties which can reasonably be expected to come.

While the army is doing that I want to say something else. We have never taken the position, neither Pensions and National Health, nor the army, the navy, or the air, that we are all separate departments each working within its own watertight jurisdiction and paying no attention to the necessities for coordination and integration of these hospital services. We realize that, if it is possible to avoid it this country does not want to be unduly expansive in connection with hospital accommodation. That is to say, we could take the position that the army, navy and air should have sufficient hospital accommodation of all types, and then have Pensions and National Health duplicate the facilities for their purposes. We have not done that. Sooner or later, and probably sooner, the service hospitals will be evacuated to Pensions and National Health.

We have felt rather that we should put at each other's disposal the facilities both of

accommodation and personnel that are available. In other words, we have felt that we should pool those facilities. In that connection Pensions and National Health have repeatedly provided accommodation for certain service personnel even though they were still on the strength of the services, and we appreciate their having done so. On the other hand—I am speaking for the army but I think the same can be said for the other services—we have provided professional personnel and nursing personnel in certain Pensions and National Health establishments in order that patients might be cared for and that the strain on the personnel might be relieved.

That has gone on and it is going on. I could recite the accommodation which the army has in different cities in this dominion. This will be available sooner or later for Pensions and National Health, or for Veterans' Affairs as no doubt the department will be called. Not only have the officials of the services and Pensions and National Health met together constantly and repeatedly but the ministers themselves have met together to see to it that every possible facility was provided and every possible endeavour made to unite our efforts in order to afford not only the best service possible but the most extensive and commodious service which can be provided for these men of ours.

I do not think any of us need protest unduly that we are desirous of seeing this done. It is only natural that we should instinctively wish to see our wounded men properly looked after. I think that is just as natural as it is for a man to be grateful for something some one has done for him, it is just as natural as any instinct in humanity. We are all just as anxious as we can be to see to it that these facilities are the best that can be provided, that they are provided on time, that they are provided where most needed and that they are adequately staffed.

That is the work of the service department. That applies to the Department of Pensions and National Health just as it applies to the service departments. I want to put myself on record as saying that I am not looking to Pensions and National Health to do the impossible. What I am looking to is to see to it that we provide them with accommodation if at some time they have not the accommodation they need, just as they have provided us with accommodation in connection with service personnel at places where it was convenient and possible for them to do so. Our officials have an understanding with regard to medical personnel. As the hon. member for Parkdale knows, medical personnel are none too plentiful in this country having regard to the services which have to be staffed and the community needs as well. We are endeavouring to see that there is no duplication of medical personnel but that if we have medical personnel available they be provided for the patients of the Department of Pensions and National Health where needed.

With regard to St. Thomas, which has been mentioned, may I say one word. The Minister of Pensions and National Health was good enough to take me with him when he went to interview the Minister of National Defence for Air with regard to getting a portion of the facilities at St. Thomas for the purpose of a hospital and it was as a result of that meeting between the ministers that an air force officer went to St. Thomas to see what the possibilities were of the air force making certain provision there which would give the Department of Pensions and National Health the use of a certain part of that institution. That officer returned and made a report, which I presume was in due course reported to the premier of Ontario and led to the letter which he sent to the Prime Minister of Canada. The St. Thomas hospital, I am informed, will be a very useful, convenient and suitable institution for this purpose. It is ready-made, and the army are also taking steps in connection with the air force camp at London to provide additional hospital facilities there.

I remember a complaint which was made to me—I am not going to say by whom but it was by a very distinguished gentleman, who complained bitterly that the air force were closing down in London in order to make it into a hospital for army purposes when St. Thomas was right there beside them and they could just as well use that. He did not understand the situation, that St. Thomas was being provided for Pensions and National Health because it is a very much more permanent structure.

My remarks have been somewhat rambling but if I have done nothing more than this I hope I have impressed on the house the fact that there is the fullest cooperation and coordination between the departments, that there is the fullest desire to see to it that this country does not duplicate hospital facilities unless that is necessary, and that there is certainly not only an undertaking but an absolute decision and the full expectation and the full confidence so far as the army is concerned that its hospital requirements will be fully looked after and that the sort of treatment which should be provided for them is provided.

Before I sit down, there is one thing I want to mention because the hon. member for Parkdale mentioned it; it struck me as being

important, and the Minister of Pensions and National Health tells me that the hon. member for Parkdale was wrong in his statement. He made a statement which was peculiar. I wonder if he has any case in mind of men being removed from hospital who required hospital treatment in order to make room for others. Has my hon. friend any case of that kind in mind?

Mr. BRUCE: I am informed that a very large number of patients have been removed from Christie street by giving them four weeks' leave at home while they still required hospital treatment and that they would not have been removed had it not been for the emergency which had arisen.

Mr. RALSTON: I can quite understand that men may still require hospital treatment who are given four weeks' leave at home and are entitled to have four weeks' leave at home and to whom four weeks' leave at home would not do any harm. I can think of many amputation cases, I have one in mind now, a case of very serious amputation, who goes home and from time to time comes back to the hospital for treatment and who would very much prefer being home. Is my hon. friend referring to any other case?

Mr. BRUCE: I am not speaking of that class of individual at all. I am speaking of those who have recently arrived from overseas and who still require a certain amount of hospital treatment. I was not speaking of men who have been in hospital for months and who certainly ought to be sent home.

Mr. RALSTON: Is my hon. friend speaking of any case in which the medical officer advised that the man should remain in hospital, but he had to be sent home to provide accommodation for a more serious case?

Mr. SPEAKER: Is the house ready for the question?

Mr. RALSTON: Mr. Speaker, I am still speaking. I sat down to give my hon. friend an opportunity to answer.

Mr. BRUCE: I did not quite get the question.

Mr. RALSTON: Does my hon. friend know of any case in which the medical officer at the hospital advised that the man should stay in hospital for his own benefit in order to get proper treatment, but in which the man was sent home in order to provide room for a more serious case?

Mr. BRUCE: I am not able to specify any particular case. I have no doubt that the medical officers would cooperate with the administration to relieve as many beds as they could to look after the emergency.

Mr. RALSTON: But that was the very statement on which my hon. friend's motion was founded, and now my hon. friend tells me that he does not know of a single case.

Mr. BRUCE: Excuse me, I said nothing of the kind. I said that I was not able to give a specific case, but I am able to say that a large number of cases running into hundreds have been removed from hospital for the purpose indicated in my motion.

Mr. RALSTON: And of whom the medical officer said that they should remain in hospital for treatment?

Mr. BRUCE: Cases still requiring hospital treatment.

Mr. SPEAKER: Order. We are not in committee. The question is that the house do now adjourn.

Mr. BRUCE: Mr. Speaker—

Mr. SPEAKER: There is no reply, under the rules.

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, I doubt if this discussion is really in order, because a reference to Beauchesne's Parliamentary Rules and Forms indicates that urgency within the meaning of the rules involved here does not apply to the matter itself but to the urgency of debate. I quote:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

My hon. friend and colleague the Minister of Pensions and National Health has already indicated, and it is already known I think to members of the house, that his estimates will come up this week when the fullest opportunity—

Mr. SPEAKER: The hon. member is not challenging the ruling I have already given?

Mr. STIRLING: That is exactly what he is doing.

Mr. MACDONALD (Kingston City): I am not challenging your ruling, Mr. Speaker.

I have another observation to make to the hon. member for Parkdale (Mr. Bruce) and it is this. Speaking in the house on August 4 the hon. member for Parkdale put a question

to the Minister of Pensions and National Health in these words, at page 5902 of *Hansard*:

> Owing to the alarming reports in regard to the lack of accommodation for our wounded who are returning from Normandy and Italy, and the fact that he announced two or three days ago that he has taken over hostels in Peterborough and Kingston for the purpose, I wonder if he would tell the house why it should be necessary in the fifth year of the war to scurry about to get accommodation in any old building for our wounded.

I ask the house to pay particular attention to these words that the hon. member used: "to scurry about to get accommodation in any old building for our wounded." On that point, which is related to the motion the hon. member has made this morning, I want to say to him that so far as the hostel at Kingston is concerned which the Department of Pensions and National Health has taken over, the description "any old building" is entirely inappropriate and inapplicable. My hon. friend the Minister of Pensions and National Health will recall the time when I approached him with regard to the use of that building for our wounded returned soldiers.

I had watched that building from its earliest days, when it was erected by the Department of Munitions and Supply as a hostel for women workers in the city of Kingston. I had seen conditions change there so that the need for that hostel was not nearly so great as before. I had observed how splendidly it would adapt itself to the purposes of a Pensions and National Health hospital. My hon. friend sent down his officials and doctors; they looked at the building and agreed completely with the representations I had made, and they took it over for use as a hospital. I am prepared to say that it will make a magnificent hospital—well equipped, well furnished, and well situated—and it is entirely incorrect and unjust to refer to it as "any old building which is to be used as a building for Canadian soldiers".

Another point I wish to clear up, and which is related somewhat to this matter, is a statement in a newspaper last week that the three ministers of defence had lost confidence in the Minister of Pensions and National Health and therefore had set up demobilization committees of their own. I say to you, Mr. Speaker, and to this house that in no degree have we lost confidence in the Minister of Pensions and National Health. On the contrary he shares completely, I think, the confidence of the ministers of national defence. Why did we set up these committees in our various departments? The Minister of National Defence (Mr. Ralston) speaking to this house some weeks ago, gave the reason. He said that there are two phases or stages in the lives of men in the services, two different stages in their histories. The first is while they are under our control, while they are in the services, and during that stage we in the services must do everything we can to look after them, including their repatriation to Canada, the preparation of the various service documents, arrangements about pay and discharge and the like. When they are discharged they become the care of the Minister of Pensions and National Health. The setting up of committees by the three defence services was done solely with regard to the first stage: it was done so that we might attend more carefully to the great mass of detail which must be attended to before you can get men out of the service, including transportation to Canada, proper documentation, and finally, discharge. Then the Minister of Pensions and National Health takes over; and so far as I am concerned I am happy to be able to say here, that, instead of the minister's losing our confidence, our confidence in him has grown as we have observed in recent months, and indeed ever since he assumed office, the great thoughtfulness, the generosity and the sympathy he cherishes for all men who are in the armed services.

Mr. BRUCE: In rising to—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. gentleman has no right to reply.

Mr. BRUCE: I was going to ask permission to withdraw the motion. I thought that was the regular procedure according to the rules, and I thought I might just add a word.

Some hon. MEMBERS: No.

Mr. BRUCE: We have had evidence this morning that the government's work has been too little and too late.

Motion withdrawn.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*COAL SUBVENTIONS AND OTHER ASSISTANCE—NOVA SCOTIA AND NEW BRUNSWICK

Mr. BLACK (Cumberland):

> What are the names of the companies engaged in coal mining in Nova Scotia and New Brunswick receiving assistance by way of subventions, capital assistance, developing work, operating expenses and royalties or profits, stating the tonnage produced and amounts payable to each mine and company under above headings for the years 1942, 1943 and 1944 to date?

Mr. ABBOTT: This raises a question which has been up a number of times before. The Minister of Finance has stated on several occasions that it is not considered in the public interest to disclose the names of individual recipients of subsidies and the amounts paid to them. The last occasion on which he stated that policy and gave his reasons was on April 24, 1944, in answer to a question by the hon. member for Peterborough West; it will be found on page 2280 of *Hansard*. I would therefore ask that the question be dropped.

Question dropped.

PRIORITY FOR GOLD AND SILVER MINES

Mr. DIEFENBAKER:

1. In what priority category respecting manpower have gold and silver mines been placed by the Department of Labour?

2. Have any exceptions been made? If so, in respect to which mines, and why?

Mr. MARTIN:

1. Gold mines have been given a "D" labour priority rating for both men and women. There is no labour priority rating applying specifically to silver mines, but any mines which may be engaged primarily in the production of silver would be classified under "other metal mining not elsewhere classified", for which the labour priority rating is "A" for both men and women.

2. No exceptions have been made in the case of silver mines.

In the case of gold mines the 34 mines listed below were given a "B" priority for men and women in order to permit them to fill the net labour requirements necessary for minimum operation. These mines were selected for special treatment after a survey had been made of the industry to determine labour requirements: Bidgood Kirkland Gold Mines Ltd.; Cariboo Gold Quartz Mining Co.; Central Patricia Gold Mines Ltd.; Chesterville Larder Lake Gold Mining Co., Ltd.; East Malartic Mines Limited; Hard Rock Gold Mines Ltd.; Hasaga Gold Mines Limited; Island Mountain Mines Co., Ltd.; Kerr-Addison Gold Mines Ltd.; Kirkland Lake Gold Mining Co. Ltd.; Lake Shore Mines Limited; Lamaque Mining Co., Limited; Leitch Gold Mines Limited; Little Long Lac Gold Mines Ltd.; Macassa Mines Limited; Madsen Red Lake Gold Mines Ltd.; Matachewan Consolidated Mines; McKenzie Red Lake Gold Mines Ltd.; McLeod Cockshutt Gold Mines Ltd.; Omega Gold Mines Limited; Pamour Porcupine Mines Limited; Paymaster Consolidated Mines Ltd.; Perron Gold Mines Limited; Pickle Crow Gold Mines Limited; Pioneer Gold Mines Ltd.; Ross Gold Mines Limited; San Antonio Gold Mines Limited; Sheep Creek Gold Mines Limited; Sladen Malartic Mines Limited; Teck-Hughes Gold Mines Limited; Toburn Gold Mines Limited; Upper Canada Mines Limited; Wright-Hargreaves Mines Ltd.; Young Davidson Gold Mines Ltd.

Similar treatment was given to six other mines, but the "B" rating for these mines has now been cancelled since their net labour requirements have been met.

In addition:

(a) Beattie Gold Mines (Quebec) Ltd., Duparquet, P.Q., have been given a "B" priority rating because they are substantially engaged in the production of arsenic;

(b) Hollinger Consolidated Gold Mines Ltd., Timmins, Ont., and O'Brien Gold Mines Ltd., Kewagama, P.Q., have been given a "C" priority because a certain proportion of their output is tungsten and arsenic respectively;

(c) Powell-Rouyn Gold Mines, Quebec, P.Q., have been given an "A" priority because they are mainly engaged in the production of silica flux.

HEINSBERG, ALBERTA AND FRENCHMAN BUTTE, SASK., RAILWAY SERVICE

Mr. DECHENE:

1. Is anything being done at the present time to expedite the construction over the short gap in the Edmonton, St. Paul, Turtleford line between Heinsberg, Alberta, and Frenchman Butte, Saskatchewan?

2. If not, will consideration be given to this project at an early date?

Mr. MICHAUD:

1. No.

2. As a possible post-war development, consideration will be given to branch line construction wherever justified by present and prospective settlement.

CEMETERIES FOR BURIAL OF SOLDIERS

Mr. CHURCH:

1. Has the government any plan for a system of national cemeteries in Canada in cities and towns for burial of soldiers of this and other wars?

2. Has a study or survey been made of this problem?

3. Has the government received any recommendations or complaints as to this?

Mr. MACKENZIE (Vancouver Centre): A survey of burial accommodation has been made by an interdepartmental committee, set up following the outbreak of the present war, for the purpose of dealing with matters associated with the death and burial of persons who had served with the armed forces and that committee gave consideration to the matter of a system of national cemeteries. By reason of the development, during and

subsequent to the great war by municipalities, cemetery companies, veterans' and other organizations, of sections within cemeteries in cities and towns in Canada which sections are reserved for the burial of those who have served with the armed forces, it appears that the establishment of a system of government-owned national cemeteries throughout Canada is not indicated. In the few centres where there are no such reserved sections, the government has acquired plots in existing cemeteries in which may be buried, if the relatives so desire, the remains of a member or former member of the forces for whose burial the government is responsible.

ADDISON INDUSTRIES LIMITED—"WALKIE TALKIE" RADIO DEVICE

Mr. DIEFENBAKER:

1. Has the Addison Industries Limited at any time within the last year offered a return, rebate or discount of any part of the purchase price of the radio device known as Walkie Talkie?
2. If so, when, and with what result?

Mr. CHEVRIER:

1. No refund was offered by Addison Industries Limited beyond the terms of the contract. The contract provided for the downward revision of price per unit under certain circumstances. The company was, of course, aware of this and in the case of spares anticipated the adjustment by making a refund of $210,000 before the final costs were determined by audit.

2. (a) July 9, 1943.

(b) See answer to 1. The first contract was placed at a ceiling price of $555.00 per set, tooling extra, the profit not to exceed 5 per cent on costs. Following the audit, the price was adjusted downward to $521.97 per unit in accordance with the terms of the contract.

RADIO BROADCASTING—PRINCE RUPERT PRIVATE STATION

Mr. BOUCHER:

1. Has the Canadian Broadcasting Corporation connected up by ground wire with the private broadcasting station at Prince Rupert, British Columbia?
2. If so, on what date was it connected?
3. By whom was the authority given for this connection?
4. On whose representation was it done?

Mr. LaFLECHE:—

1. Yes.
2. July 25, 1944.
3. Authority granted by the acting general manager pursuant to the board's stated desire of improving service to the Prince Rupert area as circumstances permitted.
4. In response to urgent requests on behalf of the listening public and also from the armed forces.

QUESTION PASSED AS ORDER FOR RETURN

TAXI, REPAIR AND OTHER SERVICES AND SUPPLIES, GUYSBOROUGH COUNTY, N.S.

Mr. BLACK (Cumberland):

What have been the total payments made for the account of the three departments of national defence and the Department of Munitions and Supply and the Department of Labour (national selective service) to the Sherbrooke Taxi Service and Mr. J. E. Fraser of Nova Scotia by the federal government for taxi, repair and other services and supplies each year since September, 1939?

MOTIONS FOR PAPERS

MOBILIZATION ACT—APPLICATIONS FOR LEAVE

Mr. POULIOT:

For a copy of all instructions given to the national selective service mobilization boards concerning applications for leave made by draftees who have already undergone military training, or by members of the active army.

Mr. MARTIN: Return tabled.

ELDORADO MINING AND REFINING COMPANY LIMITED

Mr. NOSEWORTHY:

For a copy of the agreement forming the basis of the taking over by the government by order in council P.C. 535, 1944, of the property of the Eldorado Mining and Refining Company Limited. Also a copy of the balance sheet of the Eldorado Mining and Refining Company Limited, for the year 1943.

EXEMPTIONS FROM PROVISIONS OF CIVIL SERVICE ACT

Mr. NICHOLSON:

For a return showing the exemptions to the Civil Service Act of May 4, 1918, enacted in the following periods: May 24, 1918 to 1921; 1921 to 1930; 1930 to 1935; 1935 to the present time, (1) by statute; (2) by order in council; (3) by appropriation acts; (4) otherwise?

BUSINESS OF THE HOUSE

COMPLIMENTARY DINNER TO THE PRIME MINISTER —SUGGESTION AS TO ADJOURNMENT THIS DAY AT SIX O'CLOCK

Mr. M. J. COLDWELL (Rosetown-Biggar): I understand that there is a dinner to-night to the Prime Minister (Mr. Mackenzie King). I suggest that since this is a most unusual occasion, and no doubt the Prime Minister's friends will wish to attend that dinner, we should not sit to-night.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I was about to rise

to speak on this matter, which I had already mentioned privately to the Prime Minister, and make a similar suggestion in connection with it. My information is the same as that of my hon. friend; it is that a great many hon. members desire to attend, and if the government's business is sufficiently advanced I should think there would be no objection to allowing an adjournment at six o'clock to-night until to-morrow morning; perhaps in any event we can pick up in the succeeding days any time which is missed. I think we are all in the mood to-day of desiring to be just as generous as we can to the Prime Minister, to whom on this occasion we attempt to do some honour and pay some tribute, and I feel that the house will be in entire agreement with the suggestion.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I express my appreciation to my hon. friend the Leader of the Cooperative Commonwealth Federation (Mr. Coldwell) and to my hon. friend the Leader of the Official Opposition (Mr. Graydon) for their courtesy in suggesting that the house do not continue with business this evening. If there are any hon. members who feel that they would be inconvenienced by the house not sitting, I would personally much prefer that somehow or another we would keep a quorum on this side to continue with the business. However, I do know that all hon. members on this side have been looking forward to being present with myself and colleagues this evening, and the courtesy of the house in causing us to feel that we may have the evening free is something which all of us would deeply appreciate.

I might say that had I assumed for a moment that the business of the house would not have been over by this time I would have been the first to ask that no engagement of any kind be arranged for this evening. When, some months ago, some hon. members kindly suggested that a dinner might be held on August 7, the time looked so far distant that I thought it was safe to say that I felt we might count on being together that evening. However, I do appreciate the suggestion of adjournment at six o'clock this afternoon, and would thank hon. gentlemen opposite on behalf of members of my party for making it possible for all of us to have this evening together.

As to the business, I would say that if we were not sitting in the mornings as well as the afternoons I would hesitate to accept the kind proposal which has been made, but as we are sitting morning, afternoon and night it will I believe be possible for us to conclude the business of the session without losing much time in virtue of not sitting this evening. Again I thank hon. members.

At one o'clock the house took recess.

The house resumed at three o'clock.

LABOUR CONDITIONS

RELEASE OF MEN FROM EQUIPMENT AND PERSONNEL SECTIONS R.C.A.F.

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a further question to the Minister of Labour in connection with a matter that I raised on Saturday in respect to which he suggested that I take it up with the Minister of National Defence for Air (Mr. Power). This matter has to do with a letter sent throughout the country indicating that men in the ground crew of the air force have been advised that opportunity will be given to them to secure discharge from the air force provided that they are needed in industry or on farms. These men want to know the situation with respect to this order. Once they get their discharge from the air force and apply to go into essential industry will they be subject to call-up under the N.R.M.A.? The rumour is about that they will be subject to that call, and so far no information has been given thereon. It is a matter that falls strictly within the Department of Labour.

Hon. HUMPHREY MITCHELL (Minister of Labour): I have made inquiries and find that there has been no change in the policy which has been followed in the Royal Canadian Air Force in matters of this kind. It has always been the practice so far as the Royal Canadian Air Force is concerned to consider an application from a man to be given his discharge in order that he may return to essential industry, provided that he can be released without interfering with the training programme, and provided that the recommendation was received from national selective service confirming the applicant's statement that he was needed for some essential work. The order which the hon. member has heard about is simply an order standardizing the practice throughout Canada as to what routine would be followed. With respect to the question as to whether a man receiving his discharge would be called for service in the army, it is a fact that under such circumstances a man might be called for service in the army, but if such were the case he would probably be given his postponement

by the mobilization board on presentation of the same set of facts which prompted a national selective service officer to recommend his discharge from the air force in the first instance.

We have a satisfactory interdepartmental arrangement, and I do not know of any case in recent months where a man who has been given his discharge from the Royal Canadian Air Force to return to essential service has been called for the army.

Regarding farm leave, Royal Canadian Air Force this year has adopted the same practice as has been followed by the army, namely, men who apply for farm leave may be granted it to enable them to work on any farm, whereas in previous years the man had to specify what farm he was going to, and unless the farm was owned by a member of his family, leave was not extended. I think that answers my hon. friend's question.

INCOME WAR TAX ACT

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance) moved the second reading of bill No. 180, to amend the Income War Tax Act.

Mr. S. H. KNOWLES (Winnipeg North Centre): Just before second reading is given to this bill I should like to offer a word of commendation to the government in connection with the provisions of this legislation, but at the same time I will offer a word of complaint.

The word of commendation has to do with the fact that the government appears to have given recognition to at least three points which I can identify as having been brought up in the discussion that took place in this house on the budget resolutions. This is as it should be. Nevertheless it happens so seldom that when it does take place I think attention should be called to it. Let me be specific. When we were discussing the budget resolutions one point that I raised was in connection with income tax exemption for unusual medical expenses. I pointed out that the provisions of the Income War Tax Act did not permit the allowing of all the kinds of medical expenses that taxpayers have to incur. I suggested that one way to provide desirable relief to the taxpayer would be to lower the five per cent figure to three per cent or to two per cent. The figure I refer to is the percentage of taxable income beyond which medical expenses are regarded as unusual. When we were discussing the matter in the house the parliamentary assistant indicated that our representations at least would be given consideration. I am very happy to notice that in subsection 4 of section 4 of this bill the government has reduced the floor from five per cent to four per cent. It does not go as far as I asked—I suggested three per cent or two per cent—but it is a move in the direction requested, and I think that attention should be called to it.

Another point which was discussed by a number of hon. members during the debate on the budget resolutions was the discrimination against parents whose daughters between the ages of eighteen and twenty-one were students at nursing schools as compared with those whose children of the same ages are at other educational institutions. Hon. members will recall that a number of us put up a pretty strong fight on that point. Those speaking for the government felt that nothing could be done for these taxpayers, but again I am glad to note that our discussion in the house was not in vain; for in section 27 of the bill we have an attempt on the part of the government to meet us half way. The government has not done exactly what we suggested, but it has gone a good distance along the road, and I congratulate it on paying attention to the representations made on the floor of the house.

The third point in connection with which the government has paid heed to discussion during the debate is with respect to budget resolution No. 27. That was a sweeping resolution in its original form, providing that dividends paid by a wholly owned subsidiary non-resident company to a Canadian parent company should be exempt from all taxation when received by such parent company. I presented some strong objections to the sweeping nature of that resolution. I did not receive very much support; in fact I was pretty roundly condemned by the hon. member for York-Sunbury (Mr. Hanson) for the position I took, but I could not have been totally wrong because even the government has met me part way in section 6, subsection 2 of the bill now before us, which places certain limitations—

Mr. ABBOTT: My hon. friend will recall that the resolution was amended in the course of the discussion.

Mr. KNOWLES: The resolution was amended after I made representations in the committee.

Mr. ABBOTT: That is correct.

Mr. KNOWLES: And if I am not mistaken the terms of the bill go a little farther than even the amended resolution.

Mr. ABBOTT: It is along the same line.

Mr. KNOWLES: At any rate I am commending the government for having done in this instance what it seems to me the procedure of parliament calls for, namely that when we have a discussion at the resolution stage consideration should be given to the representations made on the floor of the committee. Usually we have to wait a year or longer. This year we have had these admissions made within a short space of time as to the validity of some of the claims we were advancing.

On the other hand, Mr. Speaker, a number of claims were made by some of us which we feel were equally valid but which the government have not seen fit to admit. I shall refer to only one of them at the moment, because the others to which I should like to refer can be dealt with under the various sections of the bill. I see no ready opportunity of discussing this one, however, under any particular section, so I should like to mention it now. I am deeply disappointed that the government has not recognized our representations in behalf of sleeping car conductors and sleeping car porters. I know the technicalities on the basis of which the government discriminates between them and other running trades employees of the railways; yet in plain, ordinary fact there is no difference in the situation as between railway conductors and sleeping car conductors, or as between trainmen and porters. These men feel, and rightly, that it is unfair not to allow them, as a deduction from their taxable income, an amount representing their away from home expenses. The other railway employees to whom I referred get that exemption; the sleeping car conductors and porters do not get it. When I started to look through this bill over the week-end and found that some of our claims had been recognized, as I have pointed out already, I went back and looked through it two or three times hoping to find that point recognized, because it did seem to me a very just claim. I hope that even yet the government may give consideration to that case, so that there will not be this unfairness and discrimination against sleeping car conductors and sleeping car porters. I shall reserve any further remarks until we are in committee.

Mr. P. C. BLACK (Cumberland): Mr. Speaker, I have already taken up with the department the grievances of the sleeping-car conductors, the porters and others who wait on the public. I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) that the application of this tax is most unfair and unjust to this class of people. In some cases and in certain localities, arbitrary amounts have been added to the incomes of porters back to the year 1942, after they had paid their taxes, this arbitrary levy being for the tips or gratuities they were supposed to have received from the public. If this is a proper tax on this class of people, of whom there are thousands all over Canada including not only sleeping-car porters but waiters, people in hotels and others who serve the public, why are they not advised in advance that this is income which is subject to taxation? In some cases it has been represented to me that these people have advised that they did not receive such earnings; that they were not regular porters but were on casual trips in connection with the transportation of service personnel, who as a rule do not give tips. I was able to get an adjustment in one case by having the man concerned add to his income for 1942 the maximum amount he had received in the form of tips, which was far less than the amount charged.

This taxation is not fair from another point of view. The small gratuities that are given these servants of the public are from the residue of the earnings of people who already have paid taxes. It is not untaxed earning or income, but comes from what is left. Therefore it should not be again subject to income tax. This is a real grievance on the part of this class of people, who are not allowed to deduct expenses when away from home.

I wish to bring another matter to the attention of the department; that is, the unfairness of the present tax on electrical energy. I discussed this during the budget debate, when I quoted a statement by Hon. Mr. Godbout, Premier of Quebec, in which he took credit for having reduced the charges for electrical services in that province by the sum of $6,000,000, because he had expropriated certain companies which no longer had to pay this taxation to the federal government. He said that in this way he had given the province relief to the extent of $6,000,000, which previously had been paid to the federal government. The same situation has applied in the province of Ontario for many years. When I was dealing with this matter during the budget debate I said that in Nova Scotia it was represented that this tax amounted to $1,000,000 yearly. In my own constituency of Cumberland we have private companies generating and distributing electricity, and it is estimated that they pay yearly $150,000 in taxation. The very basis of taxation is that its application shall be fair to people in all parts of the country. This tax on electrical services has reached the point where there is no taxation imposed that is more unfair. I feel strongly that the government should bring in legis-

lation to repeal this taxation, so that private enterprise may not have to pay taxation from which government-owned services are relieved.

Mr. ABBOTT: Is my hon. friend referring to sales tax or excise tax on electrical services? Or is he referring to income tax?

Mr. BLACK (Cumberland): All taxation on government-operated plants, such as in the province of Quebec, which Hon. Mr. Godbout has represented himself as relieving the users of the payment of $6,000,000 because he has taken over such industry.

Mr. ABBOTT: That is correct.

Mr. BLACK (Cumberland): But the privately operated companies or their patrons in the county of Cumberland pay $150,000 a year, and if the plants were government-owned, those amounts would not have to be paid. It is estimated that Nova Scotia is paying a million dollars in such taxes, although there are in Nova Scotia some government-owned plants. The basis of taxation in Nova Scotia, and throughout Canada, is most unfair. I appeal to the minister and the government to bring in legislation at once in order that the unfairness in dealing with these industries may be eliminated, so that users of electricity shall all be exempted or all be treated alike. Not only is it unfair as between provinces and as between generating plants, but it is also unfair in respect of the smaller generating plants, where in the ordinary course of events the cost of generating power is high. These taxes are on a percentage basis and thus there is higher taxation on each unit of electricity. Before this bill passes I should like to have a statement as to what the government proposes to do in the matter.

Mr. PAUL MARTIN (Essex East): Mr. Speaker, the house will recall that on two previous occasions I tried to bring to the attention of the minister a matter which concerns a number of my constituents, and others who reside not only in my constituency but as well throughout the city of Windsor. In this matter the Secretary of State (Mr. McLarty), who is attending a very important meeting outside the chamber, has joined with me on several occasions in discussing this matter with the responsible minister and with the officials of the Department of Finance, to see if there might not be some remedy for the grievance of which I am about to speak.

This matter concerns some 2,500 to 3,000 citizens in the city of Windsor, who for the most part earn their incomes by working in the city of Detroit. I have no doubt that this border situation is not peculiar alone to that city, but is a condition which may be found at other border points. These people feel, and I join with them, that they suffer a grievance in respect of the administration of the income tax in so far as earned income in the United States is concerned. Perhaps the minister would appreciate if I were to state the three grounds upon which the application for redress is made. They ask:

1. That substantial tax-free allowances be made for expenses incurred in the United States which come out of income earned in the United States, the said money never entering Canada, and that these allowances should be comparable to those employees of the British Supply Council in North America.

2. That the ten per cent premium on gross salary be removed, but if charged at all, be on net salary, after all deductions have been made and,

3. That the tax should be levied on net salary or earnings, not gross, plus ten per cent as at present.

That is the way in which these people have stated their case. I prefer to state it perhaps in another way, one which for my purpose would be clearer. The general problem is that most of these men and women, who are earning salaries well within the range of $2,000 or $3,000—there may be exceptions, but for the most part they are relatively small wage-earners—find that they are forced, in the normal carrying out of their occupations, to spend a considerable portion of their money each year upon food and travel in the United States. True, if they brought all of that money back into Canada in American currency it would be valued at a rate ten per cent higher than the Canadian dollar, due to the discount rate. The fact is, however, that a good portion of that money is necessarily spent in the United States. Yet for income tax purposes, they are charged on it. Let us say, for instance, that a man's salary is $3,000. If he were to bring that $3,000 into Canada it would amount to $3,300. Actually he does not get that $3,300, because, as I say, he has spent some of it in the United States. And yet he is charged on the total amount but which in fact he never brings into Canada, and which in fact he never gets.

While I recognize the administrative difficulties, I do submit strongly to the minister that there can be no justification for charging income tax, no matter how small or how large the amount may be, on a sum of money which is actually never received. That is the situation. They get the money and bring it into Canada, but if they spend it on meals and other necessities in Detroit, they spend American money which, having in mind the locale of the expenditure, is still one dollar and not $1.10.

These people are known as commuters. They are valuable citizens, many of whom not only since the war but for a considerable number of years have worked for the most part in the neighbouring city in the United States, and are an asset to the community and to this country. All they are asking is that having in mind the nature of their work and the circumstances under which it is undertaken, they shall not be placed in a discriminatory position. They are not asking for any special privileges.

They feel, first, that they should be allowed as a deduction from gross income the expenses necessarily incurred in the United States in the earning of this income. They have to pay travelling expenses to and from Canada, provide themselves with food while there, and they are subject to other incidental expenses from which there is no escape. The minister might say: You are asking for something that is unreasonable, something that is not accorded to any other class of the Canadian community. One recognizes that answer. The fact is however that these people are in a special class, and I suggest they might very well be dealt with in the same manner as certain persons employed by the United Kingdom Treasury Delegation, and also another group covered by an order of the treasury board dated April 27, 1944, section 3 of which order reads as follows:

> That the appropriate United States expenses allowances may be deducted for income tax purposes under common services notice No. 78, paragraph 5.

This privilege has been granted to all persons employed in the United Kingdom treasury delegation, and I think it is also applied to people in the British supply council in the United States, who are chargeable with Canadian income tax. If there is one group for which such allowance should be made, I think it is these commuters who have a special set of circumstances attending their occupations. They feel, and this is a strong argument and one which I think is unanswerable, that it is unfair to be charged the exchange addition upon that portion of their income which they have to pay out in the United States in connection with commuting to the United States. That is money which in fact they have not brought into Canada and cannot bring into Canada. It seems to me that we are imposing there a tax that just simply cannot stand in equity.

Their third request is in conformity with the principle applied by the department to persons in the British Supply Council and the United Kingdom Treasury Delegation. My constituents consider themselves comparable to these people and feel that they should have a tax-free allowance granted to them in view of their special situation.

I can only add in this connection that these people are working alongside United States citizens. Many of them have bought Canadian victory bonds but because of their continuous contact with United States citizens they are obliged to invest some of their earnings in United States liberty bonds, and in a corresponding way in United States war certificates and the like. They have to make contributions to charitable organizations and patriotic organizations in the United States within their means. They are taxed on the total amount of their earnings as though the total amount plus the ten per cent premium which the United States dollar commands was really in their hands. To the extent of these necessary expenses, they never have that income.

I urge the minister to reconsider the submissions that have been made to him by the Secretary of State, by this organization and by myself, and review the matter in the light of the representations which I am taking the time of the house to make to-day only because this is a small but very important section of the community which I represent, made up of ordinary men and women earning no great income but who find themselves discriminated against. I do not think this discrimination is justified, and I ask the minister to reconsider the whole matter in the light of these further representations.

Mr. GORDON GRAYDON (Leader of the Opposition): I hope my hon. friend was not trying to be exclusive in his argument with respect to the class of citizen he mentioned a few moments ago. He referred to the various advocates that this group had, but he overlooked the leader of the opposition who was the first to raise this matter in the house. Perhaps I ought to make myself heard.

Mr. MARTIN: I overlooked that; I am very sorry.

Mr. GRAYDON: I wish to say only a word in addition to the argument put forward by the hon. member for Essex East (Mr. Martin). It was a very comprehensive one, one in which I concur entirely. Before I sit down I should like to suggest that perhaps on matters like these the procedure could be altered in another session. When I rose first to introduce this matter in the house, to be followed by the hon. member for Essex East, when the resolution was before us, the chairman said that that was not the appropriate place to bring up the matter. If that is the rule, then I think it ought to be amended

because these suggestions ought to be brought up at the resolution stage so that before the bill is finally introduced the government will have at its disposal the arguments which have been advanced.

Mr. ABBOTT: It should be on the same resolution.

Mr. GRAYDON: I take issue with my hon. friend on that. If the government brings in no resolution, then there could be no representations made. If the government brings in a very restricted number of resolutions, then there would be no possibility of raising the question.

Mr. ABBOTT: Bring it up on the motion to go into committee to consider the resolution.

Mr. GRAYDON: My hon. friend is attempting to split hairs on that, because in my opinion the time to bring up these matters is at the end of the resolution stage when matters of a similar character have been dealt with. If the parliamentary assistant is taking umbrage at what I say—

Mr. ABBOTT: Not at all.

Mr. GRAYDON: I was not directing my argument against him. I want to point out that the resolution stage ought to be utilized in this way so that the government may have at their disposal the arguments that may be raised on matters which, while not touched by the resolution, perhaps should have been included.

Hon. C. W. G. GIBSON (Minister of National Revenue): Mr. Speaker, the hon. member for Essex East (Mr. Martin) has brought up the question of commuters. I have had a great deal of correspondence on this subject with the Secretary of State (Mr. McLarty) and the leader of the opposition (Mr. Graydon) and the matter has been given very careful consideration. The hon. member for Essex East says that he has a grievance in respect to "the administration" of income tax, but I should like to read from section 3 of the act which defines income. It reads:

> For the purposes of this act, "income" means the annual net profit or gain or gratuity, whether ascertained and capable of computation as being wages, salary, or other fixed amount, or unascertained as being fees and emoluments . . . whether derived from sources within Canada or elsewhere; and shall include the interest . . . and also the annual profit or gain from any other source, including
>
> (e) personal and living expenses when such form part of the profit, gain or remuneration of the taxpayer or the payment of such constitutes part of the gain, benefit or advantage accruing to the taxpayer under any estate—

Section 6 of the Income War Tax Act sets out the deductions that may not be allowed from income. It says:

> In computing the amount of the profits or gains to be assessed, a deduction shall not be allowed in respect of
>
> (a) disbursements or expenses not wholly, exclusively and necessarily laid out or expended for the purpose of earning the income;
>
> (f) personal and living expenses.

Commuters are much in the same position as other workers in Canada. While the persons referred to cross the international boundary, there are many other people in Canada employed in places other than where they reside. Those Canadian citizens who have to pay train fare, perhaps street car and automobile expenses, are not allowed to deduct those expenses from the salaries they receive. Commuters are in the same position. They go to the United States but they are no more entitled to receive their travelling expenses for going to and from their work than are other Canadian citizens who have similar expenses.

Another complaint is that the salary received is taxed with the exchange of ten per cent added. The first section I read provides that income is taxable when received from sources within Canada or elsewhere. In all cases where wages or dividends are received by a Canadian taxpayer, the Canadian value of the amount received is estimated for tax purposes. Consequently when wages are received in United States funds, ten per cent is added to find out what the Canadian equivalent is for taxation purposes.

I quite agree that the commuters feel that they have a considerable grievance in that if they are working in the United States all day they have to buy some of their food in the United States with United States currency, and they say: We cannot bring back this United States money on which we could receive the ten per cent. But the difficulty is that under the act they are not allowed to make any deduction from income for personal or living expenses, and consequently the amount which they spend on their lunches in the United States is not allowed as a deduction under the act as it now stands. Their income is the gross amount that they receive. It is a matter that can be given further consideration. I know that it is causing a great deal of hard feeling among those who work across the border, and I can assure my hon. friend that we will explore any means that can be adopted to grant any relief that is possible. But I do not think that anybody will expect that the whole principle of the act dealing with the question should

be changed in order to accommodate a small group. If we created a precedent in a case such as this it would have very far-reaching effects indeed, and affect not only commuters crossing the international border, but workers in all parts of Canada who have to travel any distance in going to and from their work.

Another point that was raised by the hon. member for Winnipeg North Centre (Mr. Knowles) was the taxation of railway porters. That raises very much the same point, as to whether they should be allowed a deduction for personal or living expenses incurred while away from home. The act definitely states that that shall not be allowed as a deduction. There is a difference in the treatment of some of the railway workers. The members of the running trades are not paid a salary but are paid on a mileage basis. Many years ago—I do not remember how many but I would say ten or fifteen years ago—representations were made by the railway workers and the income tax division agreed to treat the members of the running trades, who were on a mileage basis, as though they were paid on a commission basis, which would allow them to deduct their expenses. That was accepted at that time by the railway workers organizations, and that ruling has been continued to date. It is to my mind questionable whether that ruling would stand up under fire, and whether we are not wrong in allowing the running trades to have that exemption which they have been receiving. Certainly rather than broadening it out to permit the deduction of living expenses from salary, which is not allowed in any industry in this country, I think we would be well advised to review the original ruling in regard to the running trades and perhaps we might find that they were not entitled to the exemption which they have been receiving. But to hold their case up as an example that should be followed in the case of other employees is not sound, because it is not allowed in any other industry in this country.

Mr. BLACK (Cumberland): Why are conductors and porters who are away from home part of the time and have to keep a room and pay their living expenses at the other end of their run not allowed to deduct these essential expenses from their earnings for taxation purposes?

Mr. GIBSON: They are if they are on a mileage basis, but where they are drawing salary, that expense is not allowed as a deduction from their earnings for taxation purposes. If in addition to their salary they were given an additional allowance to cover their necessary expenses while away from home, that would be included as income and be taxable. One of the deductions that is not allowed is any allowance for personal or living expenses.

The hon. member for Cumberland brought up another point, and that was the inclusion of tips as income. That is a matter that has recently come to light. I think that possibly in the days of lower taxation and higher tax exemptions careful scrutiny was not given to items of that kind, but to-day with the tax exemption standing at $660 and with war taxation higher the income tax division has found itself forced to scrutinize more carefully the returns that are filed and the sources of income from which taxpayers receive their remuneration. Under the definition of income in the act, income means the annual net profit or gain or gratuity, and so forth. I quite agree that if a taxpayer has not kept an adequate record of the tips he has received it is very difficult for him or for the income tax division to know what his income is. I agree that there may be many men who are engaged on troop trains who may receive little or nothing in the way of tips. I would like to have these cases brought to the attention of the department because we do not want to inflict hardship on individuals. While we want to collect all the taxation that is owing, nobody wants to have a man forced to pay more than he is legally bound to pay.

Mr. BLACK (Cumberland): I am advised that there are certain jurisdictions in Canada —I refer to Montreal—

Mr. SPEAKER: Order. We are on the second reading and questions cannot be allowed.

Mr. BLACK (Cumberland): If I might finish this one question, Mr. Speaker, in some taxation jurisdictions tips have never been charged as income, while in my province tips are being charged as income. There has been no uniformity. The porters never understood that their tips would be subject to income tax, and I do not think they should be.

Mr. SPEAKER: Is the house ready for the question?

Mr. BLACK (Cumberland): The minister did not reply to my question with respect to taxation on electrical services.

Mr. SPEAKER: Order. The hon. gentleman will have an opportunity to put his question later.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Bradette in the chair.

On section 1—Definitions.

Mr. MARTIN: I take some relief in what the minister said about exploring the matter I raised, and in which I was supported by the leader of the opposition, but may I point out by way of emphasis that while it is true that living expenses are not as a rule allowed as a deduction from salaries, that very thing was done in the case of employees of the British Supply Council and the United Kingdom Treasury Delegation. In sections 3 and 6 of the act, particularly section 3, on the very reading which the hon. gentleman cited to this house that is not income at all. My argument is that ten per cent of a considerable portion of the moneys earned in the United States by these people never in fact comes to them. We are charging them with a portion of the premium of which in fact they never get the benefit, because that particular portion of the money is never brought back to Canada, and the only way they can get the benefit of it is by bringing it to Canada. I ask the minister in his further examination of the matter to bear in mind these representations which I have made with as much vigour as I can.

Mr. ABBOTT: I do not wish the committee to get off on the wrong foot, and—

The CHAIRMAN: This is out of order.

Mr. ABBOTT: —I hope you will try, Mr. Chairman, to keep members of the committee within the scope of the sections.

Mr. DIEFENBAKER: I should like to say a few words regarding paragraphs (u) and (v), section 1 of the bill, providing for the right to deduct, in determining the amount of the income tax, expenditures which are made by any company or other body in respect of scientific research. The sections as they stand are as follows:

(u) "scientific research" means any activity in the field of natural or applied science for the extension of knowledge;

(v) references to expenditures on scientific research include all expenditures incurred for the prosecution of, or the provision of facilities for the prosecution of, scientific research and reference to scientific research relating to a business or a class of business include any scientific research that may lead to or facilitate an extension of that business or, as the case may be, business of that class.

It is generally recognized that the productivity of many industries in this country might be increased by the application of scientific research. In this connection Canada during the years has lagged behind other countries which could be named. No doubt the purpose of defining the term "scientific research" and also of making provision that amounts expended in connection therewith should be deductible, is to improve the productivity of industry in this country by permitting of research taking place. But the section as now worded applies only to natural and applied science, and as it now stands, I submit, does not go as far as it should to make effective the intentions of those who have drawn it. The purpose, as I say, is to increase productivity by means of research. Productivity and its increase depend on two matters. The one is technological, the standards of plant and equipment and the utilization thereof; that is now covered by the amendments suggested in this bill. But the second factor is as important, if not more important, namely the investigation into the efficiency of the worker with a view to increasing his enterprise and his success. It is a psychological matter; it is a matter which is not comprised within the terminology of this section. This definition of scientific research takes into consideration the technological side but not the matter of the human element; and my submission is that if it is the intention, as it must be, of the department to permit of scientific investigation in order to increase production, it should also make provision for an investigation into causes—psychological causes, if you will—which explain such matters as absenteeism, elements of behaviourism, and the like. It has been said that as far as accidents in industry are concerned, all that this will permit will be an investigation into the causes of accidents, without permitting scientific investigation of the reasons why workmen act in certain ways which result in accidents, and it is in the spheres of psychology and behaviourism that science believes there can be a substantial reduction in the number of accidents.

Dalhousie university has done a great work in this connection, in investigating not the technological end of it, but the scientific end in so far as the mind is concerned. I submit that if we recognize that much can be done to increase production by scientific investigation, we should also recognize that the whole field should be available to industrial research and give it the right to make deductions from its income in furthering that very necessary work.

It might be said that the definition is the same as it is in the United Kingdom. That is often given as an explanation in this house for not making changes. But the situation in the United Kingdom is very different from the situation in Canada, for over there, numbers of outstanding leaders in industry and in business have set aside large sums of money for

investigations such as this. We all know of the investigations in this connection which have been carried out by endowments created by Lord Leverhulme, also the work which has been done through grants made by Lord Nuffield, the motor car manufacturer. No such endowments have been made in Canada. I therefore suggest that consideration be given to amplifying the definition of "scientific research". To that end, and to make the provision effective, because as it now stands "scientific research" is narrowly defined and non-inclusive, and I submit will be almost non-effective in the carrying out of the purposes which the bill has in mind unless the definition is widened sufficiently to encourage investigation into these psychological matters, I wish to move an amendment to the definition of "scientific research" in section 1, paragraph (u), by adding thereto the following words:

and includes research in problems related to the working conditions of the employee in the taxpayer's industry.

Mr. GILLIS: I wish to commend the hon. member for Lake Centre for raising this question—

Mr. MARTIN: I raised it too.

Mr. GILLIS: It is taken for granted that in progressive measures of this kind the parliamentary assistant to the Minister of Labour would naturally be in the forefront. However, I am following the hon. member for Lake Centre. He made an excellent presentation with respect to this paragraph and I think it should be changed in accordance with the amendment. After reading over the bill I had exactly the same reaction to this particular paragraph as the hon. member for Lake Centre. For years we have had an arrangement whereby many concessions were made by the government for the purpose of expanding industry. I suggest that the time has come for us to interest ourselves in this field. Many universities in Canada have been carrying on research into industrial relations with the view of improving conditions in industry itself, particularly for the employees. They have done this at a great disadvantage because of lack of funds. The Carnegie institute and other benevolent organizations make sums of money available. It should not be placed on the basis of charity. If we are prepared to enhance the future of industry from the technological standpoint we should consider the human element. Dalhousie university has done great work in that direction, and so has St. Francis Xavier, largely at their own expense. If the provision contained in the amendment were included in the bill to encourage the industries of Canada to contribute to the universities that are carrying on this work, and if it were permitted as a deduction for taxation purposes, there is a chance that we might be able to get the funds from industry itself to meet this very necessary need. I am convinced that if this had been done ten years ago in Canada we would not have the Montreal strike on our hands to-day, or the shipyard strike, or the unrest that we have across the country. I believe that educational research into relieving conditions, promoting the health of the workers, clarifying in the minds of the employers and in many instances the employees what should be proper bargaining arrangements, would pay dividends. I am pleased to be able to support the hon. member for Lake Centre and the parliamentary assistant to the Minister of Labour in this matter. I do not think this should be a matter of politics. It is a step forward and a step in the right direction. Without labouring the point I suggest that it should receive the unanimous approval of this committee.

Mr. ABBOTT: I should like to put forward the reasons why it is felt that this suggestion could not be accepted. As hon. members of the committee probably know, the suggestion has been made to the minister and has been very carefully considered. The first point that I wish to make is that the proposed addition to the definition of research within the meaning of the section includes research in problems related to the working conditions of the employees in the taxpayer's industry. That and the definition as it stands are not mutually exclusive. In other words, if research into working conditions can be brought within the meaning of science, either natural or applied, then I take it it would come within the terms of the definition as it stands. The difficulty, of course, is where to draw the line. I would not be particularly afraid of employers making contributions, as the hon. member for Cape Breton South has indicated, to genuine research to improve working conditions if I were absolutely sure that that privilege would not be abused. But, after all, research of that kind, if you include it in the category of scientific research, might well be extended to pseudo-research into marketing activities to improve the sale of products, advertising, promoting, any form of activity of that kind which might lead to expanding or increasing the employers' business.

As the hon. member for Lake Centre has pointed out, the section is similar to that in the English act. The definition of scientific research which we have taken is, I think, very similar to the definition contained in the English act. It is a new departure for us, and I think it was a new departure for them. We

are allowing a deduction from taxable income; in other words, we are saying the taxpayer's money or the money which would otherwise be paid in taxes may be used for these particular purposes. In taking a new step of that kind I think we should be pretty careful to see that it does not lead to abuse, particularly when the tax rates are as high as they are at the present time, which of necessity creates a pretty strong incentive to include as an expense anything which can possibly be included. The provisions of the section do not exclude any expenditure which can qualify as necessarily incurred for the purpose of earning the income. Of course it has no effect on donations which an employer may make for charitable or educational purposes. It may well be—I do not know—that an association or a group may be formed for the purpose of conducting research into labour relations or something of the kind, and that a donation to that type of organization might qualify as a charitable donation.

I merely wish to emphasize the point that the proposed amendment is an addition to a privilege which now exists, whereby the employer may deduct an outlay necessarily incurred for the purpose of earning income, and is an addition to a privilege which he now has of making donations for charitable or educational purposes. I feel and I believe that the minister feels that when we are introducing this provision into the law for the first time it would be dangerous to extend the definition beyond the scope "natural or applied science," which, after all, is a pretty clear, well-defined and easily understood field If we extend it, as suggested in the proposed amendment, to research in problems relating to working conditions, which I grant is very desirable, it seems to me that in logic we should extend it to a good many other problems which may and do arise in connection with industry and which are of equal importance to labour relations.

Mr. CORMAN: What about farming?

Mr. ABBOTT: Well, we are considering scientific research in connection with industry generally. As far as I recall, that covers the reasons for which it was felt that in introducing this new section for the first time the government could not go beyond the definition of scientific research as including only natural or applied science We felt, too, that we were following a pretty good guide. Of course we do not have to follow it slavishly, but we thought we were following a good example in following the definition contained in the English act, where they were experimenting with the same thing.

Just to conclude the point in regard to the English act, my hon. friend mentioned that a number of public-spirited citizens in Great Britain have made large donations or created large foundations for investigating these problems. I believe that is true; I have heard of it. I do not know, but I do not imagine those donations were deductible for income tax purposes; I would be rather inclined to doubt it. But of course it is open to any individual or any corporation in this country to follow a similar course. The government felt, however, that in adopting this special provision, making this special concession in the act for the first time, it should restrict its application along the lines I have indicated; and the purpose, as I have suggested, is to make sure that it would not be abused.

Mr. DIEFENBAKER: Then would the parliamentary assistant be prepared to agree that it should be deductible provided it is made to a university, in order to overcome the difficulty he suggested a few moments ago that moneys might be turned over to a group which might be set up for that particular purpose, and thereby permit of evasion of taxes? Would he be prepared to accept an amendment to cover the situation as I placed it before the committee, provided the moneys were paid to recognized Canadian universities?

Mr. ABBOTT: Subject to correction from my legal friends, my understanding is that a payment made to a recognized university in Canada by a corporation, for whatever purpose, would be classified as a deductible amount under the section of the income tax act relating to payments or donations to charitable or educational institutions. Of course there would be the limitation of five per cent in the case of a corporation or ten per cent in the case of an individual; but subject to such limitations it would be perfectly open to any individual or any corporation to make a donation to a recognized university, to which strings could be attached or not, as the donor saw fit, as to what the university should do with the money. I think it is clear that under the provisions of the act such an amount could be deducted from the gross income for the purposes of taxation.

Mr. DIEFENBAKER: That would be subject to a limitation which does not prevail under this section.

Mr. ABBOTT: Yes.

Mr. JACKMAN: In supporting the amendment of the hon. member for Lake Centre—

The CHAIRMAN: Order. We must discuss the amendment, which is the only thing now before the committee.

Mr. ABBOTT: The hon. gentleman is discussing the amendment.

Mr. JACKMAN: I believe some of the items of expense mentioned by the parliamentary assistant, such as marketing research, already are properly chargeable, even though the research be done by an outside organization. That is a form of expenditure which is not only warranted but is highly desirable in view of the fact that in order to provide employment we will want to open up markets for many new products, and new markets for old products. I should like to point out to the parliamentary assistant that the work—and I presume it was a highly desirable work—carried on by the present Prime Minister of this country during the last war, in the matter of research into industrial relations, was a contribution to the earning power of the corporation for which he was doing the work, as well as a contribution to the greater production of goods. That work, I suspect, provided much of the basis for the Prime Minister's book "Industry and Humanity". Certainly I think it would be his judgment that research of that type should be properly chargeable as an expense, and that this definition should be amended to permit work such as was carried on by the present Prime Minister during the last war to be properly chargeable as an expense of conducting business.

Mr. ABBOTT: I agree with my hon. friend that a great many of the items to which I referred would be properly deductible as expenses. I prefaced what I had to say by pointing out that the proposed amendment adding to the definition of scientific research did not exclude the possibility of work of this kind coming within the definition if it were scientific in character; and I also pointed out that it did not exclude any expenditures which could come within the definition of an expense of the business, wholly and necessarily incurred for the purpose of earning the income. What I am reluctant to do is extend the definition of scientific research, which is now restricted to natural and applied science, to the rather more indefinite field of labour relations, employer-employee relations, marketing, efficiency and so on. Frankly, as I have said before, in introducing new legislation of this kind, really for the purpose of stimulating and encouraging scientific development in the generally accepted meaning of that term, the minister is not willing to extend that to what could be a very much wider field. Certainly I feel that we should try this for a year at any rate and see how it works out, see what is involved, before we attempt to broaden this definition of scientific research in the way I feel the amendment suggested by the hon. member for Lake Centre would broaden it.

At this point, unless someone else wishes to speak on the amendment, I feel that strictly speaking it is out of order, for the reasons I put forward the other evening in connection with another amendment. I believe it is out of order in the sense that it would affect the revenue if the number of items which could be deducted from gross revenue before calculating tax were increased.

Mr. GILLIS: I am disappointed at the attitude of the parliamentary assistant. As I said a moment ago, the finance department of this government has been very generous during the last four years in making it possible for industry throughout Canada to promote its own interests. There is never any quibbling about that. It is said that we are following the lead of Britain in this connection, but there is absolutely no comparison between the two countries. Labour relations in Britain are pretty well defined. It is a much easier country to organize; labour has its own universities there. Several very prominent lords and dukes contribute a large portion of their income to research into labour relations; I have their names here, though I am not going into that point. We have no people of that type in Canada, and we have great difficulties in organizing the workers from coast to coast in this country. It seems to me that in every matter of this kind that comes up the point uppermost in the mind of the finance department, at least, in making its decisions is to teach industry how to wring more out of the hides of the workers without giving those workers an opportunity to protect themselves.

Mr. ABBOTT: Oh, that is not fair at all; there is no such thing.

Mr. GILLIS: We are not asking much in this instance. Very little is being asked in this amendment; it applies only to universities such as Dalhousie and British Columbia which have been carrying on this work without assistance. The amendment asks that where an employer is sufficiently interested to make a contribution to one of those universities for the purpose of carrying on research into health conditions of workers, and many other problems, the public-spirited employer who is willing to do this for a university should be given an allowance for taxation purposes.

Mr. ABBOTT: I think that can be done now. It is already in the law.

Mr. GILLIS: I do not think so.

Mr. ABBOTT: If my hon. friend will allow me: If it is an investigation into health conditions, I am certain that such investigation would come clearly within the definition of scientific research, pure or applied. For instance, an investigation into conditions relating to silicosis in a particular industry would be included. Science as contained in the expression "scientific research" means any activity in the field of natural or applied science for the extension of knowledge. That is pretty clear. Perhaps we could have the views of the hon. member for York West, who has had scientific training.

Mr. GILLIS: Well, I had not quite finished. It is covered to some extent. The Department of Pensions and National Health make small appropriations each year to carry on research in respect of the matters mentioned by the parliamentary assistant. But this amendment is aimed at giving industry the necessary incentive to go into the matter for themselves. It is for the support of public-spirited organizations which are in a position to carry out the necessary research, but have not the required funds. There are small government departments fooling around with such things as silicosis, but their investigations are not complete. No one can do the job better, and no one knows the job better than the industrialist himself provided he can have this small concession which would help him to make the proper examinations.

Mr. FRASER (Northumberland, Ont.): That does not include C.C.F. propaganda.

Mr. CASTLEDEN: Oh, that is funny.

Mr. GILLIS: It is not funny at all; it is ignorant.

Mr. FRASER (Northumberland, Ont.): What does the hon. member think I said?

Mr. GILLIS: We are discussing a very serious question.

Mr. FRASER (Northumberland, Ont.): Then I am sorry I mixed it up for the hon. member.

Mr. GILLIS: The amendment was moved by the hon. member for Lake Centre. The parliamentary assistant to the Minister of Labour, who has some knowledge of problems of this kind, agrees that something should be done toward extending the provisions of this paragraph. In fact common sense would dictate that this provision be made. I know myself that for the last twenty years there have been people across Canada just sitting around in little corners, without anything to work with, but trying to carry on this work. We merely wish to extend the same privileges in the field of research to the working people of this country who produced the wealth. This paragraph makes provision for industry to carry on technical research and development. I think the development of the people who work in industry is just as necessary as the development of speedy methods—because that is all we have got out of it in the past. It is time we began to consider the human element in industry. As the hon. member for Rosedale pointed out, twenty-five years ago the Prime Minister wrote a book entitled Industry and Humanity—and he did a good job of it. But I am reasonably sure he did not do it on his own; a good deal of research was necessary. I am reasonably sure he was assisted in that. The thing we are asking for in the amendment is the very thing the Prime Minister emphasizes all through that book—consideration for the human element in industry.

Mr. ABBOTT: I do not wish for one moment to minimize the importance of study and research into the questions referred to by the hon. members for Cape Breton South and Lake Centre. I say however that that is foreign to the proposal put forward here. Here we are suggesting that in order to encourage scientific research the taxpayer should be allowed to deduct from his income the amount so expended. Now, if work of the kind referred to by the hon. member for Lake Centre and by other hon. members comes within that definition, then of course it can be deducted.

Mr. DIEFENBAKER: Well, does it?

Mr. ABBOTT: I would say in certain aspects it does not. And I say it does not because I do not think it is in the realm of science, pure or applied. If we wish to extend our taxation provision to include contributions or payments for the study of employer-employee relations, well and good. I should think myself that a considerable amount of expenditure made by individual employers for that purpose could very well come within the description of expenses necessarily incurred for the purpose of earning the income. I should think it would not need any very elaborate provision in the Income War Tax Act to spell out that type of work. But in any case I suggest to the committee that it does not come within the same field of scientific research. It is research, investigation and study, if you wish, in the field of employer-employee relations. But that is not a division of scientific research, at any rate, which was contemplated in this proposal. I should think a very large amount of expenditures along lines urged here

to-day might very well form part of the expenditures of an employer which could be charged by him as expenses wholly or necessarily incurred for the purpose of earning the income. I feel it is not desirable to tack on to the definition set out in the bill, which deals with scientific research as any activity in the field of natural or applied science for the extension of knowledge, the one addition of research into problems relating to employer-employee relations. If it comes within the definition of scientific research, well and good; but if it does not, it seems to me it is a different subject altogether.

Mr. MARTIN: I wish to say only a few words in this matter, because my name has been mentioned several times. It will be recalled that about two weeks ago I brought this matter up, when the resolution was being considered, and asked whether the particular project which Professor Richter of Dalhousie university had in mind would come within the resolution then before the house. While I did not ask for an answer, my observation was worded so as clearly to imply that in the administration of the matter covered by the resolution it might be extended to the particular work which Professor Richter hopes to have undertaken.

In any event the discussion we have had to-day will do a great deal of good, because it has brought to the attention of the committee at long last the necessity of doing something in the field of employer-employee relations. I believe the parliamentary assistant to the Minister of Finance, no mean lawyer himself, has indicated that there is the opportunity of considering this matter as an expense wholly necessary for purposes of earning the income. Knowing the progressive nature of the deputy minister, I have no doubt that he will look sympathetically upon the work being done at Dalhousie. This matter is important. I have had considerable discussion with Professor Richter on this matter and I think the problem which confronts him will commend itself to the committee.

We are in the pioneering stage of labour organization in comparison with the United Kingdom and other places. We want to put labour-management relations upon a satisfactory basis whereby the worker will be sure of beng guaranteed his rights as well as of having an opportunity to shoulder his obligations. We are away behind some other countries. In the United States there are schools of industrial relations that are of tremendous help to the workers' movement and to that country, and we must have that kind of encouragement in Canada. Here is an academic man who has had considerable experience in the maritime provinces and who wants to do something very special, not only for the workers but for an orderly relationship between workers and management, something which in turn is related to government. I think this matter should be encouraged to the full.

How did he go about it? He said, "I have no money to do this work, which is important," and he addressed himself to particular industries and asked for assistance. They have taken the attitude that they will help him, provided they get a deduction for income tax purposes. I do not commend that particular attitude which makes it a condition that they get an income tax deduction. I would much rather that they saw this as a matter over and above the realm of income tax deduction, as something that will enhance their own particular business as well as improve the problem generally.

In my part of Ontario at Western university, through its affiliated college of Assumption, there is a school where labour-management relations are being taught. I know what they have been doing. At the university of Toronto, my own university, they would like to extend their work in this very important field. I suggest that the loophole suggested by the parliamentary assistant, namely, the consideration of this as an expense wholly necessary for the earning of the income, be used. When we think of the amount of money spent by industry in pure research, perhaps not too much, in advertising and in all that sort of thing as compared with the small amount spent by industrial plants in trying to improve labour-management relations, I felt that I must add my voice in support of this matter. That is why I have risen.

I feel that labour-management relations in this country should be on the most satisfactory basis possible, one where the workers will be given every opportunity of organization as a means of protecting themselves and at the same time an opportunity of sharing in the responsibility of the management of the industry in which they are employed. I think nothing but good could come out of a very generous interpretation of this section by the deputy minister. I strongly urge that in making his decisions in the future he continue to earn the generous reputation he has won for himself.

Mr. GILLIS: Does the hon. member think this would enable the deputy minister to make a decision to include the provision we are talking about?

Mr. MARTIN: I understood at the outset that there was no answer given to my question because of its wording, but I then understand there would be no question that under

"scientific research" this matter could be brought in. If there has been a definite ruling against that view, I would say that it was stretching or altering the meaning of the phrase "scientific research." I would think that "scientific research" is sufficiently broad to include this kind of proposal. However, if a decision has not yet been made I think if I were sitting down with the deputy minister and able to argue with him for a few minutes I could win him over. But assuming that I could not, I would then resort to the argument that this should be considered as expenses wholly necessary for the earning of the income. If he did not concur in that argument, I would proceed under the provision for grants to educational and charitable institutions. In that instance you would be limited to five per cent. There is the difficulty. I would prefer to see the matter dealt with unambiguously here. However, if that cannot be done I do hope that there will be an interpretation along the lines I have indicated to permit this important work being carried on.

Mr. ADAMSON: The matter of silicosis was brought up by the parliamentary assistant—

The CHAIRMAN: We are dealing with the amendment having to do with labour-management relations.

Mr. ADAMSON: That is exactly what I am talking about, Mr. Chairman, if you will bear with me. Coming as you do from a mining district, you will know that silicosis is an industrial disease. Doctor Robson and Mr. Denny carried on experiments in silicosis at the McIntyre mine, as a result of which experiments aluminum therapy was developed. It is thought that with the use of aluminum therapy silicosis will become almost an extinct disease. I would think that is paramount as a scientific development. If we can destroy or eradicate a serious industrial disease, then every encouragement should be given to the work.

Mr. ABBOTT: That would clearly be considered in connection with this section.

Mr. ADAMSON: I am glad to know that because I think it is vitally important.

I should like to refer to another piece of scientific research which also had to do with mining and industrial conditions. I refer to the rock bursts which have occurred at certain of our deeper mines. A committee was appointed and some experimental work was carried on. Experts were brought in from the deep copper mines in Michigan and from the mines in India, in Mysore and other localities, to try to solve this problem of rock bursts in our Ontario mines. A definite and scientific study was made with the idea of improving working conditions. I would say that this work of a scientific nature carried on in an endeavour to eradicate rock bursts should come under this legislation.

Mr. ABBOTT: I do not think there would be any question about that.

Mr. ADAMSON: You think it would come under it?

Mr. ABBOTT: From your description I think it would be clearly within the provisions.

Mr. ADAMSON: I am very glad. If these rock bursts are eliminated there will be an improvement in working conditions because they have been killing men. Every encouragement should be given by the government to this work in order that everything humanly possible can be done to eliminate this hazard. I must say that conditions have improved considerably, but there is still some danger. These are conditions that have faced the mining industry. Silicosis is the forerunner of tuberculosis and the patient seldom recovers. It is one of the worst of the mining diseases. Rock bursts are also very serious. These are two aspects of scientific research to improve conditions underground and conditions under which the miners work which are included in the bill, and, I think rightly so. But let us say that you have in some industry bad lighting caused by vibration or something of that sort, and you get a group of engineers in to improve the lighting conditions in your plant. That helps the plant by improving the conditions under which the men work. Surely if one is allowed the other is just as scientific and should be allowed as well.

The Workers' Educational Institution is doing excellent work to bring about better housing and better health conditions. It is working in conjunction with the trades unions, the university of Toronto and the Ontario government and, in my opinion, is doing excellent work. Surely we should allow the scientific work that is being done by the Workers' Educational Institution and by the universities to be included. I understand that the work done by the Nuffield foundation is allowed as a deduction from income tax in Great Britain, and that the work done by Lord Leverhulme is also allowed as a deduction. If they find that advisable in Great Britain I think it would be well for us to do it here, because it leads to greater efficiency to have these private organizations doing research work of this kind instead of having it

done by a national organization which would have to set up its own office staff and equipment. They find it cheaper and much more efficient in Britain to have these things done by people like Lord Nuffield and Lord Leverhulme.

Mr. KINLEY: The other day I had a call from Doctor Richter, a professor at Dalhousie university, who is interested in the provisions of this bill for research, and he left with me a little memorandum which I should like to read in order to present the matter intelligently. He says:

It is generally recognized that the productivity of many industries could be greatly increased by the application of scientific research.

We are all agreed on that. The memorandum goes on:

Canada lags in that respect behind other countries. The government bill, therefore, aims at encouraging research by declaring as deductible the expenses for scientific research provided the research is directly or indirectly related to the taxpayers' business. Another restriction is implied by the term "scientific research" as used in the bill: only expenditure for research in the field of natural and applied science is deductible while all types of social research are excluded.

The distinction is arbitrary and unfair and may seriously impair the effect of the clause as a whole. The purpose of the measure is to increase industrial productivity by means of research. Productivity is determined by two factors: one is technological, the standard of plant and equipment and their utilization. The second factor is just as important: the human element in industry, the efficiency of the worker and the contribution which they make to the success of the enterprise.

The bill as it stands is only concerned with the technological elements of production and disregards the human factor. This is not in keeping with the repeated statements of the Prime Minister about the aims of the government's labour policy.

The distinction made by the bill will often prove unworkable and may cause some great injustices. The clause applies, for instance, to research on problems of speeding up production. It denies the tax privilege to research concerned with the effects of the speed-up on the worker.

Research on the technological causes of industrial accidents is covered by the clause, research on the causes of accidents brought about by the behaviour of the worker is excluded. This is all the more regrettable as it is mainly the second group of accidents which, according to expert opinion, is capable of further reduction.

The whole field of industrial morbidity which is concerned with health conditions in a particular industry will have to do without the tax privilege and will probably remain as neglected as it is at present.

The clause as it stands militates against the smaller firms. Large industrial concerns have for a long time through their personnel departments conducted research on the working conditions of the employees and have always regarded the expenses involved as deductible. If, however, smaller businesses join together for that purpose or commission a university to do the research for them, they will be hampered by the present bill.

The proposed amendment attempts to remedy these defects by extending the tax privilege to research on working conditions of employees in the taxpayers industry. The technological and human factors of production are thus treated alike. An unwarranted use of the clause is made difficult by the concise definition of the purposes of research.

The terms used in the government bill are taken from recent British legislation. But conditions in Canada require a different approach. In Britain Lord Nuffield, Lord Leverhulme and other benefactors have made ample provisions for research on the conditions of industrial workers. No such sources for the financing of that type of research exist in Canada and as a result the country lags sadly behind Britain. It is the purpose of the amendment to facilitate the provision of the necessary funds in this country.

[Mr. Adamson.]

I have an amendment here which I understood was to have been submitted by somebody, but I was not in the house at the time and I do not know just what has happened in regard to it.

The memorandum I have read is from this teacher at Dalhousie university, and while I cannot speak with a knowledge of all the facts I should like to see encouraged the research activities of these smaller universities which coordinate the practical and the theoretical, bringing the activities of the worker and the teacher together. That is a splendid thing and they have been doing that at Dalhousie university for the last two years with beneficial results. It seems to me that anything that can be done to forward the search for knowledge, especially on the practical and humane side, should be done, and I hope that the minister will see his way clear to considering this appeal and, after consultations with his officers, that he may be able to bring in something to meet the conditions outlined in the memorandum.

Mr. LITTLE: The hon. member for Cape Breton South has brought up the subject of silicosis. A great deal of money has been spent by the mining industries in my riding and in your riding, Mr. Chairman, on research into silicosis. I forget the exact figures but they run into the millions. I think the mines do not always get credit for what they are doing along this line. A year or so ago the statement was made in the house that nothing was done in the way of research by the mines, and it would surprise hon. gentlemen to know just how much has been and is being spent on research by the mines to improve the health conditions of their workers.

I do not think rock bursts can be eradicated altogether, but the mining companies in my

district and in your district, Mr. Chairman, where the rock bursts are not quite so bad have spent thousands and thousands of dollars to prevent them. They have the finest machinery to try to indicate where rock bursts are coming and with such success that for the last two or three years no man has been killed from this cause, thanks to these very delicate instruments which scientific workers have produced. I do not think rock bursts can be eliminated; they arise from pressure; the deeper one goes, the more pressure there is from the sides, and this cannot be stopped. But if you can find out when they are coming and get the men out of harm's way you have accomplished a wonderful thing, and I know that no pains are being spared by our mine operators in this direction.

Mr. GILLIS: I wish to make this correction: it was not I who raised the question of silicosis.

Mr. ABBOTT: Right. I raised it myself, Mr. Chairman, much to my sorrow I may say.

Mr. GILLIS: What I am concerned about, and what I said was, that we make an appropriation federally for the department of industrial hygiene. Not enough money is appropriated in that field by the dominion to achieve anything. What the provinces are doing is all to the good. I agree with the parliamentary assistant to this extent, that I am reasonably certain that most of the matters raised by the hon. member for York West, and also the question of silicosis, are covered. But that is not the angle from which I was arguing.

The CHAIRMAN: I believe that the parliamentary assistant brought in a point of order on the amendment.

Mr. KNOWLES: Before you rule on the amendment, Mr. Chairman, will you give someone else a chance to speak on the point of order?

The CHAIRMAN: Well, nobody so far has spoken on the point of order.

Mr. KNOWLES: Mr. Chairman, with respect to the point of order—

Mr. CHAIRMAN: The hon. member for Davenport has the floor.

Mr. KNOWLES: On the point of order, the only reason why I did not speak—

Mr. MacNICOL: The Chairman gave me the floor.

Mr. KNOWLES: Speaking to the point of order, if I may, the reason why I did not rise before was that I thought the Chair was ignoring the point raised by the parliamentary assistant.

The CHAIRMAN: I am not ignoring the point of order.

Mr. KNOWLES: I would call your attention, Mr. Chairman, to a rule which I have cited before, citation 502 of Beauchesne, third edition:

> A private member may move that certain specified taxes be readjusted and that the scope of tax exemptions be enlarged.

I called attention to that rule in connection with an amendment made in committee of the whole on a resolution on July 19, and, as reported in *Hansard*, page 5092, you replied to me in these words, immediately after you quoted citation 502:

> That principle applies to the committee on the bill only and not to ways and means.

My point on this amendment is that you did not allow citation 502 as applicable when we were in committee on a resolution; you said at that time that it applied only to committee on the bill, and that is exactly where we are now. We are in committee on the bill, and I submit, upon your own ruling, citation 502 applies to the present situation and that this amendment is in order.

Mr MacNICOL: I gather from what has been said that some objection has been taken to the amendment proposed by the hon. member for Lake Centre. If it were accepted, paragraph (u) would read, that "'scientific research' means any activity in the field of natural or applied science for the extension of knowledge, and includes", the hon. member adds, "research in problems related to the working conditions of the employee in the taxpayer's industry". I would say that the parliamentary assistant, if he has the authority to do so, would be well advised to accept the amendment of the hon. member for Lake Centre. It entirely fits in with what I interpret to be the purpose and value of this clause.

When I was home two weeks ago or more, I had occasion to see a man who was long employed at a foundry. Those who know anything about foundry life know that employees too often have been sadly affected as a result of the conditions under which they have to work, particularly in the moulding shop. I know there are those who will say that the moulding shop is conducive to health. That is so in respect of the ordinary small moulding shop, but in the big plants where large machines are used to do moulding work, in spite of every effort of the manufacturers of these large machines to eliminate the

effects of rapidly revolving wheels and sand throwers, men have been and are being affected therewith. A man who died recently was found, upon post mortem examination, to have his lungs largely congested with material which had accumulated year after year until it finally caused his death. But the man to whom I started to refer, whom I visited a short time ago, also worked in a foundry, and in spite of every effort of the operators of the plant and the inspectors of the Ontario government to eliminate the effects of internal injuries in foundries of this kind, he contracted a disease which caused him to break out every so often with red spots and compelled him to lay off work. He is now off permanently. After a while his body used to heal up, but the trouble recurred until finally his body was so badly affected in this and other ways, through whatever it was took place in the plant, that he could not carry on any longer. I went to see the workmen's compensation board in Toronto. They are a fine board and are doing wonderful work in the direction of eliminating causes of disease in industrial plants. Away back in the early nineteen-hundreds I was a strong advocate of workmen's compensation and, as I said some days ago, I was very glad to see it finally enacted, I believe in the year 1914. The workmen's compensation board have developed quite a technique of ascertaining causes of disease of men in industry, and I hope their activities will be greatly extended.

Mr. ABBOTT: If I may interrupt my hon. friend, I have been listening very closely to his description, and I believe that work of the kind he is referring to would come within the definition of "scientific research" as contained in the bill.

Mr. MacNICOL: It seems to me that the hon. member for Lake Centre is clarifying the section by having it include research into problems relating to the working conditions of employees.

Mr. ABBOTT: I know the hon. member for Davenport was not able to be in his seat at the time, but I discussed this matter at some length after the hon. member for Lake Centre and others had spoken. I pointed out that I felt the government could not accept the amendment as drafted, but that I thought a great many cases which had been cited by various speakers would come within the definition as it now stands; that is to say, if it were within the language of natural or applied science, and certainly investigations into the health conditions in a specific plant, what was causing disease and so on, when conducted by a properly qualified scientist, would, I think, clearly come within the language of the section, but it is to prevent its being extended to outside associations to conduct general inquiries, let us say, into working conditions as such. I pointed out that it would be impossible to draw the line there; that you would need to extend it into investigations into marketing conditions and that sort of thing. I discussed the question at some considerable length, and I am sorry my hon. friend was not here at the time.

Mr. MacNICOL: I do not wish to prolong the discussion—

Mr. ABBOTT: To be specific, I think the things my hon. friend has been describing would come within the definition in the bill as it stands.

Mr. MacNICOL: I am talking from practical experience. I am not talking about something I do not know a good deal about, because I have been connected with the business and know a lot about it. I may have forgotten a lot since I left it. It was a big business, and I saw a lot happen to men that should never have happened to them. I cannot understand why the parliamentary assistant will not include the hon. member's amendment, because it is inclusive and covers what I have in mind. I cannot see that it is being covered by simply saying "scientific research", because it would take a Philadelphia lawyer to protect the working men on that basis.

Mr. ABBOTT: My short answer was that if the research into problems relating to working conditions was scientific research, natural or applied, then, of course, it comes within the provision of the section as it stands. The real effect of the amendment is to extend the definition of scientific research.

Mr. MacNICOL: Is that not all to the good?

Mr. ABBOTT: I am sorry; I argued this before. Where are we to stop in this thing? It may be important to encourage, let us say, research into marketing conditions or sale problems or efficiency or a dozen other things that arise, how to operate a plant more efficiently, and so on. I am repeating what I said before; a good deal of this work I am sure comes under the heading of expenses necessarily incurred to earn income. If so, the taxpayer does not need to rely on this section at all. He can rely on the ordinary law. The same thing applies to charitable donations; but this is expanding the existing law to encourage research of a scientific character, scientific research, either natural or applied. That is the purpose of this section, and it was

never intended to go any farther than science as the term is generally accepted. As I say, it does not extend to things like marketing problems or efficiency engineers, or what have you.

Mr. MacNICOL: I am not thinking of marketing problems. I am thinking only of the working men. The difference between my hon. friend and myself is that I have been associated with working men in the plants for many years, and have had a keen knowledge of many other plants manufacturing subsidiary lines of brass, copper, steel and iron. In my experience I have seen men's health being ruined, and they have been unable to obtain any redress because the people from whom they sought to obtain redress have always been able to engage a brigade of lawyers to combat the men and take their hides off, if necessary. The poor man never had a chance until—

Mr. ABBOTT: I return to what I said. If it is investigation into the health of the working men it may come under the head of scientific research.

Mr. MacNICOL: I am sure the hon. member will admit that I ought to know something about plants.

Mr. ABBOTT: I not only admit it; I freely concede it.

Mr. MacNICOL: If this section includes allowances to companies or firms they should know about it. They would then develop means of protecting the lives and health of the workingman in their plants, and they ought to be able to deduct the cost of investigations looking toward the protection of the lives of the working men. If this section goes that far that is far enough for me. I agree with the argument of the hon. member for Lake Centre, but if the parliamentary assistant will not accept it he has the power to reject it. I am thinking only of the men in the manufacturing institutions. I am not talking about mines; I am not competent to talk about them, but I am competent to talk about the effect on the health of men in industry. I have seen so much distress amongst working men brought about by the conditions under which they work in large plants that anything I can do to make it easier for them I am always glad to do.

The CHAIRMAN: Citation 551 standing order 60, of Beauchesne's Parliamentary Rules and Forms, second edition, reads as follows:

It is fundamental principle that no resolution or amendment to increase a charge upon the people can be moved with the speaker in the chair; it must be initiated in committee by a minister acting on behalf of the crown.

That ruling applies also to committee of the whole.

The hon. member for Winnipeg North Centre mentioned citation 502 of Beauchesne's Parliamentary Rules and Forms, third edition, which is as follows:

A private member may move that certain specified taxes be readjusted and that the scope of tax exemptions be enlarged.

That, of course, applies to public bills. When I gave my ruling the other day I do not know whether I qualified my statement by saying that it applied equally to private bills in committee of the whole. Citation 500 states:

Though it is the function of the committee of ways and means to impose rather than to repeal taxes, examples of the repeal of taxation effected in this committee are to be found upon the journals. Proposals for the variation or modification of taxation can therefore be made in the committee; but these proposals must be grafted upon the financial scheme submitted by the government, and must not affect the balance of ways and means voted for the service of the year.

Citation 501 is as follows:

No augmentation of a tax or duty asked by the crown can be proposed to the committee, nor tax imposed, save upon the motion of a minister of the crown; nor would an amendment to extend the imposition of a tax to persons enjoying an exemption therefrom be now permitted.

There are dozens of decisions that have been rendered by Speakers to the effect that no private member has the right to amend a public bill to increase public expenditure. The amendment we are discussing uses these words: "'scientific research' means any activity"—these are the words on which we must concentrate our attention—"in the field of natural or applied science for the extension of knowledge." I listened attentively to the statements made by the parliamentary assistant in which he said that this phraseology might be almost wide enough to include what is contained in the amendment. At the same time I believe he objected to the fact that he thought the language of the amendment might result in an increase in the expenditure of public money. If it is in order I should like to ask the parliamentary assistant on what he based his argument that it might result in an increase of public funds?

Mr. ABBOTT: I shall do it very readily. If the amendment has any meaning at all, in my opinion it is extending the exemption or the deduction. It is extending the class of cases in which the taxpayer may deduct from his income, which would otherwise be subject to tax, certain expenditure which he makes, and

thereby in effect it would reduce the amount of taxes which he would pay. That, very briefly, is my submission as to the manner in which it affects the revenue.

Mr. DIEFENBAKER: May I now speak to the point of order. If what the hon. member says is correct—and I accept his statement that it will extend the scope of tax exemptions—then my submission is that the amendment which I moved is in order under citation 502.

Mr. ABBOTT: I am not an expert in parliamentary procedure, as I have said on numerous occasions, I do not know whether or not citation 502 is a precedent which has to be followed. The Minister of National Revenue points out that the language there is, "that certain specified taxes be readjusted and that the scope of tax exemption be enlarged," whatever that may mean.

The CHAIRMAN: The hon. member for Winnipeg North Centre brought up a similar point which I decided a few weeks ago, but perhaps my statement at that time was not sufficiently clear. After listening to the argument of the hon. member for Lake Centre and the statement of the parliamentary assistant, I am sincerely of the opinion that the adoption of this amendment would mean an increased expenditure of public money, and consequently I rule it out of order.

Mr. KNOWLES: I should like to say a further word in connection with section 1 of the bill. This section amends section 2 of the act, which is the section setting out the various definitions and terms used throughout the income tax legislation. As a matter of fact, before I finish I should like to offer an amendment that will add a definition to section 2 of of the Income War Tax Act.

I do so because of the discussion we have had already in regard to sleeping-car conductors and sleeping-car porters. The Minister of National Revenue spoke on this matter on second reading, and indicated that the difficulty arises from the wording of the relevant section in the act. That relevant section is section 5, paragraph (f), found on page 13 of the most recent office consolidation. It reads:

> 5. "Income" as hereinbefore defined shall for the purposes of this act be subject to the following exemptions and deductions:
>
> (f) Travelling expenses, including the entire amount expended for meals and lodging, while away from home in the pursuit of a trade or business.

It is in defining "trade or business" that the income tax division has drawn the line between railway conductors, for example, and sleeping-car conductors. The Minister of Finance admitted that this was a very fine line when he referred to the matter on July 12 of this year. At page 4788 of *Hansard* he said:

> It may be argued that "trade or business" includes profession or salaried occupation; but here again the income tax division have been thoroughly consistent and uniform throughout in ruling that "trade or business" does not include salaried positions; they regard that as meaning trade or business in a different sense. The line is very fine, but they have tried to draw it between what they called trade or business on the one hand, and salary which is not a trade or business on the other.

Then the minister uttered these further words, which I suggest were an admission that we have a case:

> Most unfortunately it seems to run through the railway employees, and that is the reason for the difficulty which the hon. member for Winnipeg North Centre mentioned this evening. . . .

I still cannot see why the income tax division should not regard the work of a railway sleeping-car conductor as very similar to the work of a railway conductor, as a trade or business; and as such the expenses incurred by the one while away from home should be treated in the same way as the expenses incurred by the other. But if the income tax division has that difficulty it seems to me the only thing to do is take care of it by an amendment to the act. I should like to suggest an amendment defining "trade or business" in such a way as definitely to include all railway running trade employees, whether they are on a mileage, wage or salary basis. It strikes me that the best place to have that definition is in section 2 of the act, and in order to get it there I am moving an amendment to section 1 of bill No. 180, which is now before us. My amendment, seconded by the hon. member for Cape Breton South, is as follows:

> That section 1 of bill No. 180 be amended by inserting after subsection (1) (w) thereof the following additional subsection:
>
> (x) "trade or business" includes employment in any of the railway running trades, whether on a mileage, wage or salary basis.

In the light of what the chairman did with the last amendment I suppose I may as well anticipate that he might not accept this one as in order. If that should happen, I suggest that the Minister of National Revenue give consideration to accepting this amendment and moving it on his authority as minister. When he spoke a short time ago, if I understood him correctly he based his whole case upon the difficulty of interpreting section 5(f) of the Income War Tax Act in any other way than is now being done by the income tax division. If that is the problem this parliament can clear

up the difficulty for the income tax division by adopting this amendment. I have said already that if this amendment were adopted it would add another subsection to section 2 of the act, which would define "trade or business" in the manner indicated, which would then have its effect upon the words "trade or business" where they appear in section 5(f).

The CHAIRMAN: I believe the hon. member realizes that this amendment is out of order because of the changes it would bring about in the Income War Tax Act. He qualified his remarks by asking the Minister of National Revenue to adopt the amendment, but as far as that is concerned the amendment is certainly out of order on the grounds I have mentioned.

Mr. KNOWLES: Would you permit either the parliamentary assistant or the Minister of National Revenue to comment on my suggestion?

The CHAIRMAN: Certainly.

Mr. GIBSON: The hon. member suggested that I should move the amendment, but I am not prepared to do so. It would mean granting an exemption on account of travelling and living expenses while away from home to one class or group of salaried workers in this country, and I am not prepared to recommend that one group should receive a benefit under the taxation laws which is not given to other groups paid on the same basis.

Mr. KNOWLES: I thought I protected my amendment against that argument by using the word "includes" rather than the word "means"; in looking through section 2 of the Income War Tax Act I find those words used alternatively, depending on what is desired. By using the word "includes" I did not cut out any other group, but made it definite that in addition to such railway running trades employees as are already included these others, namely sleeping-car conductors and porters, would be covered as well.

Mr. ABBOTT: Of course the effect of the amendment would be to override section 6(f) and, by implication, to override the provisions of section 3, which defines "income." As the Minister of National Revenue has pointed out it would, in effect, be providing that a certain class of salaried employees, namely the railway running trades, who are paid on a salary basis, would be allowed to deduct certain expenses which other salaried employees of the country are not allowed to deduct.

The remedy, I should think, if a remedy is necessary, lies with the method of payment. The reason why certain railway employees are allowed to deduct these expenses is that they are paid on a mileage basis, and they are allowed to deduct certain expenses incurred in earning that income. But they do not come within the definition of salaried employee.

As the Minister of Finance has pointed out time and again, since the Income War Tax Act was first adopted in 1917, persons in receipt of salary or ascertained income have never been permitted to deduct expenses incurred in earning the salary. My hon. friend's suggestion is adverse to the rule which has been followed, and I think properly followed since the act was first introduced.

Mr. KNOWLES: The parliamentary assistant suggests that the proposed amendment overrides the effect of section 6, paragraph (f) which states that no deduction can be allowed for personal and living expenses. I should like to point out that section 5, paragraph (f) of the same act states that all travelling expenses, including the amount spent for meals and lodging while away from home, in pursuit of a trade or business, may be allowed.

A further point is that there is nothing in the act about salaried employees not being engaged in a trade or business. Thus the decision that "trade or business" covers people on a mileage or wage rate, but does not cover people doing similar work, who are on a salary rate, has been made by the income tax division, according to the statement of the Minister of Finance himself. My proposal is that since a difficulty has arisen because of a line drawn by the income tax division—

Mr. ABBOTT: That is not quite so. This is a matter of legal interpretation, the legal meaning and use of section 3, which has been interpreted by the courts in England, at any rate, along the lines I have indicated. Section 3 is one of the fundamental sections in the Income War Tax Act, and is the defining section as to what shall constitute income.

Mr. KNOWLES: The distinction is still unfair.

Mr. BLACK (Cumberland): Are we dealing with the whole section, or only part of it?

The CHAIRMAN: I read it all.

Mr. BLACK (Cumberland): Before it carries, it is understood that the discussion on the first section of the bill shall be fairly wide, and that general matters may be brought up.

Mr. ABBOTT: Not too general, I am afraid.

Mr. BLACK (Cumberland): I have already discussed to-day the unfairness of taxation on electrical energy in different parts of Canada.

Mr. ABBOTT: I cannot allow a discussion of that kind to proceed under this section. I am sorry to say that, but my hon. friend placed his views on record in the debate on second reading.

Mr. BLACK (Cumberland): I wish to have a statement from the minister or the parliamentary assistant as to whether they are going to allow the condition to be perpetuated, under which Ontario and Quebec are relieved of taxation, and Nova Scotia is taxed to the extent of a million dollars a year. The city of Montreal and the surrounding territory are relieved of about $6,000,000. Surely there is nothing fair or just in that. I want a statement from the minister in regard to it.

Mr. ABBOTT: It is not in order to discuss that matter on this section and, as my hon. friend knows, he is not entitled to demand a statement from me on that now. I can tell the committee this, that this question of the taxation of privately owned utilities companies is not a new one. It has been brought up in the house before. However, the question as to whether privately owned utilities companies will or will not be subject to income tax is a matter of government policy, which will be announced in due course. It is not relevant at the present time.

Mr. BLACK (Cumberland): It is a condition which is becoming more aggravated all the time. Hon. members are entitled to a declaration from the minister or from the government with respect to it. The question as to the basis of taxation of electricity has been left altogether too long.

Mr. ABBOTT: I rise to a point of order again. If we are to make any headway with this bill I suggest we must stick as closely as we can to the section under consideration. If not, we shall be here forever.

Mr. DIEFENBAKER: On the point of order, the hon. member for Cumberland is quite right in his view that under section 1 a general discussion can take place. And yet, when the parliamentary assistant starts reading lectures as to taxation—

Mr. ABBOTT: Not at all.

Mr. DIEFENBAKER: I say that this matter could have been brought in long ago. We are placed in the position, as members of the House of Commons, of being asked in the dying days of the session to deal with hundreds of millions of dollars worth of expenditures, and with most important legislation brought down in a rush, so that full consideration cannot be given to it. And yet the parliamentary assistant is endeavouring to read a lecture to hon. members on this side of the house.

The point I am making is this: Here we are in the last few days of the session, being asked to deal with expenditures and with bills with which we have not had time to become fully conversant. There is no necessity for hon. members to become annoyed.

Mr. ABBOTT: Oh, no, I was not annoyed, at all.

Mr. DIEFENBAKER: It is not an offence that is so uncommon.

Mr. ABBOTT: Appearances were misleading.

Mr. DIEFENBAKER: We have a very heavy responsibility, so far as these discussions are concerned. They are almost restricted to members of the opposition, hon. members to the left of the chair, who endeavour to assist the government and to see to it that the interests of individuals are protected. The parliamentary assistant should not endeavour to brush hon. members aside simply by suggesting that we are endeavouring to—

Mr. ABBOTT: If I gave that impression I wish to remove it at once. I did not wish to read a lecture to anybody, and I did not intend to indicate any desire to rush anything. But I must point out to the committee that the resolutions on which this bill is founded were laid before the house on June 26. Hon. members have had an opportunity to study them since that date. They have known what the government's proposals in the budget have been since that time.

I am free to confess that the bill was available to hon. members only two or three days ago; but on the other hand lawyer members in the committee will realize that the drafting of a bill of this kind is a task of considerable difficulty, and it cannot be carried out until the resolutions are brought to a final stage.

The resolutions were passed only about ten days ago. I certainly do not wish to leave the impression that I am attempting to restrict discussion. After all, however, we are in committee on the bill and we are discussing the section which deals with exemptions. It may be that I was wrong in saying that the question of complete exemption from income tax for certain types of companies should not be discussed under the bill, although it certainly does not come under any of the specific provisions. It might come under another section.

In any event I cannot allow to pass unchallenged the statement that we are rushing

things through. I believe we are trying to expedite business as much as possible. I do not think it is fair to say that this legislation was brought in at the last minute, because the provisions have been known to hon. members for at least six weeks.

The CHAIRMAN: Shall the section carry?

Mr. BLACK (Cumberland): Do I understand that it is the wish of the minister, his parliamentary assistant, and the government, that this basis of unfair taxation of electrical power generated by private enterprise and by government plants shall be perpetuated; is that the policy? Users must pay heavy taxation running as high as twenty-five per cent, or fifty per cent when they are served by private companies. That is imposed on industries, agriculture and households served by these companies.

Mr. ABBOTT: I must rise to a point of order. I do not wish to appear rude, but I must ask for your ruling, Mr. Chairman, whether it is relevant to discuss under this section of the question of the taxation of privately-owned power plants?

The CHAIRMAN: I must say that I cannot find that it is relevant. I think hon. members will agree that I would be the last person to try to curtail the discussion, but we are dealing with section 1 of bill No. 180. I believe the hon. member for Cumberland made a very strong statement this morning on the case he has mentioned, and I know hon. members of the committee will want to avoid repetition as much as possible. I hope it will be found possible to keep to the section.

Mr. BLACK (Cumberland): I subscribe to your ruling and I appreciate what you say about my position being clear and strong. I ask for a statement from the government or from the minister, representing his own views if he cannot speak for the government, as to the policy of perpetuating this unfair basis of taxation that exacts $1,000,000 from the province of Nova Scotia and $150,000 from my own constituency which is not charged other places in Canada. The small industries in my part of the country have in any event to pay higher costs than those in areas served by great power developments. This is unfair, and I think we should have a declaration from the government as to whether it is their purpose to perpetuate and aggravate this unfairness.

Section agreed to.

On section 2—Payment upon retirement.

Mr. KNOWLES: Subsection 7 that is to be added implements resolution 10, the purpose of which was to try to take care of the situation of a married woman having an income just over $660. Under the previous wording of the legislation she and her husband might have to pay more in taxation than was intended.

Mr. ABBOTT: If the income of the wife was $670, the extra $10 would be very much less than the combined tax on herself and her husband.

Mr. KNOWLES: This gives her the right to pay in that $10 and for her husband to retain his married status.

Mr. ABBOTT: Correct.

Mr. KNOWLES: All right; under this heading at the resolution stage I raised the case of the married lady doctor and the married nurse who are also discriminated against and I had hoped that the matter might be covered by a section such as this. I take it that that has not been done. Before the minister or the parliamentary assistant makes a reply on that angle, I should like to call their attention to rule 2 on page 70 of the office consolidation of the act, which states toward the end:

> . . . that a husband shall not lose his right to be taxed under rule one of this section by reason of his wife being employed and receiving any earned income.

As I understood it, it was desired to draw a line between earned income and investment income.

Mr. ABBOTT: I think substantially that is correct. Section 22 of the bill amends rule 2 to which the hon. member referred.

Mr. KNOWLES: But it does not change the part to which I was referring. When we were at the resolution stage I drew the attention of the parliamentary assistant to the case of the married lady doctor receiving fees. She is not regarded as coming under this rule 2, whereas a married lady doctor working for a clinic and receiving a salary is considered to come under rule 2. I have been contending for a change in the legislation to take care of that case, and yet it seems to me that the difficulty is in the interpretation made by the income tax division. If the parliamentary assistant will turn to page 4 of the office consolidation he will find that clause (m) states that "earned income" means salary, wages, fees, and many other things as well. I emphasize the word "fees". I want to know why it is that a married lady doctor receiving fees directly from patients is treated differently under rule 2 from a married lady doctor who works for a clinic and receives a salary. Under the definition on page 4, "earned income" means salary, wages and fees. The same argument applies

to married nurses, as between the nurse who works for a hospital on salary and the nurse who takes private cases and receives fees.

Mr. ABBOTT: The part of the rule to which my hon. friend referred which states, "by reason of his wife being employed and receiving any earned income" has been interpreted to mean a wife employed by an employer and paid wages or salary. The nurse or doctor who was operating independently would deduct expenses from the gross earnings, and that is the reason for the distinction. As my hon. friend said, he raised this point on the resolution stage and I answered him at some length as well as I could. I am afraid there is not much I can add to what I said at that tme.

Mr. KNOWLES: Was the matter considered?

Mr. ABBOTT: Oh, yes.

Mr. KNOWLES: Apart from the technical argument the parliamentary assistant has used in reply to me, has he any moral argument to offer in connection with the case I put to him?

Mr. ABBOTT: I do not wish to repeat what I said before. At that time I said that perhaps this was an unsound provision put in there, but it was inserted because we wanted to encourage the employment of women in war industry.

Mr. JACKMAN: All industry.

Mr. ABBOTT: All industry, if you will, but particularly in war industry. It was found that some of them were not prepared to work if their husbands lost the benefit of the special taxation provision.

Mr. KNOWLES: I suggest that doctors and nurses are particularly necessary.

Mr. JACKMAN: In replying to the hon. member for Winnipeg North Centre the parliamentary assistant said that the original intention was to distinguish between earned income and investment income on the part of the wife. This is clearly a case where that original idea or intention is not carried out, and I submit it is nothing less than faulty draftmanship on the part of the department. It should be changed to include income received by the woman as long as it is earned.

Mr. GREEN: May I ask the parliamentary assistant if some arrangement could not be made to take care of the case of a wife who receives income less than $660 from Great Britain after paying income tax there? I brought to his attention the case of a wife getting an income of about $800 from Great Britain upon which she had to pay a tax there of $300. She was really getting less than $660 in Canada, yet here she had to pay tax on the basis of the full income payable to her in Great Britain. That means that under this provision she would still have to pay approximately $200, although she was receiving in Canada only about $300 or $400.

Mr. ABBOTT: My hon. friend spoke to me about that the other day, and I had hoped to have looked into the particular case to which he referred, but I must apologize to him because I have not yet done so. I have his representations, and I will discuss the matter with the officials and see what administrative action can be taken in a case of that kind.

Mr. GREEN: It does seem to me very unfair that she should be taxed in that way.

Mr. ABBOTT: I'll have it looked into.

Mr. MacNICOL: May I ask the parliamentary assistant a question with respect to subsection 6 of section 2? Am I right in understanding the subsection to mean that where a man has served a company for a long time and then retires and is given a gratuity of, let us say, $750, for taxation purposes he will be taxed to the extent of one-fifth of that amount, or $150 in five instalments?

Mr. ABBOTT: It is spread over five years. As the law now stands, it is all taxable in the year in which it is received, but it was felt that this worked an undue hardship in a great many cases. This was discussed at some length on the resolution stage. An amendment put forward at that time proposed that it should be based on the expectancy of life. The provision now is this. Let us say the amount is $1,000.

Mr. MacNICOL: Take my figure of $750.

Mr. ABBOTT: We will take $1,000 because it is a little easier to divide by five. It would be taxable to the extent of $200 in the year in which it was paid and in each of the four years thereafter if the recipient lived. It would be spread over the five years. It would be considered as taxable income only to the extent of one-fifth of it in each year.

Mr. KNOWLES: Just one further word to the discussion we have had on subsection 7 of section 2. Since we are not going to get through this bill to-day, will the minister give further consideration to amending section 22 when we come to it by deleting the words "being employed and" in the last two lines. That would cover the case of the married lady doctor and the married nurse. I do not ask the parliamentary assistant to reply now. I would rather he would think it over.

Mr. ABBOTT: I will bring my hon. friend's representations to the attention of the minister.

Mr. JACKMAN: Since the department has not seen fit to change that subsection whereby any lump sum given to an employee on retirement is to be spread over five years instead of ten years or on life expectancy, I just want to say that as it stands it is nothing but a rank injustice to a small class of Canadian taxpayers.

Section agreed to.

On section 3—Service pay and allowances.

Mr. JACKMAN: Would the parliamentary assistant let me know on what resolution the rectification of the present injustice was based?

Mr. ABBOTT: There was no resolution covering the provisions of subsection 1 of this section relating to the armed services. The effect is to put male and female members of the services on the same basis.

Mr. JACKMAN: Is it necessary to introduce a resolution preceding a provision of this kind? What is the procedure in that regard? This is a rank injustice.

Mr. ABBOTT: I am not an expert on procedure, but I understand that the general resolution is sufficient in law to justify any amendments which the government may see fit to make. In practice, however, the custom has grown up of outlining in some detail the major amendments which it is proposed to make in the form of separate resolutions. Subsection 1 does not impose any new tax but just provides relief, so that for that additional reason I think the amendment could be made in the bill itself without the necessity of preceding it by a resolution. That applies only to subsection 1.

Mr. GREEN: This question of taxation of service pay and allowances brings up the question of taxing the members of the auxiliary services overseas such as the Y.M.C.A., the Knights of Columbus, the Salvation Army and the Canadian Legion. I think the present situation is very unfair to these men. As I understand it, they are taxed on four-fifths of the money they receive, although in Normandy and in Italy they are actually with the invading troops in the Canadian army who, of course, pay no income tax at all. I know that some consideration was given to this question, and I do not wish to take up time to-day in discussing it further, but I do think the present situation should be remedied, and it could be done by order in council. I cannot for the life of me see why these men should be taxed at all, especially those who are with the invading forces. Can the parliamentary assistant tell us what the present position is?

Mr. ABBOTT: I think I touched on this when we were discussing the resolution. The matter has received extensive consideration. I have also considereed it personally. I took part in conferences with representatives of the auxiliary services on this question. Briefly, why complete exemption is not granted to the auxiliary services is that in no case is complete exemption granted under the Income War Tax Act to a person with the status of a civilian. We do not grant exemption to the merchant seamen or to the ferry pilots, although they are engaged in a very hazardous occupation, because they have the status of civilians. If the auxiliary service people were service personnel, as I understand they are in the United States, they would automatically benefit from the exemption which is given to service personnel, but after the fullest consideration it was decided that in order to maintain the line of distinction between service men and civilians they should not be completely exempted. There are only about 200-odd involved, and they are treated on substantially the same basis as the officers of the merchant navy and the ferry pilots. It was done by order in council with respect to the merchant navy and the ferry pilots, because it was felt that this provision need not be included in what is a permanent taxing structure.

Mr. GREEN: In effect these men are in the forces. The men in Normandy or Italy cannot be treated as civilians.

Mr. ABBOTT: The army can cure that very easily by taking them into the army and making them members of the forces, but I am advised that the auxiliary services do not wish to be included officially as a part of the armed forces. I was told that at the conferences of which I spoke. The men of these auxiliary services are given pension privileges and other benefits. However, their legal status is that of civilians, and the income tax act has never granted complete tax exemption to any class of civilians.

Mr. GREEN: I understand that civil servants who go overseas are protected against the tax by getting an additional allowance.

Mr. ABBOTT: I have no information on that.

Mr. GREEN: That is what I am told, and I think they should be protected too, but

surely these men of the auxiliary services who are actually with the fighting troops should get the same consideration.

Mr. ABBOTT: They have received special consideration, and the consideration which has been given was decided upon after, I can assure my hon. friend, the fullest discussion.

Mr. GREEN: I know, but the auxiliary services are not satisfied and the men serving with them are not satisfied. What is the situation with regard to dominion civil servants overseas?

Mr. ABBOTT: I am afraid I have not any information as to that. I would have to make inquiries and see if I can find out. I am not quite clear; did my hon. friend say that they were receiving some special non-taxable allowance or something of that sort?

Mr. GREEN: The living allowances they get are not taxable, or the expense allowances.

Mr. ABBOTT: Of course my hon. friend knows the law is quite clear on the point. The section was amended last year or the year before.

Mr. GREEN: I believe the effect is that they get compensation for the tax.

Mr. ABBOTT: I do not know of any special treatment given to any special class of civil servants. The officials point out to me that the officers of the auxiliary service forces do not take into account as taxable income their living allowances. There is a provision, subsection 4 of section 3 of the act, which reads:

> Provided however that the living allowance paid to persons who are serving outside of Canada but are maintaining a self-contained domestic establishment in Canada and who are either employees of the government of Canada or members of the Canadian naval, military or air force in Canadian active service forces shall not be deemed to be taxable income up to such an amount as may be determined by the minister in his discretion.

The auxiliary service forces benefit from the same sort of provision in that the proportion of their pay which represents living allowance is not included in the amount subject to tax, and I think that either one-third or twenty per cent of their actual pay is treated as a war risk element and is not subject to tax.

Mr. GREEN: Their allowance, I believe, is lower than the allowance payable to the civil servants?

Mr. ABBOTT: It may be, but I do not know.

Section agreed to.

On section 4, subsection 1—Deductions for superannuation or pension fund.

Mr. JACKMAN: Would the parliamentary assistant explain paragraph (g), subparagraph (ii)? Does that mean that the employee can contribute $300 in respect of previous years before he came under the plan?

Mr. ABBOTT: Yes. That is to take care of the cost of the plan, which, let us say, is found to need additional moneys. The employer can make contributions to the plan in order to make it actuarially sound; those are allowed. This section allows a similar contribution to be made by the employee up to the amount of $300 a year.

Mr. JACKMAN: That is in addition to the current $300?

Mr. ABBOTT: Oh, quite; it is in addition to the current $300, and if they came in late or something of that sort, and wanted to make up previous contributions, they could do so to the extent of $300 a year.

Mr. JACKMAN: Do I understand that the employer for the current year can contribute $300 in respect of the employee which the employee does not know about? As far as taxation is concerned the employee can contribute $300 which is also deductible. This provision allows him to put in a further $300, over a series of years, if he wishes, in order to make up any deficiency on his part in respect of the fund; in other words, $300 from the employer which the employee gets the benefit of although he does not know anything about it; and now the employee is allowed to contribute $600 from his received income and pay no tax whatever on that in order to make up the back portion of the fund and keep it running? I must say it is quite generous, although I am not objecting to it.

Mr. ABBOTT: My hon. friend's summing up is quite correct.

Subsection agreed to.

Subsections 2 and 3 agreed to.

On section 4 subsection 4—Unusual medical expenses.

Mr. ABBOTT: The hon. member for Winnipeg North Centre has already spoken about this. This is a clause where, in spite of charges to the contrary, the government has not only listened to representations which have been made by all sides of the house but acceded to them in some respects. If the committee will bear with me for a moment—it is one minute to six o'clock—I should like to conclude this section. The government has done this in three ways.

First, it has lowered the floor from five to four per cent, largely to take care of matters which were raised, such as drugs, some travelling expenses and the like.

Then, the upper limit, which was not touched on by the hon. member for Winnipeg North Centre, has been increased fifty per cent. In other words, the ceilings have been increased from $400 to $600 in the case of a single man and from $600 to $900 in the case of a married man, with a corresponding increase of $150 for each child; and certain items such as artificial limbs, spinal braces, braces for limbs, and aids to hearing, have been included, the reason being, as suggested by a number of hon. members, that these were felt to be a type of special aid which was particularly expensive and which could be looked on as being an unusual expense and coming within the general theory of the benefit which is conferred therein. I hope that the section as it now stands will provide a further measure of relief in these difficult cases.

Subsection agreed to.

Section stands.

Progress reported.

On motion of Mr. Gibson the house adjourned at six o'clock.

Tuesday, August 8, 1944

The house met at eleven o'clock.

LABOUR CONDITIONS

STRIKES AT HALIFAX AND MONTREAL—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. CLARENCE GILLIS (Cape Breton South): I ask leave to move the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance, namely the serious situation created by the strikes now in progress at the Halifax shipyards and on the tramway system in Montreal.

Mr. SPEAKER: I have been considering the proposed motion of the hon. member and in view of the fact that the business of the house, as indicated last evening, is to be that I leave the chair for the house to go into committee of supply, when this matter might be discussed, I think there is sufficient urgency for the hon. gentleman to proceed.

Mr. GILLIS: Mr. Speaker, I hesitated to hold up the house at this stage of the session, realizing that the government desires to get through this week if possible, and I think members of this group join with him in that wish. However, I felt that the situation in Halifax and Montreal, because of the serious interruption of two very necessary war organizations, warranted a discussion at this time of the factors involved in the two strikes mentioned. The Halifax shipyards, a very necessary industry, have been tied up for the past two weeks, affecting some three thousand personnel. In the tramway situation in Montreal, I feel that the tying up of this transportation system affects indirectly every war organization in that city, in that it makes it extremely difficult for a large percentage of the employees in the war plants to get to and from their work. I appreciate the fact that the government has taken some emergency measures in that connection by making army vehicles available to transport as many as possible. Nevertheless there is still a serious interference with the operation of war industries in the city of Montreal.

The point with which I am concerned, Mr. Speaker, is that these two matters have dragged on for the past couple of weeks. There is a possibility that the house will adjourn this week, and I think it is necessary that the government should make some definite pronouncement on their present labour relations regulations as affecting the two situations mentioned. I do not think there is any other agency in Canada which can at the present time decide one way or the other as to the legality or otherwise of the issues involved in the two strikes. I would say particularly for the benefit of the Prime Minister (Mr. Mackenzie King) and the Minister of Labour (Mr. Mitchell) that all during the process of fighting, war labour relations in Canada have constituted one of our most contentious problems. On several occasions the government has passed orders in council which did not solve the problem satisfactorily.

Most of us who are primarily interested in labour problems were pleased when the Prime Minister announced the setting up of a body to take evidence, in order to compile into one labour code the wishes, hopes and desires of those interested in labour relations. Our understanding was that it was to be a labour jurisprudence in Canada. Accepting it in that light we felt that labour laws were being laid down by the national government, and that to some extent we were going to have control of labour relations across Canada, in cooperation with the provincial governments. That was our hope. That was the way we felt order in council P.C. 1003 was to be applied. I did not think there was going to be any room for quibbling on the part of anybody, once the

machinery set up by the code was followed out. The natural or common-sense thing to expect was that those concerned would legislate and adjudicate within the terms of that order in council.

In my opinion the situation at Halifax is very clear. On the part of the employers in Halifax there has been a flagrant violation of public authority. For four years the employees in the shipyards have been endeavouring, with every means at their disposal, to lay down a collective bargaining agreement. In the last analysis they followed the terms of order in council P.C. 1003. A government-appointed conciliation board was set up, and within the terms of the labour code decided that the maintenance of union clause and check-off, requested by the employees of Halifax shipyards, was legitimate and desirable. Their decision was rendered accordingly. That, may I say, was a unanimous decision. But the employers at Halifax refused absolutely to accept that unanimous decision of a government-appointed board, with consequent disruption in a very necessary industry.

I know of no agency which can settle that problem in Nova Scotia unless it be the federal Department of Labour. All the legal machinery which can be provided has been set up; a government-appointed commission has made its decision, and the employers have refused to accept that decision. Someone in authority has to make a declaration in the Halifax shipyards case.

The situation in Montreal is somewhat different. To the best of my knowledge, for the past two years all the machinery provided by government legislation has been followed in determining a bargaining agency in Montreal. The point at issue in my opinion is this. Under order in council P.C. 1003 a vote was taken. The bargaining agency in Montreal was determined legally by majority rule, by the employees of the Montreal Tramways union. The Canadian Brotherhood of Railway Employees was selected. If we stick to majority rule in managing the affairs of this country, then as I understand this code no small groups within the country or within an industry should be permitted the prerogative of carrying on an agitation on the side so as to disrupt and interfere with that which in my opinion is the principle of democracy. This is what happened in Montreal. As I understand it, for the past year the bargaining agency has been interfered with. Disruptive tactics have been carried on within the industry for the purpose of defeating the decision of a majority of the employees of the Montreal Tramways company. I am told further that some of the difficulties and some of the stoppages of work which have taken place were not strikes called by the Canadian Brotherhood of Railway Employees, but rather were promoted on the side. This is done very easily, because I have seen it done on many occasions. It may be carried out at the behest of a company in order to discredit a legitimate bargaining agency forced upon the company by a majority of employees.

In the agreement for which they ask at the present time the union demand a union shop, in order to give them union security, and to place in the hands of the executive board of the union, when it signs an agreement, sufficient authority to enable them to guarantee to the operating company a continued observance of the agreement. If the union officials are going to give that guarantee—and any trade union official who signs the agreement has to guarantee it, and work to that end; otherwise the agreement would be no good—then those union officials must be in a position to exercise some supervision over their membership, along lines of discipline, so as to guarantee the observance of the agreement.

The tramways operators in Montreal take the position that there is compulsion, in that they are demanding a closed shop, and that it is foreign to their set-up. In a statement issued to the press a few days ago, Mr. A. R. Mosher, President of the Canadian Congress of Labour, stated definitely and clearly that what they are now asking for by way of union agreement is already in effect in the tramways organization. For example, they have a benevolent association. Every employee, when employed by the Montreal Tramways Company, is obliged—and remember that this is a company-controlled benevolent association—to sign a card to the effect that he is willing to pay $3 a month to that company-controlled organization. He must do that whether he likes it or not. One of the terms of his employment is that he must be prepared to sign his willingness to a check-off for that purpose. If the Montreal Tramways can set a precedent of making membership within an organization they control obligatory upon anyone receiving employment, surely there is no reason why, in the present situation in Montreal, in which there has been friction and disruption, union officials representing the designated bargaining agency—the agency certified by the government, decided by a majority vote of employee and familiar with the difficulties of administration—should not ask for union security. I say there is no reason in the world why they should not, and that is the point at issue.

I do not wish to labour this matter at great length. The position of the government is this. When it issued order in council P.C. 1003 it definitely decided as to the machinery with respect to union certification, how contracts may be arrived at, and what is and what is not permissible. In the tramways case the employers take the position that the agreement asked for by the employees is illegal under the terms of order in council 1003. The union take the position—some of them sat in on the preparation of this code—that under section 20, subsection 1, the matter is clearly defined. I understand that during the discussion of this clause they were assured by those who drafted it that there was nothing in it that prohibited or prevented the employers and employees from writing agreements that were suitable to themselves.

I think in order to settle this matter, and settle it before the house closes, in order to start these two necessary war organizations in operation again, either the Minister of Labour or the Prime Minister should make a definite declaration in this house that neither the Montreal nor the Halifax situation are beyond the scope of order in council 1003. If the government would make that statement, then the union or the employers concerned would be in a position, if they wanted to take the reverse attitude to test the legality of the situation in the courts. We would at least be moving somewhere.

I know the situation very well in Nova Scotia. In Halifax the question of the check-off is at issue. The employer there is the Dominion Iron and Steel company. They have had check-offs in the whole coal and steel set-up in that province during the last thirty years. If the attitude of that small section of the company in Halifax is sustained, the chances are that the labour relations which have existed for thirty years will be interrupted. I know the steel workers and miners are watching it closely and I do not want to see the industrial set-up of that province disturbed.

My request is that some declaration should be made by either the Prime Minister or the Minister of Labour in order to give the warring factions a chance to have the legality of this matter decided by the courts.

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, having the honour of being one of the representatives of Halifax city I feel that I should say at least a word in connection with this matter. I am going to be quite frank and say that I am not in the same position as the hon. member for Cape Breton South (Mr. Gillis) in my knowledge of labour affairs. I have not gone across the country taking part in strikes in various sections, nor have I been actively associated with any trade union. But I do business in the city of Halifax, and I am happy to say that so far as labour is concerned my relations have been very pleasant. I believe I have had and still retain the confidence of labour to a very considerable degree. I want to retain, if not their support, at least their confidence, because I believe it is a good thing for our country to have sound leadership in so far as labour is concerned. This is nothing new that I am saying, because I have always believed it.

I am anxious to see this strike settled as quickly as possible. My approach to this question is a little different from that of the hon. member for Cape Breton South. I am not going to deal with the question as it affects the Dominion Iron and Steel company's interests throughout Canada; I am not going to deal with the Montreal situation, but I do want to say that the Halifax shipyards industry has been important to the war effort. It has been an asset to us for many years. I remember during the last great war the splendid work done by the Halifax shipyards and its employees. I remember also the strike that took place, I believe in 1919, following the last war.

Wonderful progress has been made by the Halifax shipyards in the construction of two destroyers for the Canadian government, and they have also done splendid work in connection with repairs. Like many other citizens of Halifax, I am hopeful that that work will continue throughout the entire war period and into the peace.

The hon. member for Cape Breton South has stated that a board was set up and I understood him to say that it made an unanimous finding. My understanding is that that was not so; that there was one dissenting voice, and that the whole question rested on the matter of interpretation. I am not in position to give a legal interpretation, nor would I dare to do so. I have confidence in the ability and knowledge of the present Minister of Labour (Mr. Mitchell). Notwithstanding the fact that there may be some criticism from certain labour circles, I feel that on the whole our present Minister of Labour stands high in the regard of the large majority of trade unions throughout Canada.

We should appreciate the fact that this department has at its head a former labour man, one who for many years has been associated with trade unions and who still holds his trade union card. We are fortunate

to have a man of that type, and I think labour should recognize the fact that there is a man of that type at the head of labour affairs at such a critical time in Canada's history.

I should like to say a word with regard to the conduct of the men at Halifax. They have conducted themselves in a splendid manner, and I hope they will continue to do so. It is unfortunate that a strike should take place at Halifax. I am not thinking of the present effect alone; I am thinking of the future. We want to keep all these trained shipwrights and other kindred trades in Halifax. I hope that the port of Halifax will play a great part in the post-war period. I know there will be a large number of ships turning at Halifax and for that reason I want to see these shipyards and other ship repair plants kept at a high state of efficiency in order that we may carry on the trade between Canada and other countries which is so essential to the welfare and future of Canada.

I discussed this matter with my colleague from Halifax and we have both been following the matter closely. I wrote the head of the union at Halifax stating I was anxious to see a settlement made as soon as possible, and I gave the same reasons as I am giving to-day. I would not attempt to take it on myself to place the responsibility on any one particular party. I do not believe that the people who have followed the dispute will agree with the hon. member for Cape Breton South that the blame should be put directly on the Minister of Labour or on this government. The machinery which is necessary to look after matters of this kind has been set up. I am sure that the minister and his officials are following closely what is taking place, and it is my sincere hope that the strike will be brought to an end at the earliest possible moment.

Mr. P. C. BLACK (Cumberland): Mr. Speaker, before the Minister of Labour (Mr. Mitchell) replies I would like to point out that I have had this matter before the house on two occasions, once at the instance of the United Mine Workers local in Springhill, who have by resolution supported the position taken by the labour organizations in Halifax. They submitted that resolution to me and I placed it before the minister and the house. I also had a communication from Mr. O'Connell, the president of the union in Halifax, protesting against the treatment of their members by the company and against inadequate action on the part of the department and government which I called to the attention of the house. I pointed out that this labour difficulty not only affected the

employees in Halifax but was a matter of very great concern to labour organizations in other parts of the province. In the town of Springhill we have a labour organization that has been functioning for many years in a community that is as stable as any mining community in all Canada, with as high a standard of citizenship as you will find anywhere in this country. They have enlisted in this war, as they did in the first great war, in as high percentages as anywhere else in Canada for service in any theatre. But these labour men in Springhill are very jealous of their rights and the principles for which they stand. They are in sympathy and in accord with the action that has been taken by their brother organizations in Halifax. They have asked me as their member to make representations on their behalf, and I have done so.

I agree with the hon. member for Cape Breton South (Mr. Gillis) and the hon. member for Halifax (Mr. Isnor) that nothing could be more unfortunate than to have a stoppage of work on naval ships at this time. It is doubly unfortunate that it should come as we approach the climax of the war, with victory for ourselves and our allies in sight. We all realize how essential it is that there should be a united effort on the part of all that victory should be achieved in the very shortest possible time. There is also the question of setting a standard for all our people in Canada and for our allies everywhere and that our fighting men should know that we are back of them to the full. I am very anxious, Mr. Speaker, that the government make every possible effort and concession in order that these unfortunate labour difficulties may be adjusted without any further delay.

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I appreciate the constructive approach of the hon. member for Cape Breton South (Mr. Gillis), of the senior member for Halifax (Mr. Isnor), who has been in constant touch with me with reference to the labour dispute in that city, and also of the hon. member for Cumberland (Mr. Black). I do not think that I can add much to what has already been said.

For over a generation the American Federation of Labor held a contract with the Montreal street railway company. Then there was a jurisdictional dispute which some say caused a strike or a couple of strikes there. Eventually the present organization, the C.B.R.E. was designated as the bargaining agency, and it is only human that this organization should want to consolidate its position.

Let me say frankly to the house that I am a trade unionist by heritage and conviction. My father was a trade unionist, and my views on compulsion I got with my mother's milk when I was a boy in the old country. I do not believe in compulsion. I do not believe in compulsory cooperation. That is fundamental and I cannot change my ground on that.

So far as the company and the men's organizations are concerned, I have already pointed out clearly that there is nothing than can compel them to come to a mutual understanding and agreement. But what they want me to do as Minister of Labour is to say that the men shall belong to one organization or to another. Frankly I cannot go that far.

The hon. member for Cape Breton South has said that we have had difficulties in the labour field in this dominion. But looking at it in a big and broad way I think it will be agreed by hon. gentlemen that we have had less labour difficulties in this country than there have been in any other of the united nations. Labour difficulties are continually occurring in every country, in the country to the south of us, for example, in Australia, and even in Great Britain, notwithstanding the fact that they are being bombed all the time. But I think it should be said for the trade unions of this country that they have measured up to their responsibilities.

I was in the last war and I do not know what happened on the industrial front in Canada during that war, but I must confess that when I was landing at the Dardanelles I would not have liked to think that people were going on strike back home for what I considered conditions that did not warrant a strike such as is taking place in the city of Montreal to-day. I say that frankly. I think that there is an obligation on both the company and the employees there to settle their differences so that this great metropolitan centre can move ahead and play its part in the war effort.

With reference to the code, it was drafted in cooperation with employers and employees throughout this dominion. The very principle which the hon. member for Cape Breton South has just enunciated was opposed by these two great partners, employers and employees, in the industrial life of this country. They laid down the principle of conciliation, and in conciliation there must be give and take. I know something about conciliation. I was chairman of a grievance committee for fifteen years when I was working in a plant whose president was the father of the present Minister of National Revenue (Mr. Gibson). Relations between employers and employees must be based upon character, not upon the gun, not upon compulsion. I know that Sir John was a pretty tough individual to deal with; he was an old Scottish character. But eventually we got an agreement with the company which exists to this day. It is not a closed shop agreement. The men employed in that industry are probably as well paid and enjoy just as good conditions as any workmen in that calling in this country. I feel that with that spirit of tolerance and good will both the labour disputes which have been mentioned this morning can be satisfactorily settled, but it cannot be done by the state dictating to one side or the other or dictating to the men the organization to which they shall belong. It would be the beginning of despotism in this country if the government should start to dictate to one side or the other. I am trying to be absolutely fair. I hold no brief for the Montreal Tramways company, except that I know people who have been associated with them for over a generation in the negotiation of their contracts.

We suggested arbitration. It was agreed to by the company and turned down by the men. Then we suggested setting up a commission with a high court judge. That was agreed to by the company but turned down by the men. Then I suggested the reference to the supreme court, but the organization insisted on the closed shop aspect of the agreement going into force before a reference to the courts. I think we did everything which was humanly possible to bring these difficulties to a conclusion so that there might be harmony in that particular community.

I have nothing further to say on the dispute except this, that anything which can be done will be done to bring this dispute to a conclusion, affecting as it does an industry so necessary in connection with the successful prosecution of the war.

Let us now review the Halifax situation. There you had a board of conciliation. In that case employer and employed agreed to all the terms of the contract except what is known as the check-off and the maintenance of membership clause. In that case the majority signed a report with these conditions. The employer of course did not want to go along with the check-off and the maintenance of membership. In the city of Montreal the reverse is the case: the employees turned down the report and the recommendations of the conciliation board. There you have the perfect example of conciliation and give and take. I believe in give and take; I have always believed in it; I have always preached

it. It is part of my creed that in industrial life you must have that degree of conciliation which made the Industrial Disputes Investigation Act a pattern in industrial relations in this country. A degree of conciliation is necessary. I do not think you can shake an employer by the throat and call him a scoundrel, and expect to make an agreement with him. Neither do I believe that an employer can try to destroy the men's organization and yet maintain industrial harmony. That is elementary and fundamental; and I hope I shall never live to see the day in this country when the government says to either employer or employee, "This is what you have got to do, or else—".

Mr. GRAYDON: I wish to ask the Minister of Labour a question which, I think, everyone across Canada will be asking. It is not enough to have a resumé of what has happened and a suggestion that everything which can be done will be done. What we should like to know is what the Minister of Labour is actually going to do in both these cases. Will the minister tell us?

Mr. MITCHELL: I have done everything I can do.

Mr. GRAYDON: Does that mean that the government feels itself powerless and helpless to do anything in respect to these matters?

Mr. HOWE: Government action can be taken and made known in due course. You are not entitled to ask that question.

Mr. GRAYDON: I just want to tell my hon. friend the Minister of Munitions and Supply, who interrupted to indicate that government policy would be announced in due course, that the question I raised is not only one which I can raise, but one which is most proper and appropriate at this time, and if I did not raise it I would not be doing my duty as leader of the opposition.

Mr. MACDONALD (Kingston City): Would my hon. friend suggest what the government should do?

Mr. GRAYDON: I tell you this, that this is a new position for the minister to take, because we have here a government charged with the responsibility in respect of this matter, and we have the right to know what its policy is. When we know its policy, we shall have the right to discuss and criticize if we see fit.

Mr. MACDONALD (Kingston City): My hon. friend is offering criticism. I ask him, what constructive criticism has he to offer?

Mr. ROWE: You are asking us now?

[Mr. Mitchell.]

Mr. GRAYDON: Does that mean that the government acknowledges its failure and now wants to call in someone else? Surely that cannot be so.

Mr. MACDONALD (Kingston City): You have no suggestion to make, and you know it.

Mr. SPEAKER: Order.

Mr. S. H. KNOWLES (Winnipeg North Centre): If this goes on much longer I shall not be able to use the opening sentence I had in mind when I first rose. My opening sentence was going to be that I appreciated the dispassionate manner in which the Minister of Labour, and also those who preceded him, discussed this matter. However it does seem to me there is something which the government could do in connection with each of these disputes. I accept the question of the Minister of National Defence for Naval Services as a fair one, and I intend to give my answer to it.

First, may I say that in the Montreal dispute I do not appreciate the minister trying to say, almost every time he deals with it, that it is a jurisdictional dispute. I know the background, which he has given several times, but it seems—

Mr. MITCHELL: I did not say that it is. I said it was a jurisdictional dispute originally. I did not say that it is now.

Mr. KNOWLES: But the minister by bringing that in is trying to shelve the responsibility of taking a decision with respect to the matter as it now stands.

Mr. MITCHELL: My hon. friend does not need to worry about responsibility so far as I am concerned.

Mr. KNOWLES: The minister will take the responsibility? That is fine. As I see it, the issue in the Montreal strike is this: is a closed shop legal under P.C. 1003?

Mr. MARTIN: The minister has answered that very clearly.

Mr. KNOWLES: That is just the point we are trying to get at, for that is what the strike is all about. In fact, the reply I am going to make to the question of the Minister of National Defence for Naval Services is that if the Minister of Labour will answer that clearly—

Mr. MARTIN: He did.

Mr. KNOWLES: I am sorry, but I did not get it that way. I will ask him now: is a closed shop agreement under P.C. 1003 legal or illegal?

Mr. MITCHELL: If I might say this to my hon. friend, I know it is rather difficult for him to follow trade union procedure—

Mr. KNOWLES: Oh, no; it is not.

Mr. COLDWELL: He is a trade unionist himself.

Mr. MITCHELL: I know that too. But what I said was this, that where there was a mutual agreement, in my judgment the code provides for it where it is mutually agreed upon. In this case the company say, "No, we do not want a closed shop"; and of course they claim that it is illegal.

Mr. KNOWLES: It is not just that the company does not want a closed shop; the company hides behind the position that it is illegal. The union has said time and again that if the government would make a clear declaration as to whether the closed shop is legal or illegal under P.C. 1003 the strike would be settled at once. As a matter of fact there is a dispatch to that effect in this morning's Ottawa *Citizen* under a Montreal dateline from the Canadian Press. That, I suggest, is the thing which the Department of Labour should do so far as the Montreal strike is concerned; it should declare in very clear terms whether it is legal or illegal under P.C. 1003 to enter into a collective agreement which provides for a closed shop.

Mr. MARTIN: Will the hon. member permit an interruption? So that the discussion may be relevant, may I read for his benefit section 20, subsection 1, of order in council P.C. 1003?

Mr. KNOWLES: I was just going to read it myself.

Mr. MARTIN: Perhaps my voice will carry better if I am allowed to read it:

> No person shall, with a view to compelling or influencing a person to join a trade union or employees' organization, use coercion or intimidation of any kind—

Mr. KNOWLES: "But"—

Mr. MARTIN:

> —but this subsection shall not be construed to prohibit the inclusion of any provision in a collective agreement.

Mr. KNOWLES: We interpret that to mean that it would be legal to include a closed shop provision in a collective agreement.

Mr. MITCHELL: My hon. friend is a left-wing radical. I think he will agree with this, that the right to disagree in opinion is the basis of human freedom. My hon. friend does not give that to other people, but it is fundamental. Let it sink in.

Mr. KNOWLES: Well, I do not know whether my hon. friend is trying to put himself in a right-wing position, or just what the significance of that interjection is. All I am asking is that the government make clear the significance of its own legislation, its own order in council. That is all that the union asks for in Montreal; that is all that President Mosher is asking for: that the question of the legality of closed shop agreements be settled so far as P.C. 1003 is concerned. The minister knows as well as I do, and in fact he has known it longer than I have because he has lived longer—

Mr. MITCHELL: No. You are taking too much credit to yourself.

Mr. KNOWLES: —that there are hundreds of closed shop agreements in this country; and the Winnipeg *Free Press,* which is one employer I might mention, does not maintain that there is anything undemocratic about the closed shop agreement it holds with the typographical union to which I belong. There is nothing undemocratic about the principle of majority rule. We have it in this house. We who are in this minority do not feel that our rights are undermined because the majority rules.

Mr. MITCHELL: You are not suggesting that the Liberal party should have a closed shop in this house?

Mr. KNOWLES: Majority rule is recognized as basic to democracy and the rights of minorities as well as majorities are protected by that principle. Furthermore, a closed shop agreement is simply a means of guaranteeing to the union which has made a contract with an employer that that contract shall not be undermined by the employing of persons who are not members of the union. That is the reason unions ask for closed shop agreements; that is the reason this union is asking for it in the tramway situation in Montreal. I suggest to the minister that not only is this union interested in the question, but unions of the Trades and Labour Congress of Canada, as well as others, are also interested in the principle that is at stake here. My contention is that, so far as the Montreal situation is concerned, the step that should be taken by the government is to issue a clear statement that a collective agreement is either legal or illegal under P.C. 1003.

As regards the situation in Halifax—

Mr. CRERAR: May I ask the hon. member a question which may throw a little light, from his point of view, on the Montreal problem? Is he arguing that the government should exercise its authority to compel a closed shop in the Montreal tramways difficulty?

Mr. KNOWLES: Not at all. If the minister would like a little lecture on our position—

Mr. CRERAR: May I ask my hon. friend, then, another question. Does he favour the government exercising authority, if it has authority, to compel a closed shop?

Mr. KNOWLES: We favour compulsory collective bargaining, but we do not suggest that the results of an arbitration should be made compulsory, for that cuts both ways.

Some hon. MEMBERS: Oh, oh.

Mr. KNOWLES: My hon. friends laugh; it shows how little they know about these matters.

Mr. GILLIS: We are trying to find out what you meant when you wrote this, and that is what the public wants to find out.

Mr. MITCHELL: We are trying to find out your principles—

Mr. SPEAKER: Order. The hon. member has the floor and must not be interrupted. I must admit that he invites questions but I would ask hon. members to refrain from interrupting him.

Mr. KNOWLES: The position we are trying to point out is that the government has laid down a labour code, P.C. 1003, dated February 17, 1944. A dispute has arisen and workers are on strike in Montreal because a provision of this order in council, found in section 20(1), is not clear. We are asking the government to make the position clear.

I was going to say a word about the situation in Halifax. I wish to correct one statement made by the senior member for Halifax when he accused the member for Cape Breton South of placing the blame on the government for both these strikes. As a matter of fact, in the Halifax situation I think the public generally recognizes, and it is the position we take, that the blame rests upon the employers. We feel on the other hand that in the Montreal situation the blame rests on the government for failing to make clear that provision two weeks before the strike occurred, at which time they were asked to clarify it. In the Halifax situation there has been arbitration and a decision has been made in favour of the employees. The employers have refused to abide by that decision. The minister knows our position. We feel that the pressure of public opinion should compel them to abide by that decision, but otherwise we do not maintain that the government should step in and enforce the decision, because the minister would reply quite properly that that would cut both ways. But if the production of the Halifax shipyards is essential to the war effort and there is a stoppage because of a strike which has occurred as a result of the employers' refusal to accept the decision of the government's board, we suggest that the thing for the government to do is to step in and take over the plant, at least for the time being, so that production can be restored.

And so, in spite of all the interruptions, I hope I have answered the questions put to me by the Minister of National Defence for Naval Services. My answers are definite. In Halifax, if the company refuses to abide by the board's decision the government should take over the plant. In Montreal, the government should make absolutely clear whether a collective agreement is legal or illegal under P.C. 1003.

Mr. PAUL MARTIN (Parliamentary Assistant to the Minister of Labour): The hon. gentleman who has just spoken (Mr. Knowles) obviously did not clearly follow the minister as he spoke. The hon. member for Cape Breton South (Mr. Gillis) made a constructive suggestion in dealing with the matter. He recognized that this was an important matter at the present time and he hoped that the minister would be able to clarify it. The minister made that clarification and I can only repeat what he said. My purpose in rising is to observe that I cannot follow what the hon. gentleman who has just spoken really meant by insisting that the minister should state whether or not, within the terms of this code, it was possible for the fullest contractual powers to subsist on the part of parties who sat down to negotiate a collective agreement. P.C. 1003, recognized by the leaders of labour throughout Canada to be a real step in setting out, in regulatory form, the kind of order one wishes to see obtain between labour and management in this country, is admittedly not a perfect document. It is a document which, when it was announced by the Minister of Labour, was said to be capable of improvement in the light of experience and practice.

When this particular section was drawn, as the minister said, it was drawn not in some corner hole of the Department of Labour. The history of this code is an interesting one, about which enough has not been said in this house. Following the inquiry launched by the then chairman of the national war labour board, at the instance of the Minister of Labour, a full investigation was made into the whole field of labour-management relations. Labour organizations from all over the country were heard, including representations made by the hon. member for Cape Breton South and his colleague from Vancouver, over a period of three months, and after that inquiry

took place a report was made by the board. That report was carefully considered by officials of the Department of Labour and by gentlemen representing employers and others representing employees. There was the fullest consultation with labour and with employers, as evidenced by the statements of Mr. Mosher, president of the Canadian Congress of Labour, Mr. Bengough, president of the Trades and Labour Congress, Mr. Charpentier, of the Catholic Syndicates, and others. Here was a document setting out the relations between labour and management, a document arrived at after the fullest possible consultation with Labour, as the Minister of Labour (Mr. Mitchell) said when he tabled order in council 1003, and when he thanked labour and mentioned specifically the presidents of the great national organizations and the help they had given the administration in trying to establish at long last, on a national basis, a labour code which would recognize and protect the rights of labour and at the same time extend to labour the opportunity to exercise its obligations. I remember very well when section 20 was discussed with the representatives of labour, and it means exactly what it says. That is why I cannot understand the insistence of the hon. member who has just spoken. Section 20 provides:

> No person shall, with a view to compelling or influencing a person to join a trade union or employees' organization, use coercion or intimidation of any kind—

Labour is the first to recognize the merit of that provision. You cannot use coercion or intimidation, either as an employer or as an employee; but if two parties, sitting down around a conference table, management on the one hand and the workers on the other, carrying out the processes of contract, wish to agree on anything, within the language of this section they may do so.

> —but this subsection shall not be construed to prohibit the inclusion of any provision in a collective agreement.

So that on analysis of what the Minister of Labour said I believe the hon. member for Winnipeg North Centre will find that he and the minister are in full accord. He would not compel anyone to join a union, nor would the minister. However, he would allow the parties to a dispute or the parties to a collective agreement, workers and management, to sit down and agree upon anything; and the minister has said in regard to the particular dispute at hand that if the management and the workers in the plant at Montreal, or any other plant, wish to have a closed shop, there is nothing illegal about it under P.C. 1003. Can anything be clearer than that?

Mr. KNOWLES: The parliamentary assistant says that if employer and employee wish to agree on a closed shop there is nothing illegal about it, but the question is this: can the employer under P.C. 1003, apart from what he may or may not want to do, refuse to agree to a closed shop agreement on the ground that it is illegal?

Mr. MARTIN: On reflection I believe my hon. friend will see that this question is—I was going to use the word "absurd", but I will say instead that it is not very carefully considered.

Mr. KNOWLES: That is what the strike is all about.

Mr. MARTIN: The Minister of Labour said that under P.C. 1003 a closed shop agreement can be concluded. If the company does not interpret the code as the minister does, or as the workers do, and says it is going to test it in the courts, we have no power to prevent anybody from testing any law in the courts of this land. Speaking for myself I would say the company's position would not be justified by a thorough, careful perusal of this section, but no one in this country can stop any party from saying to the courts, "We do not agree; we dispute that this is an illegal act." That is the right of every free citizen in every free country, and if this company chooses to follow that course the hon. gentleman would be the last to deny them the right to settle the matter in the courts. But the issue is clear. The Minister of Labour has stated what has been the policy of the government through the years in regard to the sanctity of contracts. If people wish to negotiate an agreement covering a closed shop they may do so; under the code there is nothing illegal in such an agreement. I do not think the matter could be clearer.

Motion withdrawn.

LABOUR CONDITIONS

QUEBEC CITY TAXI STRIKE—REFERENCE TO STATEMENT OF ACTING PROVINCIAL MINISTER OF LABOUR

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I sent notice of the question I desire to direct to the Minister of Finance. He has stepped out for a moment, but perhaps I may be allowed to ask the question anyway because the matter is urgent and I should like to have an answer in regard to it at the earliest moment possible. Press reports from Quebec city indicate that Hon. Wilfrid Hamel, acting

minister of labour of the Quebec government, has taken the law into his own hands and overruled a decision of the wartime prices and trade board, in advising Quebec taxi drivers to commence charging a 35-cent starting rate, and further has advised them to return to work at once. The acting minister is reported also to have bared his fist against federal regulations by saying that in labour questions the province of Quebec is master within its own boundaries, and further stating that he will see that some people in Ottawa understand this. Another pertinent portion of his reported statement—

Mr. SPEAKER: Order. This is another of those questions which have been before the house many times, in connection with the reading of newspaper reports. The leader of the opposition might ask his question without reading the report.

Mr. GRAYDON: I am sorry I transgressed, if I did, but this matter seemed to me such a defiance of the laws of the land that I felt it my duty to bring before parliament the exact words. I feel pretty keenly about it, and I do not mind saying so. Therefore I should like to ask the Minister of Finance, in view of the fact that the provincial minister is reported to have said that he would see that his position was approved by the wartime prices and trade board, what steps are proposed to be taken with respect to this gentleman.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The Minister of Finance is, I understand, in the banking and commerce committee. However, as my hon. friend knows only too well, an election is now taking place in Quebec, and if we wait until six o'clock to-night this question might be settled and would not need to be answered to-morrow.

Mr. GRAYDON: I hope the Prime Minister is not taking as optimistic a view as that with respect to his party's chances of success.

Mr. MACKENZIE (Vancouver Centre): Too late; you have no party, and no success.

Mr. GRAYDON: And you are fast getting into that position.

FARM MACHINERY

DISTRIBUTION OF PARTS TO WESTERN PROVINCES

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I should like to ask a question of the Minister of Munitions and Supply with respect to a serious situation in the prairie provinces which arises out of a shortage of repair parts for harvesting machinery on farms. I realize I cannot read telegrams I have received, but a fair summary of them would indicate that unless something is done immediately to make repairs available, very large quantities of machinery will be useless for harvesting purposes. It is indicated that the farmers are driving to nearby western towns to get repair parts, but are unable to get them. Will the minister consider sending the controller to western Canada immediately, or in his place some senior executive, to look into the matter? Will he also tell the house what is being done to ensure a reasonable division of whatever parts are available for the repairing of machinery in western communities?

Hon. C. D. HOWE (Minister of Munitions and Supply): The distribution of farm machinery and spare parts, being a civilian supply, is in the hands of the wartime prices and trade board. The administrator of farm machinery is in charge. Our responsibility in Munitions and Supply ends in supplying of manufacturing facilities sufficient to meet the requirements, on the evidence furnished to us by wartime prices and trade board. The proportion of spare parts to finished vehicles has been increased each year since the war began. This year the proportion has been very liberal. However, I shall be glad to call my colleague's attention to the inquiry made, and pass on to him the suggestion that the administrator be sent to western Canada to look into the situation in person. It is my feeling that this is a situation that can be remedied. Probably it is a matter of maldistribution rather than an actual shortage of parts.

CANADIAN FORCES

SUPPLY OF REINFORCEMENTS TO CANADIAN ARMY

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, I wish to ask a question of the Minister of National Defence. In view of the announcement that the Canadian Army is now in action in Normandy, will the minister inform the house whether reinforcements for our army will be supplied entirely by Canada, or if the United Kingdom will be called upon to supply some of these reinforcements?

Hon. J. L. RALSTON (Minister of National Defence): I do not expect the United Kingdom to be called upon to supply reinforcements for Canadian formations or units.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

DEPARTMENT OF TRANSPORT

Government employees' compensation—
389. Administration of the Government Employees' Compensation Act, $25,338.

Mr. GRAYDON: I fancy this is the item concerning which there was considerable discussion last session. This matter was mentioned by the hon. member for Lake Centre and other hon. members. Answers given to the house through orders for returns and questions, as well as information received in the course of debate indicated that a very large sum of money was spent in one direction for the payment of a certain medical doctor in Montreal. Has there been any investigation into the matter; if so, what steps has the government taken to see to it that the amount spent may be kept as low as possible? What were the results of the investigation?

Hon. J. E. MICHAUD (Minister of Transport): The investigations carried out supported the explanations given in committee last year. They showed that all cases treated in the clinic by Doctor Chartier were cases which might properly be treated there, under the Quebec law, and indicated that the payments made for such treatment were made in accordance with the schedule provided under the compensation act. These amounts were checked by treasury officers in the department and by officers of the comptroller-general. There was no reason to conclude that there had been any overpayment, that there was anything wrong with the payments made, that there had been overcharges or malingering either on the part of the employees or the doctor who attended the cases in the clinic.

Mr. DIEFENBAKER: I have the public accounts before me, and I cannot find this item concerning Doctor Chartier. Under what heading does it appear? Is it included in the item for $550,000, for payment of compensation in connection with government employees?

Mr. MICHAUD: Yes.

Mr. DIEFENBAKER: How much was paid to Doctor Chartier?

Mr. MICHAUD: For the employees of government departments, $7,224.50; on behalf of the employees of defence projects, administered by the federal government, $24,080.40, making a total of $31,304.90.

Mr. DIEFENBAKER: That figure cannot be correct, because it is not in accordance with the figure that was given in a return recently tabled. I have sent out for the return, but if I remember correctly the amount paid to Doctor Chartier during last year was some $41,000.

Mr. MICHAUD: I have not before me the question asked or the answer given, but the total payments for 1942-43 were $38,671.70.

Mr. DIEFENBAKER: What about 1941-42?

Mr. MICHAUD: The total for that year was $35,307.50, and for 1940-41, $20,147.70.

Mr. DIEFENBAKER: The minister has suggested that while these large amounts were paid to one individual there has been no investigation into the matter since last year.

Mr. MICHAUD: I did not say that; I said that investigation revealed that the amounts paid to Doctor Chartier were properly paid. They were checked by the treasury officer of the Department of Transport and were found to have been paid in accordance with the schedule of rates contained in the workmen's compensation act of the province of Quebec which governs in the matter. They were found to be proper charges for the services rendered.

Mr. DIEFENBAKER: For the three years the average amount paid to Doctor Chartier was about $38,000.

Mr. MICHAUD: It averaged about $35,000 for the last three years. These payments cover services rendered to employees of defence projects in and around Montreal.

Mr. DIEFENBAKER: The amount paid to Doctor Chartier would average about $35,000 a year?

Mr. MICHAUD: I would make the further correction—to the clinic of Doctor Chartier.

Mr. DIEFENBAKER: Doctor Chartier still carries on his private practice?

Mr. MICHAUD: I have no knowledge of that.

Mr. DIEFENBAKER: Does the minister say that he has no record as to whether or not Doctor Chartier carries on his private practice?

Mr. MICHAUD: No, I have no record of that. It is not my business to look into Doctor Chartier's private business.

Mr. DIEFENBAKER: Does the minister consider it proper that any doctor should receive $35,000 a year for only part time services?

Mr. MICHAUD: Doctor Chartier is not paid on a yearly basis; he is paid the fees provided by the workmen's compensation act of Quebec. Similar fees are provided by workmen's compensation acts of the other provinces. When Doctor Chartier or any other doctor treats an employee who comes under the provisions of the workmen's compensation act the account rendered must be approved by the treasury branch. If the fees charged are found to be due they have to be paid; that is all there is to it.

Mr. DIEFENBAKER: What other doctors were there in Montreal who received fees for this work?

Mr. MICHAUD: Last year there were 530 who received fees.

Mr. DIEFENBAKER: The highest fee received by any other doctor in Montreal was $2,400; is that not correct?

Mr. MICHAUD: I do not know, but it is possible that may be so. I have not the amounts paid to the 530 doctors.

Mr. BLACK (Cumberland): There was an item called hurriedly before I had my papers—

The CHAIRMAN: I did not call it hurriedly; I called it in the usual manner. I know the hon. member does not intend to cast any reflection upon the Chair.

Mr. BLACK (Cumberland): I should like to make a statement in connection with item 387, which provides $3,500,000 as a payment under the Maritime Freight Rates Act. I want to point out that such votes have been made since the report of the Duncan commission was implemented. It varies from year to year and it is greatly appreciated by the maritime provinces. However, we feel it is our right. I would point out that it is not a one-sided affair. Last year the Canadian National Railways showed a profit of $85,302,000. From this operating profit was paid interest charges of $30,998,000 on debt held by the public and interest charges of $18,665,000 due to the government in respect of temporary loans for capital and refunding purposes. There was a net cash surplus of $35,639,000. While we get the benefit of this vote, the Atlantic division of the Canadian National Railways has been showing substantial operating profits which go to make up the total profits I have mentioned. I want the situation understood, that this is not entirely disbursement to assist the maritime provinces, because the Atlantic division has contributed large earnings to the operating profit of the Canadian National Railways. This is in striking contrast to the situation that prevailed years ago.

[Mr. Diefenbaker.]

Mr. MICHAUD: Perhaps there should be the qualification that whether or not there are profits made by the Atlantic division, the amount is paid.

Mr. BLACK (Cumberland): That is quite so.

Item agreed to.

Air service—

394. (Control and supervision vested in the Minister of Munitions and Supply by order in council P.C. 3076 of 8th July, 1940.) Air service administration, $11,250.

Mr. DIEFENBAKER: What is the purpose of this item?

Mr. HOWE: It is to cover the salaries of the controller of civil aviation and two or three stenographers.

Mr. KNOWLES: Is it possible for the minister to make any statement yet as to the airports in the northern part of the country that are being purchased from the United States? Will they be worked into our national airway system?

Mr. HOWE: It is intended that all airports built for war purposes will be utilized for post-war purposes to the extent that they can be useful. There is a line of bases extending from Winnipeg to the Pas, Churchill, Southampton island, two bases in Greenland, a base in Iceland and a base in the United Kingdom. That is a route where the airports are not more than nine hundred miles apart. That will be a useful route in my opinion for post-war aviation. I visualize that aviation across the Atlantic after the war will divide itself into two classes, the high-speed luxury crossing, of the type we have now so far as speed is concerned from Montreal to Scotland, and a slower and less expensive crossing, with a number of stops, such as can be had on the route I have just mentioned. A study is being made of the bases and their possibilities. There are one or two bases which no Canadian to my knowledge has yet seen. If the route can be used for post-war aviation it will be made available for that purpose.

Mr. KNOWLES: I understand from a press report that a group of officials are leaving by air to-morrow for Churchill and the other bases which the minister mentioned. I am sorry that the minister found it impossible to accede to the request that he received from the mayor of Winnipeg that a representative of that city or of the province of Manitoba be included in this party. When the minister replied to Mayor Coulter and also to me in the house he said that the party would in-

clude only military and technical personnel and that there would be no place in it for a representative of the city of Winnipeg or the province of Manitoba. I imagine that the request was made by Mayor Coulter because the press dispatches regarding the trip said that a study was to be made of possible post-war uses of these bases. Mayor Coulter is a mild sort of person and has accepted the minister's explanation as to why no representative of the city or of the province can be taken along, but I am not so easily satisfied. The city of Winnipeg occupies a very important position on the world air map, both of the present and of the future, and I feel that Winnipeg and the province of Manitoba should be represented right at the start in the study that is to be made of these northern and north-eastern bases with a view to their possible post-war use. I shall have something further to say about the airport at Stevenson's field, Winnipeg, when we get to the appropriate item, but I still hope that the minister will agree that a representative of the city of Winnipeg or of the province of Manitoba be taken along on the trip that is to start to-morrow.

Mr. DIEFENBAKER: In connection with the taking over of these airports at Churchill, Greenland and other places which the minister mentioned, I should like to secure a statement from the minister in regard to the disposal of the surplus goods or equipment that the United States government may have at these various airports. While there has been a denial by members of the government that on the northwest staging route there was destruction of equipment, scarcely a day passes but letters are received by members of this house from people living in Dawson Creek and on up there testifying that there was destruction of very valuable equipment and placing the responsibility upon the dominion authorities on the ground that the dominion authorities had refused to the United States government the right to dispose of its surplus equipment because it was brought into Canada without payment of duty. Personally I have no knowledge of the matter but I have read about it in the Edmonton press and have also had numbers of letters on the subject, which has become a very vexed question. I would like to ascertain from the minister what the plans of the government are with regard to the disposal of surplus or excess property, equipment and the like when these airports are officially taken over by the Canadian government.

There is another matter, a smaller one. Recently Prairie Airways Limited at Moose Jaw was taken over by the Department of Munitions and Supply to be operated by them so far as the repair depot is concerned. I have received reports that certain lumber and other materials are being destroyed instead of being sold, even though this material has value. The informants state that certain quantities of material, lumber and the like, were removed from the premises, and representations have been made to the effect that it could have been made available for civilian uses and ought not to be destroyed. I also point out that six of the employees who were acting as guards, all of them returned soldiers of the last war, received notice that their services were no longer required and were replaced by men of military age who combined the duties of guard with looking after the storing of the planes and the like. I would like to know what is going to be done to assure these returned men who were discharged of placement elsewhere. They have not the mechanical qualifications that would enable them to work in armament factories, but they were able to do the work they were doing as guards. Their removal from their positions has aroused no little resentment.

Mr. HOWE: As to the disposal of United States material on the northwest staging route, negotiations are proceeding between the Canadian and United States governments to the end that War Assets Corporation will act for the United States government in disposing of movable assets. A representative of War Assets Corporation is now in that territory, cooperating with Major General Foster, who is the administrator of the area for the Canadian government. It is hoped that War Assets Corporation will be in a position to dispose of United States assets, for the account of the United States government. My hon. friend will appreciate that the Canadian government has bought only the immovables from the United States government; that the movables are the property of the United States government, and are for disposal by the owner.

My hon. friend said that the Canadian government has prevented local officers from selling materials locally. United States army regulations probably prevent army officers from selling government material, just as is the case in Canada. My hon. friend will appreciate that the sale of materials owned by a government is a matter which cannot be handled carelessly. The United States has followed the same practice as has the government of Canada in setting up a disposal agency for the sale of government war material. However, reports from Major General Foster indicate that the destruction of materials by the United States government was a comparatively minor matter;

no very important stores were disposed of. I may say that ours is an official report, not something received by way of gossip.

Mr. DIEFENBAKER: Did he give the minister the value of the material which was disposed of?

Mr. HOWE: He has given us a detailed report on it, and I can assure my hon. friend that the value is trivial. My hon. friend asked so many questions that I have forgotten—

Mr. DIEFENBAKER: I asked about Moose Jaw.

Mr. HOWE: Moose Jaw has an overhaul plant operated by Prairie Airways Limited. It was expanded with government assistance, and probably the ownership of the government in the plant is larger than the ownership of Prairie Airways. Incidentally, Prairie Airways was acquired by Canadian Pacific Air Lines subsequent to the original negotiations. There has been a reduction in the volume of overhaul work. This plant is wholly a private operation. The government has not operated and is not now operating the plant, which is operated by Canadian Pacific Air Lines. The plant is still in use, and has not been declared surplus to government requirements. If there has been disposal of government material, such disposal has been wholly illegal; if there has been disposal of privately-owned material, the situation is quite in order. A private firm can dispose of its material as it likes. The department has received no report that government material has been disposed of, but if it has, that will undoubtedly come to light in due course.

When the plant is no longer required for the purpose for which it was built—and my hon. friend will appreciate that air training has been reduced substantially and that therefore overhaul work has been reduced substantially—and when the plant is reported as surplus to requirements, it will be turned over to War Assets Corporation for disposal in the usual way.

Mr. DIEFENBAKER: I thank the minister for his explanation. Can he state the figures which Major General Foster gave with reference to the value of the equipment which was disposed of along the staging route? We should know the value of these goods as reported by General Foster. The mere statement that it is trivial in amount is indefinite; it might be a very large amount and yet be trivial compared to the total value of the airports up there. What does the minister mean?

Mr. HOWE: The report covered the operations of another government. Had the property disposed of been that of the Canadian government my hon. friend would have been entitled to the figures. But since the reference is to a Canadian report with regard to disposal by another government, the government of the United States, the figures are regarded as confidential.

Mr. BLACK (Cumberland): Will the minister make a statement with respect to air service operations at Amherst in the post-war period? The board of trade and others are interested in it, and I believe they are having a meeting this week to discuss the matter. As the minister knows, this airfield is within the town boundaries, and the location is as favourable as that of any airfield in Canada. It was built after substantial contributions were made by the town of Amherst. It had the good will and cooperation from the beginning of the minister himself and of Mr. R. P. Bell, director general of aircraft construction. The town of Amherst has a large investment and a great interest in it and they are now anxious to know what their position is, having regard to the Aeronautics Act and the policy of the government and the minister, in the post-war period, in securing and maintaining an air service to utilize this field and serve the town of Amherst and the surrounding community.

Mr. HOWE: The field at Amherst is an airport which will be suitable for post-war commercial operation. At the moment it is busy with operational work connected with the war. When the airport is no longer required for the overhaul of aeroplanes, and for flight-testing of new aeroplanes, it will be declared surplus to the requirements of the war and turned over to the Department of Transport. I feel sure that at that time it will be converted without difficulty into a unit of a system of commercial aviation. Amherst is an enterprising city with considerable mail and passenger potentials, and I feel sure that one of the air lines in that area will desire to give service to the town. Certainly the government will be wholly favourable to civilian service when the time comes.

Mr. BLACK (Cumberland): I appreciate the minister's statement, but what the members of the Amherst board of trade and the business people are concerned about is whether they should not now be taking steps to make arrangements for an air service instead of its being left until after the termination of the war. They are anxious to know what steps to take so that they may be assured of the utilization of this airfield after the war which I believe the minister and all concerned are anxious they should obtain.

Mr. DIEFENBAKER: There are two or three other questions I should like to ask the minister. They have to do with the establishment of a route between Winnipeg and Edmonton. Something was said about that a few months ago, that an air line was to be established there, but lately we have heard nothing about it. When is it expected that this air line will be put into operation, and has consideration been given to the inclusion of Prince Albert in the route? It would not mean the addition of many miles, but it would be very helpful in connecting with the private air line which operates into the north from Prince Albert and giving people from the north an opportunity to travel on the route from Saskatoon and Winnipeg. To-day the situation is that there is only one passenger plane each way each day, which does not provide the service that Prince Albert, I submit, should be entitled to by reason of its strategic position.

In that connection I would ask the minister whether it is intended to hardsurface and improve the runways in Prince Albert and Saskatoon. Recently there was a suggestion that this would be done. The situation to-day, so far as Prince Albert particularly is concerned, is that for at least a month in the spring and also to a lesser extent in the fall it is very difficult to use the air field because nothing has been done to render it available at all seasons of the year. Prince Albert is the jumping-off place into northern Saskatchewan, and if it had had anything like the facilities that are available in one or two other cities in adjoining provinces the amount of air transportation would have been multiplied very considerably. Before the war what held back its development was the fact that it did not have the necessary all-weather air facilities.

As far as Alberta is concerned, it has those facilities with the result that people who desire to go into northern Saskatchewan, in connection with mining development and the like, find to-day that it is almost a necessity to go to Yellowknife, which is immediately north of the northern boundary of Saskatchewan. I do not raise any objection to the facilities in Edmonton because it has a great air future; and as regards Winnipeg, Stevenson field as it stands to-day is a monument to lack of vision on the part of our authorities with regard to post-war development of aviation in Canada but I ask that in the post-war development Saskatchewan be given an opportunity to expand in that direction. Representations have been made from time to time to the government by the Prince Albert board of trade. An implied promise of action was given last year. What is the attitude toward this matter, and may it be expected that some development along the lines suggested will shortly take place?

Mr. HOWE: The constituency of Prince Albert is very ably represented in this house—

Mr. DIEFENBAKER: I am one of the Prime Minister's constituents.

Mr. HOWE: —and I do not think that the hon. gentleman need assume the responsibility of speaking for it. I may say that we have plans for Prince Albert but those plans are in the same position as other post-war plans; they are not being proceeded with while the war is being actively prosecuted. We cannot divert labour, at a time of acute labour scarcity, to make improvements that are designed wholly for civilian aviation. During the course of the war, Prince Albert has been served by an excellent transport service, one of the few successful smaller operations in Canada. It has had regular service, every day in the month and every month of the year, since the war began. The airport is adequate for the present service. It would be inadequate for larger planes, but my hon. friend knows that aviation into the north from Prince Albert must be on floats, and extending airports or improving the air field at Prince Albert would hardly improve the facilities for operations into the north. The curtailment of operations in the north resulted from the curtailment of gold mining operations in northern Saskatchewan as the hon. gentleman knows. We hope and expect that the revival of gold mining following the end of the war will result in operations into the north from Prince Albert on a greatly increasing scale.

So far as Saskatoon is concerned, the present airport is hard-surfaced. Extensions of runways in length are required, and will be undertaken as soon as any programme of improved civilian fields can be undertaken. As regards the service between Winnipeg and Edmonton, the radio beams are nearing completion. Some improvement in fields is proceeding, but I cannot give the date for the commencement of the service. As a matter of fact, Trans-Canada Air Lines is very short of equipment, but when that equipment is available, we hope to be ready to put on a first-class direct service between Winnipeg and Edmonton. That route will involve a decided improvement for air traffic in and out of Prince Albert.

Mr. DIEFENBAKER: I did not realize that a member of parliament was not permitted to speak for any constituency other than that represented by himself.

Mr. HOWE: He is permitted, but it is not necessary in this case.

Mr. DIEFENBAKER: On the contrary, I mentioned it because I feel that the people of Prince Albert consider it necessary to have brought to the minister's attention the failure to provide air facilities in Prince Albert even approximating those to be found elsewhere. That is why I brought up the matter. I did not do so in any partisan spirit, but the minister immediately took umbrage.

Mr. HOWE: I did not take umbrage; I simply pointed out that the member for Prince Albert is not in his seat, and that my hon. friend is trying to steal a little glory.

Mr. DIEFENBAKER: That is always the minister's attitude. I asked why it was that Prince Albert did not receive some consideration in connection with the improvement of air facilities. For six years there had been promises. Prior to the war it was one excuse; since the war it has been the reason given by the minister a moment ago.

Mr. HOWE: Who promised what? What was the promise?

Mr. DIEFENBAKER: The promise of an all-weather runway. Does the minister say it was not promised before the war?

Mr. HOWE: I would like to see the promise.

Mr. DIEFENBAKER: Then the minister had better look up some of the correspondence sent from his department to the board of trade in the city of Prince Albert. I am advocating that this should be done. The minister generalizes but he does not even now give the assurance that all-weather runways will be made available in Prince Albert on the conclusion of the war.

Item agreed to.

Progress reported.

At one o'clock the house took recess.

The house resumed at three o'clock.

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN-YEAR EXTENSION OF BANK CHARTERS

The house resumed from Friday, August 5, consideration in committee of bill No. 91, respecting banks and banking—Mr. Ilsley—Mr. Bradette in the chair.

On section 12—Opening of stock books.

Mr. BLACKMORE: I desire to move an amendment to this section, to provide that any provincial government, upon the authorization of the legislature, shall be empowered to ask the dominion government for a charter to establish a provincial bank. The amendment is as follows:

That section 12 of bill 91 be amended by inserting immediately after section 12 thereof the following new sections:

12a. The government of any province which has been duly authorized by its legislature so to do, may apply under this act for an act of incorporation of a bank in the form set forth in schedule B(1) to this act, and the act of incorporation shall be construed to confer upon the bank thereby incorporated all the powers, privileges and immunities, and subject it to all the liabilities and provisions set forth in this act except those specifically excepted in the act of incorporation.

12b. The following sections of this act shall not apply to any bank incorporated under the provisions of section 12a of this act, that is to say, sections 11, 12, 20, 33, 35, 37, 39, 40, 41, 42, 45, 46, 47, 48, 49 and 50.

Before offering reasons why this amendment should be incorporated in the act may I point out that as the amendment is drafted it will be noted that the provincial legislature will pass legislation authorizing the provincial government to make application to the dominion parliament for an act to incorporate a bank. The dominion government will then be requested to incorporate a bank in the same form as that in which the commercial chartered banks have been incorporated. In view of the fact that both the dominion and provincial legislatures will have concurred in the incorporation prior to the charter being granted, the question of jurisdiction does not arise.

It will be remembered by those who were called upon to become familiar with the whole situation that when Alberta applied for a charter in 1940 and the matter came before the banking and commerce committee the request was denied upon the advice of Mr. Varcoe, who maintained in brief that the act would be ultra vires of the Dominion of Canada because it would impose certain liabilities upon the provincial government.

What I have just said indicates that if the matter is proceeded with in an orderly fashion, and with wisdom, there need be no infringement whatsoever upon the British North America Act; there need be no reason why the act should not be allowed, certainly not upon the grounds which the committee found substantial in the last instance.

May I point out that the sections referred to in the suggested clause 12 (b) relate to formalities which would not be applicable to a provincial bank. Those sections relate to the following subject matters, and I would review them briefly. Section 11 has to do with the qualification for provisional director; section 12 has to do with stock books for subscriptions; section 20 has to do with the qualification of directors; section 33 has to do with the allotment of shares; section 35 has to do with share personality; section 37 with calls on shares; section 39 with the recovery of calls; section 40 with a fine for failure to pay a call; section 41 with actions to recover calls; section 42 with conditions for the transfer of shares; section 45 with the sale of shares under execution; section 46 with the transmission of shares; section 47 with the transmission by marriage of female shareholders; section 48 relates to sections 46 and 47, by reference to the documents required; section 49 has to do with transmission by will, and section 50 with transmission by decease. Therefore it will be seen by hon. members that while a considerable number of sections of the act are proposed to be made non-applicable in the case of the provincial bank charter, nevertheless no impairment whatever is proposed of the general purpose and effectiveness and formality of the Bank Act. Now may I point out to hon. members why the province of Alberta is so insistent in requesting that it be granted the right to have a bank. Be it noted that this amendment is not a request for the granting of a charter; it is merely to provide enabling legislation. Several times since coming to this house I have contended that there need be no conflict between the dominon and provincial governments with respect to the constitutional competence of either, if the dominion passes enabling legislation and allows the provinces to cooperate by passing similar legislation, or legislation which becomes in order in cooperation with the dominion under the enabling legislation. This legislation is to provide authorization to a legislature to incorporate. There is no imposition of liability on the province by the dominion.

May I deal briefly with the question why Alberta wants to have a bank, and why I say the house should pass an amendment to the act under which any province in Canada may have a chance of having a bank of its own. In 1940, when the banking and commerce committee was examining Mr. Low of Alberta, in connection with the proposed granting of a charter to Alberta in that year, questions were asked as to why Alberta wanted a bank. I should like to read Mr. Low's remarks in that connection. I turn to the evidence taken before the banking and commerce committee on Tuesday, July 16, 1940 where, at page 5, I find this:

Mr. Casselman: What need?

The Witness: That covers, Mr. Chairman, very much ground; but we are of the opinion and we think our opinions are sound in this respect, that there should be an institution in the province of Alberta sponsored by the people of the province in a cooperative way which will endeavour to increase the industrial possibilities of the province, which will make it possible to stabilize prices of certain commodities whose main market is in the province of Alberta, and which will eventually prove to the whole of the Dominion of Canada, if not to the world, that the control of credits should be vested in the government of the country and not in private institutions.

And farther down on the same page, the following questions by Mr. Thorson:

Q. How will it accomplish the purpose you have in mind?

A. Well, in the first place this bank certainly would operate on a more extended policy of credit issue. That is, if a man or an institution or a community or a corporation cannot put up adequate security they should be entitled to their credit, and there will be no such thing as premature withdrawals of credit to render men and corporations helpless as we see to-day all around us.

May I comment just there that one of the most serious disadvantages from which Alberta suffered during the depression was the disastrous fall in prices from what they had been, when Alberta incurred most of her public debt, to what they were in 1931 and 1932. This fall in prices rendered it impossible for people who were in debt to discharge the responsibilities they had assumed when they contracted their debt. This brought about undesirable conditions of various kinds.

I shall now proceed with Mr. Low's evidence, at page 7 of the report:

By Mr. Cleaver:

Q. I understood you to say quite distinctly a moment ago when you were stating the objects and the need for your bank that the need was that the present banking institutions were not extending credit where it was required by credit-worthy individuals?

A. True.

Q. I take it from that statement you intend to extend greater credits than the existing banks are now extending?

A. Not necessarily, but more honourable ones. Would you mind if I qualified your statement?
Q. Yes.
A. In time.
Q. I also understood you to say that you are not going to withdraw these credits abruptly after loans were granted—they would not be abruptly recalled?
A. Unless there is a mighty good reason for so doing.
Q. If having made generous loans you undertake, or your policy will be not to require payment of them, if your depositors want their money which they have deposited in the bank, how do you propose to obtain it for them?
A. We propose to keep adequate reserves to meet the demands for repayment by increasing the capital structure.

Hon. Mr. Hanson: Mr. Chairman, Mr. Low has in part answered one point, one question I raised concerning the necessity for the bank. He says in effect, if I understand him correctly, that one of the reasons why this bank is required is because the present chartered banks do not extend sufficient credit to the people of Alberta; is that not a correct statement of your position, Mr. Low?
A. Partly, yes, Mr. Hanson.

I do not propose to read at greater length from the hearings of the committee. Hon. members who find themselves interested may read the proceedings and gather information for themselves.

I believe what the dominion government has done at this session of parliament indicates just how sound was the position taken by Alberta in 1940. It will be recalled that there has been before the house at this session a bill to enable the freer granting of loans to farmers. The government of the day takes a good deal of credit to itself for having introduced that measure. At the same time there is to-day before the banking and commerce committee bill No. 7, for the establishment of an industrial development bank, the object of which is to enable the Dominion of Canada to extend loans to industries for fixed capital, where those industries would not be able to obtain loans from the chartered banks or from other lending institutions in the country. I feel safe in saying that those two measures alone indicate that Mr. Low was on absolutely unchallengeable ground when he made the statements he did make; and the Alberta government was completely justified in asking for a bank to enable it to grant credit more freely, more discreetly and on better terms than were being granted to the citizens of Alberta throughout the depression, and than they have been granted even up to the present time—perhaps even notwithstanding the war.

Other provinces have suffered seriously by reason of a faulty or unsatisfactory financial system, or a faulty administration of that system by the banks. To show that Alberta is not unreasonable and is not alone in making her request that she be given greater control over credit in that province, may I turn first to the submission by the government of the province of Nova Scotia to the Rowell-Sirois commission, as published in February, 1938. At page 82 of that submission hon. members will find the following words:

The Jones commission appointed distinctly to consider the relations of Nova Scotia with the dominion and the general effect of federal policies on provincial economic development, emphasized throughout the whole of its report that, as was expressed by Premier Taschereau of Quebec at the dominion-provincial conference in 1927,—

"To have a happy and prosperous Canada, there must be happy and prosperous provinces, and the latter could do more for Canada than could the federal authorities."

I should like to emphasize those last words of Mr. Taschereau. He said that the provincial governments could do more for Canada than could the federal authorities. I have maintained that steadily and consistently ever since coming here. I proceed with Mr. Taschereau's remarks:

The provinces were more in contact with the people, educating them, building their roads and looking after their health. The provinces enacted compensation laws in favour of workmen and had control of the judicial machinery.

I continue quoting from the submission:

Doctor Innis likewise stated in his complementary report:

"We are convinced from a wide variety of evidence that the trend towards centralization in railways, banking, finance and industry tends to become less efficient in relation to the outlying areas and must be offset by a definite reversal in terms of development policy. Increasing centralization must be offset by increasing devolution, if the more distant regions are to guard effectively their interests. No province has been exposed more directly to the effects of the national policy and no province deserves more careful consideration as to a policy of development. . . .

I quote now from page 83 as follows:

The federal government could not ask a greater sacrifice of a province and it cannot refuse sympathetic consideration to measures which will involve a restoration of unity.

I contend that at this time in the history of Canada the dominion government could hardly do anything more calculated to restore the confidence of the provinces than to grant to the provinces the right to have provincial banks under their own control. These banks would be under the control of the dominion financial system; they would obey all laws and submit to inspection by the dominion authorities, but they would be under control of the provincial governments. I continue:

It may be urged that centralization of policy in the dominion is in the best interests of the

province rather than devolution and lest we should be misinterpreted it should be said that we are favourable to centralization as to matters of coordination and we regard the federal government as becoming, to an increasing extent, a clearing house as to matters of general policy —a clearing house which can effectively be used with control over funds. On the other hand, we have been forcibly struck with the callousness, lack of sympathy, and general disregard of broad policy, which has characterized federal supervision.

I do not know how the dominion officials could be more roundly or emphatically condemned for their past policies than they are in the closing words of that paragraph which I have just read. That was the submission of the sober, staid province of Nova Scotia. Nova Scotia has not yet asked for a bank, but the main reason is that she has not come to see that it would be in her best interests to vote Social Credit.

May I turn from the submission to the Sirois commission to the words of two prominent members of this house which were uttered as late as yesterday in the banking and commerce committee. First I should like to refer to the hon. member for Queens-Lunenberg (Mr. Kinley), who said: "Centralization has been—"

Mr. ILSLEY: On a point or order, I understand the rule is that one cannot quote from the proceedings of a committee unless the matter has been reported on to the house.

Mr. BLACKMORE: Very well. I will refer hon. members to the remarks of the hon. member for Queens-Lunenburg and the hon. member for Swift Current (Mr. Graham). Both hon. gentlemen pointed out emphatically that there has been far too much centralization in this dominion and that that constitutes one of the serious disabilities under which the provinces suffer. I ask hon. members how in the world this decentralization of industry, which I believe most people think should be effected, is to be brought about? There is before the banking and commerce committee a bill for an industrial development bank, but many people are afraid that if that bill is passed and the industrial development bank is to be under the control of the Bank of Canada, under the control of the dominion government, it will be used to help to advance money to assist industry in Ontario and Quebec and will not be used to help industry in Alberta, Prince Edward Island, British Columbia, Nova Scotia and other outlying provinces. If we are to judge by the past record of the dominion government we must grant that the people who have those fears are justified in entertaining them. I myself am not disposed to feel quite so suspicious of the central government, despite the way in which they have dealt with us in the past. One of the main arguments advanced by the supporters of the bill for an industrial development bank is—

The CHAIRMAN: The Minister of Finance raised a point of order which was well taken. We are now discussing bill No. 91, while the hon. member is discussing a bill which at the moment is before the banking and commerce committee.

Mr. BLACKMORE: My understanding of the point raised by the minister is that he was objecting to my quoting the exact words which were uttered in the committee by an hon. member. I am not going to discuss the industrial development bank any further, so that I shall not be out of order in the future. I have no desire to be out of order; I do not need to be out of order to establish my case, because it is too strong for that. The fact is that the hon. member for Swift Current (Mr. Graham) pointed out that Saskatchewan had suffered from centralization. That indicates that Saskatchewan has been suffering from the disability about which Alberta complains.

I turn now to the submission of the province of New Brunswick to the Sirois commission, which was published in April, 1938. I quote from page 49 as follows:

> In this connection it is well that the commission should bear in mind that the Canadian banks have been centralized in Ontario and Quebec. Prior to confederation and for some years afterwards we had our own banking institutions in this province and our people were able to obtain money for the encouragement of industry here.
>
> The head offices of these banking institutions were removed, after confederation, to Montreal and Toronto where they were situated more immediately in touch with the financial interests by which they were controlled.
>
> The result has been that industries in New Brunswick have not been able to obtain financial assistance in cases where such assistance would enable our local industries to compete with those in the provinces of Ontario and Quebec.
>
> Pertinent cases may be cited where local industries in this province have been destroyed because of the difficulty of financing and we submit that finances have been withheld as local industries might come into competition with similar industries in the last mentioned provinces.

There is the advice of New Brunswick given in 1938. May I read a passage from the submission of Alberta to the Rowell-Sirois commission. At page 37 of Part II I find the following words, commencing with the second paragraph:

> **When it is borne in mind that this overriding control by the central bank is exercised in conjunction with a debt-creating system which**

progressively places everything under the control of finance because of its prior debt claims against the community, something of the enormous and extraordinary control of the highly centralized banking system can be appreciated.

This has been very clearly demonstrated to a started world by recent events in this province. Even governments are expected to submit to the domination of these financial rulers. And as unsatisfactory as it is that this centralized control of all human activity should be exercised by a group of institutions in the dominion, the situation becomes fantastic when it is fully realized that the centralization of control is continued through central banks to a coterie of alien financiers exercising supreme domination of the system on an international scale.

May I read again from page 53, where those who prepared the brief are making suggestions:

In order to implement the policy of electors, the following specific proposals should be adopted to rectify the faults in the financial system which have been examined in previous chapters:

(a) A provincial credit authority under government control to be established in each province to supervise the administration of policy as decided by the people.

I omit paragraphs (b) and (c) as not being particularly pertinent to the matter under discussion and continue with (d):

(d) The note issue to be regulated by the volume of financial credit released, instead of the present procedure of an arbitrarily limited note issue unnecessarily restricting the issue of financial credit by the banks.

(e) Banks to continue the administration of the financial system under the jurisdiction of the dominion government and subject to the control of policy by the people of each province through a provincial credit authority.

(f) Banks to discontinue the practice of charging arbitrary interest rates and to be compensated adequately for their services to the community on an equitable basis.

(g) The careful preparation of an interim scheme to be undertaken so that the application of the general proposals outlined above can be introduced smoothly and without dislocation to the social life of the province.

I think that is sufficient to indicate quite clearly that the need, if not the actual demand, for more provincial control over the credit administration of the provinces is evident throughout the dominion. Here are four provinces at least which have expressed a sense of disability, directly or indirectly, and one of them has asked specifically for the right to have a provincial bank.

May I draw attention to one other aspect of this question before I resume my seat. Hon. members are familiar with the fact that in the province of Quebec there is a Quebec Savings bank. This bank applied to the dominion government for the renewal of its charter, and on Friday, July 28, 1944, the application for the charter was under consideration by the banking and commerce committee. Among other things we learned that this Quebec Savings bank had first been granted a charter in 1846 by Lower Canada, that it had another charter granted in 1871 by the dominion government. The nature of the bank was such that it very closely but not entirely resembles the sort of bank that Alberta has in mind. I should have liked to quote from the proceedings of the committee, but I presume I would be out of order in doing that; I would refer hon. members to pages 1534 and 1536 of the committee's proceedings, where, in reply to questions which I asked, the witness gave evidence which would justify one in assuming that the Quebec Savings bank is akin to an ordinary bank in its operations and in its powers. Now if an ordinary bank in a province can be granted a charter by this dominion it seems to me a most astonishing thing that a whole province is to be denied a charter to conduct a provincial bank. In Ontario there is a provincial financial institution which is called the Province of Ontario Savings Office, which was incorporated in 1921.

Mr. ROSS (Calgary East): By the dominion government?

Mr. BLACKMORE: By the Ontario government. The Ontario government did not come to the dominion for the power; it just did it, and judging from the way Quebec is behaving I imagine that pretty soon Quebec will do it and let the dominion government go merrily on its way. That is what will happen unless the dominion government takes this matter into consideration and allows the just request of the provinces, which must have some control over their own affairs. Members will find the act incorporating the Province of Ontario Savings Office in the revised statutes of Ontario, 1937, chapter 77.

I have no desire, Mr. Chairman, to hold up the proceedings of this committee. I merely wanted to state the case simply and straightforwardly and give the reasons why I believe the dominion government would be wise to grant Alberta a bank, and to ask the minister if he will not give favourable consideration to the inclusion in the bank act of an amendment, 12a and 12b, to the present section 12 of bill No. 91.

Mr. COLDWELL: Mr. Chairman, I would like to say a word in support of the amendment. For the last several years we have had one province of Canada requesting permission to establish a provincially owned bank in order that the bank may fulfil some of the needs of that province. While I do not entirely agree with the reasons advanced by the hon. gentleman who has just taken his seat (Mr. Blackmore), that is a matter of detail. The broad

principle is that a province has asked for a provincially owned bank and the request has not been favourably received. It may be argued that there has not been time to go into the matter very thoroughly and so on and so forth, but in my opinion the attitude of the house generally has not been favourable towards the incorporation of a provincially owned bank under this bank act, and the request has always been met, as the hon. member for Lethbridge has said, with the objection that there are certain provisions of the Bank Act which would have to be changed as they make it virtually impossible to organize such a bank. In the amendment which has been moved by the hon. member for Lethbridge he meets those objections; as far as I know he meets them completely. While he was speaking I have looked through the sections which he proposes to delete from the act, all of them having to do with the transfer of shares, the directorates, the records and so on of the chartered banks; and if those sections are deleted—I do not know if there are any more which should be removed, but no doubt he has gone through the act very carefully—it would seem that the sections which stood in the way will be pretty well eliminated from the act if this amendment is passed.

I believe that with the expansion of public enterprise and cooperative enterprise in the provinces, the need of developing their resources to a greater extent than some of those resources have been developed in the past, and the decentralization of industry or the establishment of industries in parts of the country where they have not yet been established and where great resources exist, as in the province from which my hon. friend comes, which is perhaps the most richly endowed province in Canada in this respect, these suggestions would enable a province to do for itself that which the chartered banks have been unable or unwilling to do for it.

I am not going to enter into a long discussion of this matter; I do not think that at this stage it is necessary. All I want to say is that we of this group have supported the hon. gentleman in the past when he has brought before us the request for consideration of the establishment of a provincially-owned bank in Alberta, and we intend to support that request to-day by supporting this amendment.

Mr. ILSLEY: I do not think I should let the amendment go without saying a few words. Apparently this amendment is to carry out the same intention as was expressed by the movers of the motion for the second reading of the Alberta Bank bill. That bill was not passed by this house, but the substance of it was referred to the banking and commerce committee and has not yet been reached on the agenda of that committee. The hon. gentleman who is moving this amendment to the Bank Act did not move it in the banking and commerce committee, nor did he bring it up at all, but if he had brought it up in the banking and commerce committee it could have been examined first from the point of view of its constitutionality, which is fundamental. I have not the opinion of the Department of Justice; I expected to have it by the time that consideration of the Alberta Bank bill was reached in the banking and commerce committee; but there are undoubtedly very strong arguments for the unconstitutionality of this amendment. The amendment is that the Bank Act be amended by inserting immediately after section 12 thereof the following new section:

> 12a. The government of any province which has been duly authorized by its legislature so to do, may apply under this act for an act of incorporation of a bank in the form set forth in schedule B(1) to this act, and the act of incorporation shall be construed to confer upon the bank thereby incorporated, all the powers, privileges and immunities, and subject it to all the liabilities and provisions set forth in this act except those specifically excepted in the act of incorporation.

I do not understand the amendment very well. The government of the province apparently does not apply for a charter.

Mr. BLACKMORE: May I tell the minister—it is unfair that he should try to interpret it on so short a notice—that all that is being asked for in this amendment is that the dominion government shall pass enabling legislation so that if the legislation of any province passes a resolution requesting its executive or government to apply for a bank charter, the government may apply for the charter with some hope that the dominion government will at least listen to it sympathetically and will grant permission to have such a bank. It is merely enabling legislation.

Mr. ILSLEY: Yes, but it does not mean much to put in legislation that the government of a province may apply to this parliament for an act. Of course they may apply to this parliament for an act, and they have done so several times already. It does not impose upon this parliament any obligation to pass an act, nor can it. No such language is found in the Bank Act with regard to applications by groups of individuals.

Mr. BLACKMORE: Perhaps the minister could suggest stronger language. I have tried to make it as mild as possible.

Mr. ILSLEY: Well. I think myself that the amendment has no effect. That does not mean that I am agreeing to its passage. I believe that if it were to pass, it would be a sort of indication that this parliament was favourable to provincial governments setting up provincial banks. Well, can they?

Mr. BLACKMORE: If they cannot, I suppose they could easily ask the British parliament for the right. They asked it in a hurry for unemployment insurance changes. Why not ask for this?

Mr. ILSLEY: Under the Alberta Bank scheme, ministers of the crown, as provincial ministers of the crown, not as individuals, were to become directors of a provincial bank, and the directorship was to pass from one set of ministers to another set of ministers as they became ministers of the crown. These ministers of the crown were responsible to this parliament under an act which makes them a bank, and at the same time they were responsible to the legislature of the province of Alberta, to whom of course they are, and to whom alone they should be, responsible. The constitutional position, I think, is an unsound one.

Mr. BLACKMORE: Then—if the minister will allow me—he has pictured the exact condition which obtains at the present time. If the provincial treasurer of Ontario incurs a debt with the finance department of the dominion government, that contract binds his successor. His successor will be responsible to the dominion authorities and will be responsible at the same time to the provincial legislature. So that there is certainly no point to the minister's objection on that score.

Mr. ILSLEY: The crown, not the provincial treasurer, is the debtor there in the right of Ontario.

Mr. BLACKMORE: Exactly. Well, the crown has authority in this case too. When Alberta applies for a bank act, Alberta applies for the bank act in the name of His Majesty the King for the province of Alberta.

Mr. ILSLEY: Well, I had no notice that any such amendment was being moved. If the hon. gentleman is serious about this amendment he should have moved it in the banking and commerce committee, where it could be examined in all its implications. I gave the reasons why I could not agree to the passing of the Alberta bank bill by way of second reading in this house, and the same reasons apply to this. I cannot accept it.

[Mr. Blackmore.]

Mr. BLACKMORE: The reason I did not move this in the banking and commerce committee was that I was unavoidably away at the time the section was passed. It was no use asking that it be reconsidered; it would not have been done. I had to take the next measure, which is to move this amendment here. It looks to me as if there is nothing which this house cannot deal with.

Mr. COLDWELL: The discussion which has just occurred does not, it seems to me, relate to this amendment. The minister was discussing the Alberta Bank Act, and suggested that the ministers would be the directors and that the directorships would pass from one set of ministers to their successors. This amendment does not, in my opinion, involve that. The hon. gentleman has moved it "subject to all the liabilities and provisions set forth in this act except those specifically excepted in the act of incorporation," so that he leaves it open, either when the charter is granted or under the special act which he may have in mind, that the conditions shall be laid down; and it seems to me that at that time conditions should be laid down which would be satisfactory both to the province and to parliament. It may be, and I think I myself would agree with the point of view, that the ministers responsible to the legislature ought not to be directors of a bank and thereby responsible to another legislative body, this parliament. I think I would agree with that. When the charter was granted some other way could be found. I should think that the government of Alberta or of some other province might appoint directors of a bank for certain periods of time, almost, if so desired, coterminus with the life of the ministers as such. But it seems to me that the constitutional angle does not come into this particular amendment at the present time. That is something for subsequent consideration when we have the application definitely before us. The application was here in the form of a bill and it was referred to a committee. It is not here for discussion this afternoon. All we have before us is an amendment that seeks to remove some of the objections that have been raised in the past to the incorporation of a provincial bank under this particular act.

Mr. GRAYDON: So far the question of an application for incorporation of a provincial bank has been largely centred, in the minds of the committee, in one particular province. Have other provincial governments made application for the setting up of this type of bank? In certain provinces there are provincial savings offices which are entirely differ-

ent in their functions from the bank which is suggested here. Have there been applications of that kind from other provinces?

Mr. ILSLEY: Not to my knowledge, and I think I would know.

Mr. GRAYDON: If in the opinion of the provinces the matter is one of national concern, is there any suggestion from the provinces that it might be made a subject of discussion at the coming dominion-provincial conference?

Mr. ILSLEY: I do not think that is on the proposed agenda, because I do not believe it is a live enough subject in any province except one. Clearly, this amendment is meaningless. The government of any province which has been duly authorized by its legislature so to do may apply under this act for an act of incorporation. Well, the government of any province may apply for an act of incorporation now—not an act of incorporation of the province or of the ministers of the province but of a group of individuals who apply under the Bank Act. All that would mean would be this, that a group of individuals would apply for incorporation under the Bank Act and their application would be sponsored by the province or would be accompanied by a request from the province or an application from the province that an act be passed. That is all that means. Suppose for instance a group of individuals in Nova Scotia wished to incorporate a bank and the government of Nova Scotia wrote a letter to the dominion government, saying "We would like to see an act passed and this bank incorporated." If the act were passed, then section 9 would apply; that is, the act of incorporation of a bank would be construed to confer upon the the bank all the powers, privileges and immunities, and subject to all the liabilities and provisions set forth in this act. This amendment would change that and declare that if the province applied under the circumstances I have indicated, the group applying would not be subject to all the liabilities and provisions set forth in this act, and would not have all the powers, privileges and immunities, but only some of them. And in any event there is a long list they would not have.

Mr. GRAYDON: In other words the province would be a preferred applicant.

Mr. ILSLEY: The group would be a preferred group if it got the backing of the province for the application, and that is all the amendment in its terms means.

Mr. COLDWELL: Is it not clear by this that the government of any province may apply under this act for an act of incorporation, and so on, as set forth in schedule B—

Mr. ILSLEY: That is important. Look at the schedule and you will see it means individuals.

Mr. COLDWELL: Oh, well—

Mr. ILSLEY: It does, doesn't it?

Mr. BLACKMORE: The government is an individual?

Mr. COLDWELL: In many of the bills we discuss here "person" includes a corporation. Cannot an individual include a government in this case? If it requires clarification of the schedule, why cannot the schedule be clarified? I think it is quite clear that the government of any province may apply under this act for an act of incorporation—

Mr. ILSLEY: Incorporating whom?

Mr. COLDWELL: —of a bank in the form set forth—

Mr. ILSLEY: But incorporating whom?

Mr. COLDWELL: Incorporating a provincial bank.

Mr. ILSLEY: When you incorporate, you incorporate individuals into an entity. You make them a corporate body. But you have to have individuals to start with; the province of Alberta knows that, and in its bill it picked out ministers of the crown and decided to make them a corporate entity and thereby gave them dual responsibility, one to the dominion authorities and one to their legislature.

Mr. BLACKMORE: There is no more dual responsibility there than in the cases I have cited; absolutely none. Every relation which a province has with this dominion government involves just as much dual responsibility as the minister apprehends in this instance. Schedule B, as far as I have been able to determine, permits a bank to apply for a charter. The act does not say the bank will be given a charter; it says it may apply, and the implication is that the dominion government will grant it, as it has condescendingly and graciously granted it up to the present time. Why can it not grant it to a province as to a group of private individuals?

The CHAIRMAN: Shall the amendment carry?

Mr. BLACKMORE: On division.

Amendment negatived on division.

Section agreed to.

On section 59—Cash reserves in Bank of Canada notes and deposits.

Mr. McGEER: I regret very much that this matter comes so late in the session and I almost feel like apologizing to my colleagues in the house for participating in a discussion of this kind at this stage in the proceedings; but it should be remembered that we were here for months before the Bank Act was introduced. While it did go before the banking and commerce committee; while it can be said that it has been under lengthy review there, in the light of all the circumstances surrounding the Bank Act in 1944 there were a great many things I felt should have been most exhaustively investigated which were not investigated at all.

I should like to mention just one other point. If this Bank Act passes, it passes for a period of ten years; and unless the government of the day sees fit to reopen it there will be no opportunity for parliament to discuss this act again for another ten years. So far as I am concerned personally, having definitely made up my mind not to contest another election, this will be possibly the last time I will have an opportunity to speak on the Bank Act in the parliament of Canada. Believing that men come and go like bubbles on a stream but that a sound idea once established in the minds of people will go on forever, I do want to take the opportunity to-day of placing some facts upon the record.

To understand section 59 of this bill you must read along with it section 75; and if I am right in my interpretation of those two sections read together then it is section 59, coupled with section 75, that vetoes and nullifies and makes impossible the execution of the declared policy of the government. That policy, enunciated from time to time in this house, is that the parliament of Canada, through the Bank of Canada, shall control the issue of currency and credit in terms of public need, not private gain. If you will look at section 75, subsection (e), you will find that there the banks are empowered to—

(e) engage in and carry on such business generally as appertains to the business of banking.

It is under and by virtue of that clause that the banks are empowered to issue bank deposits as a substitute for national currency in the form of Bank of Canada bills and in the form of coin. It is under the bankers' interpretation of this section of the act that we find them able to create and issue a bankers' form of money. In section 59 you find that the banks are required to hold five per cent of their deposits in Bank of Canada cash, and that must be held either in the bankers' tills or on deposit with the Bank of Canada. On the face of it section 59 seems to provide security for depositors, and it is assumed that it also imposes a restriction upon the power of the banks to issue bank deposits as an effective medium of exchange in Canada. But upon examination of the practice established and in vogue, the five per cent reserve is really an authorization for the piling up of $100 of bank deposits for every $5 of Bank of Canada cash which the banks hold. If that section is allowed to remain as it is to-day the bankers, with the cash reserves they have on hand, can increase and inflate the bank deposit buying power in Canada by double the extent of the bank deposits that are now in issue.

According to the statistical summary of the Bank of Canada for April and May, 1944, the chartered banks have in their tills and on deposit with the Bank of Canada $501,000,000 of Bank of Canada cash. That supports total deposits of $5,297,000,000. But the evidence before the banking and commerce committee was that this is a maximum or a minimum reserve. That is, in their practice the bankers have decided that what parliament has fixed as a minimum is not a safe reserve basis, so they say, "We have fixed as our right and privilege, as bankers, a reserve not on the basis of five per cent but on the basis of ten per cent." Therefore, on the evidence given before the banking and commerce committee, and on the facts which are not disputed, the banks are free to inflate the bank deposit buying power of Canada to the extent of $5,000 million on the reserves as they stand to-day. That cannot and will not be disputed as a fact.

In the face of these facts I submit that any man who will say this parliament has any control, either through the Bank of Canada or otherwise, over the power of our chartered banks to inflate bank deposits to promote a stock boom or any other form of inflationary activity, is uttering what is obviously an utter absurdity. Is it good enough for parliament to say, "We can trust to the wisdom of our bankers"? In the light of the experience of the past is it safe to say that for the coming period of ten years we can give the control of the issue of currency and credit to men who are interested primarily in private gain, and then ask the people throughout this Dominion of Canada to believe us when we say that parliament is in control?

Of course there has been controversy and disagreement; probably there is no subject upon which men will disagree more definitely or so divergently as in the matter of monetary theory and monetary policy. There is always

great danger in the use of power; and the power to issue money as the medium of exchange of a nation and its people is the greatest power the government possesses.

What have we done with that power? We have given that power away to a group of men whose business is that of lending money at interest. Human nature being what it is, what would one naturally expect as the outcome and result of that kind of monopoly? Well, one would expect money to be organized in its flow so that it would always be in demand. The people will have to borrow it, because its supply is not adequate either for the needs of government or for the needs of trade. Will anybody suggest we have had enough money to finance this war? Will anybody suggest we had enough money to finance during the last depression? And, looking out on the to-morrows, is there anybody under this present system who does not view with grave concern the danger of the ever-mounting pyramid of debt, and the danger which has swept other countries into the disaster of repudiation, and internal as well as international strife?

To give that power away to a private monopoly, without having absolute control over what that monopoly might do, is an evidence of bad government. And it is because we have maintained a monetary system in the hands of private entrepreneurs that we had a series of booms and depressions, scarcity of money in peace time and abundance of money in war time, and always the very thing one would expect from the monopoly we have created and the power we have given them—an ever-amounting pyramid of unpayable debt.

Of course if the debt dealers are going to control the issue of currency and credit it will be issued in terms of private gain, the debt dealers dealing in debts. And if they have power to create debts they go on creating them until disaster overwhelms them—because that kind of monopoly has invariably the seed that breeds its own destruction.

What is the answer to the debt situation to-day? "Oh," we are told, "we can go on." "How long?" "We do not know". "Well, if you do go on indefinitely, what will happen?" According to your bank governor you will impose an intolerable strain upon the economy of the nation. When is that intolerable strain to come, and when it does come, what is the consequence and what is the remedy? The answer is "We do not know." That is all we can get in the committee on banking and commerce.

Sections 59 and 75, as interpreted, establish a monetary system beyond the control of the Bank of Canada and beyond the control of parliament. They establish a monetary system which vests in private monopoly the right to control the issue of the medium of exchange of both the government and the people, in terms of private gain.

Like all men. I was interested in how money is created. One of the most common questions one hears is this: Where does money go to? How does it come about that at certain times we have an abundance of money, and at other times it disappears? Why is it that money, in its circulation, rises and falls? Well, in 1939, I examined the governor of the bank, and elicited this interesting information from him, as it appears at page 76 of the evidence of the committee on banking and commerce:

> Mr. McGeer: Am I right in saying that a bank deposit can be created in this way? A banker can purchase a dominion government bond by accepting from the government, we will say a bond for $1,000, and giving to the government a deposit in the bank of $1,000?
>
> Mr. Towers: Yes.
>
> * * * *
>
> Mr. McGeer: And in law all that the bank has to hold in the way of cash to issue that deposit liability is 5 per cent?
>
> Mr. Towers: Yes.

Do hon. members realize what that simple transaction means? It means that the Bank of Canada hands over to the bank of Montreal $5 in Bank of Canada cash. The Bank of Canada with that $5 can buy $5 worth of bonds; but when the bank of Montreal gets it it can buy, on its own practice, $50 worth bonds. And the answer is not complete when it is said that we are borrowing some money from the banks at three-quarters of one per cent. That is only a partial answer. It has nothing to do with the actual operation. Can we conceive of a sane man owning a bank and then giving that bank's money over to another institution, and that institution's being able to use that same money to buy the bonds of the original bank to the extent of ten times—or, as by law, twenty times—the value of that money? We are the Bank of Canada. We own every dollar of that stock. It is the people's bank, and we are the people. Yet with a bank capable of issuing real money, we use that bank to bonus a private banking monopoly to carry out the practice of purchasing government bonds by exchanging the non-interest-bearing debts of the chartered banks for the interest-bearing debts of the government of Canada. And you call that a sane monetary system—a sound monetary system? It is a monetary system which has neither sense nor reason or logic to sustain it.

Let me give you an illustration of what that means in the cold terms of factual reality as

they exist to-day. Our government now has sold to the Bank of Canada approximately one billion dollars' worth of securities. It is somewhat more than that, but I will use the round figure. The Bank of Canada in turn has issued a billion dollars' worth of Bank of Canada cash into circulation. The fact is that there is no debt with regard to that billion dollars. Those bonds are owned by the Bank of Canada and the Bank of Canada is owned by the government of Canada. That is an instance where internal debt is owed by all of the people, through the government, to all of the people. That is a debt that can be cancelled out as a mere bookkeeping entry. But there is another $3,000 million which this and former governments have issued to the chartered banks of Canada. There is an instance of a debt owed by all the people of Canada, through the government, to some of the people of Canada. Once we became the owners of the Bank of Canada why did we ever continue the practice of borrowing through the chartered banks? I think I summarize correctly the answer when I say that if we did not do that we would suffer the consequences of inflation.

I agree that there is always the danger of inflation, but it is not confined to currency alone. You can have inflation of debt, you can have inflation of prices, you can have inflation of commodities. You have had all those things. When you get a superabundance of wheat that you cannot sell, you have inflation of wheat. You can have an inflation of capacity to produce. Inflation can never be summed up in one term alone, that of inflation of currency. When you want to deal with rising prices you do not depend any more upon the manipulation of international or internal monetary systems; you move directly, as the MacMillan committee pointed out you could and should back in 1931, and which we have demonstrated in this country can be done, to the direct control of prices. If you want to prevent over-production, you move to the direct regulation of production. If you want to maintain your international trade in balance you no longer depend upon the uncontrollable movements of gold; you set up your international trade organization and you carry on your international trade in exactly the same way that a sound merchant carries on his business. You examine what you can consume at home and what can be sold abroad and then you move to regulate and control your international trade. In that way and in that way alone can you control the international buying power of your own medium of exchange.

You get an inflation of debt because you have had the converse to the issue of currency.

[Mr. McGeer.]

I am amazed at men who say that they fear the use of the printing press to create national currency as the buying power and medium of exchange of the people. The same men have no fear at all of the danger of using the printing press to secure a medium of exchange to carry on the affairs of government by issuing interest bearing bonds. No one seems to worry about that. The simplest of all principles of economics that we can understand as individuals is to keep out of debt. We have to do that in our homes and we have to do that in our businesses. We try to keep out of debt by thrift and by denying ourselves. If that is sound for the individual, how can it be unsound for the nation which can be nothing more than a group of individuals? See where that has taken us.

I am going to put on the record again the statement made by the Hon. Charles Dunning in 1939 in his budget speech. It is to be found on page 3150 of *Hansard* of April 25, 1939. He said:

> Let no one think that I have changed my mind in regard to the necessity of a balanced budget. Doubtless I will remain the target equally of two extreme schools of thought; on the one hand, those who believe that budget balancing is an outworn fetish, that a nation can continue to do what would soon bring an individual to disaster, and on the other hand, those who believe that governmental expenditures should be ruthlessly slashed regardless of the social distress and the cumulative deflation which would thereby be caused.

And later on:

> In times of depression, as I have already shown, increased expenditures on the part of governments are a sheer social necessity. Nevertheless, no nation can go on indefinitely with a budget heavily unbalanced without sooner or later providing a real, not an imagined, basis for fear as to the soundness of the country's financial position. If that fear should take root, nothing which a government could do short of taking over gradually the whole field of private enterprise, could offset the slowing up of private enterprise and the reduction in employment and incomes to which fear and uncertainty would give rise. Canada has had ten years of unbalanced budgets.

That was the warning from one who was held in this house and throughout the country as being one of the greatest ministers of finance we have ever had. He made that statement with a budget I think of $580 million of expenditure and $520 million of revenue, or a deficit of $60 million. Was there neither truth nor wisdom or common sense in that statement? Our Minister of Finance gives us a budget to-day of $6,000 million with a deficit of approximately $3,000 million. Where is the end? That is because this parliament under section 59 and section 75 of the Bank Act has given away the power of this nation to create its own money to a

monopoly of debt dealers who think in terms of issuing bank deposits as a substitute for money, only in terms of private gain and not in terms of public need.

Let me put on the record a summary of the evidence taken in 1939 and agreed to by the governor of the bank. I read from page 90 of the evidence of the standing committee of this year, where I am examining Mr. Towers:

Q. Then if I just give a short summary of what I think we agreed on in 1939, it might cover the situation. We agreed first that our medium of exchange was created under the laws of parliament and consisted of the following: (1) metal coins minted by the mint; (2) Bank of Canada bills issued by the Bank of Canada, and I think that we agreed that that was our national currency and represented about 12 per cent of the total amount of medium of exchange in use; (3) chartered bank bills issued by the chartered banks; and (4) credit entries constituting debt obligations of the chartered banks to customers of the chartered banks and called bank deposits. Those I think we agreed were the four types of media of exchange that constituted the money of Canada. I think you agreed to that.—A. Yes.

Q. I think we also agreed that the government were able to finance public enterprise by using (1) national currency; (2) by taxation; (3) by borrowing from the people; and (4) by borrowing from the chartered banks. Those four methods are, I think, the only four available to government as a means of financing. We agreed on that, I think. Is that right?—A. Yes.

Q. I think we also agreed that our paper money issued by the Bank of Canada for domestic purposes was just as good as gold.—A. Certainly.

Q. Yes.—A. Provided reasonable restraint was exercised.

Q. Oh, yes. Of course, gold has a bad habit of bouncing around. Somebody has suggested that it might go to $65 an ounce. It has already bounced from $20 to $35. I think we also agreed that, as the law is to-day, a chartered bank with $50,000 in Bank of Canada cash was able to purchase interest-bearing bonds from the government to the value of $1,000,000 by giving the government a credit of a million dollars in the bank's books. We agreed on that. We also agreed that under bank practice, the bankers hold 10 per cent of all cash reserves, so that under banking practice a banker with $100,000 in Bank of Canada bills can purchase $1,000,000 in interest-bearing bonds by writing into the books of the chartered banks a credit to the government of $1,000,000. We agreed on that, did we not?—A. Yes.

Q. And we also agreed that the chartered banks do not lend their depositors' savings. That is right?—A. They do not lend their liabilities.

Q. They do not lend their liabilities, and they do not lend their depositors' credits or savings?—A. That is right.

Then, a little further on:

Mr. Slaght: Mr. Chairman, the reporter cannot get a nod of the head. If Mr. Towers does not mind saying yes, the record will be kept straight.

The Chairman: Mr. Towers, I wonder if you would sit over here. I think the reporter could hear you better.

The Witness: Very well, Mr. Chairman.

By Mr. McGeer:

Q. We also agreed that because they do not lend deposits the chartered banks finance their loans by the same practice as I mentioned with reference to the purchase of a bond, namely increasing their deposit liabilities ten times over their cash reserves?—A. Yes.

Q. That is right. When the banks make loans in that way, they increase the volume of medium of exchange in circulation?—A. Yes.

Q. And when they call their loans they decrease the volume of medium of exchange in circulation?—A. That is right.

Q. We have agreed on those general principles, and I think that that was the general result, among other things, of my own inquiry in 1939.—A. Yes.

That evidence gave beyond a shadow of a doubt the answer to the question of the people who are mystified by this sudden appearance and disappearance of money. Under section 59 and section 75 this parliament has given to this monopoly the power to lend money into circulation and to create inflationary conditions, and then to withdraw it from circulation and precipitate deflationary conditions. With that power, as Mr. Towers has outlined it, in their possession, and having in their possession sufficient reserves under section 59 as it now stands to increase their issue of currency by $5,000 million, we have no control over the inflation of currency through the Bank of Canada or through any other medium of government. If you are afraid of currency inflation, if what we have heard in support of the taxation policies of the government is sound, if it must be necessary to take the people's money away from them to reduce circulation, then it cannot be reasonable and logical to leave a power of this kind in a private monopoly which, under section 59, has unbridled authority to control the economic bloodstream not only of the nation but of the people in every part of this dominion.

Mr. GRAYDON: I have been listening intently to my hon. friend and I should like to ask him as to the unbridled authority of which he speaks which is left in the hands, as he says, of the private institutions. Was not that one of the reasons underlying the setting up of the Bank of Canada in the first instance, namely, to control these economic movements from time to time of inflation and deflation?

Mr. McGEER: Quite true. You will find it fully discussed in the English Macmillan report. They reported that these controls were ineffective, that the controls consisted of, first, the bank rate. Assume you are starting off to set up a banking system. You set up your merchant banks around the national central bank. The merchant banks must borrow from the central bank the cash reserves which they use to issue their bank deposit medium of exchange. If the chartered banks are borrowing

from the central bank, then, if you raise the rate of interest, their inclination is to pay off their loans. If you lower the rate of interest their inclination is to borrow more, and so by the rise and fall of the so-called bank rate, which is referred to in Mr. Towers' Bank of Canada report this year, but is admitted by Mr. Towers never to have been in operation as an effective factor of control since the Bank of Canada commenced operations—there is no dispute about that. So the bank rate is out.

The first of the two other controls which incidentally are also incorporated in bank rate policy is the buying of securities. When the Bank of Canada goes into the market and buys a bond from an individual or from a government it sends its money into circulation. Sooner or later that money will be deposited in a chartered bank, and it then becomes the chartered bank's money. The chartered bank banks the money and gives to the depositor a deposit liability in its books. That is what is called an easy money policy, because it gives to the chartered banks cash reserves free of any interest rate at all and subject only to whatever liability there is to the depositor, the liability for servicing the depositor through the cheque system. But the money goes from the Bank of Canada free. Now, selling securities is the opposite of that. When the Bank of Canada sells securities it calls for payment in Bank of Canada cash. But there is no power in the Bank of Canada Act by which it can compel the chartered banks either to buy or sell securities. If a bank says, or the public says, "We do not want to buy," or if a bank says or the public says, "We do not want to sell," there is no power to compel it to do either. But we have carried on an easy-money policy to this extent: In addition to the $500 million which the banks have on deposit, another $860 million of Bank of Canada cash is circulating nobody knows where, perhaps in the pockets of the people, perhaps in their possession, but every dollar of it is a potential chartered bank reserve over which this government through the Bank of Canada has no control at all.

The CHAIRMAN: The hon. member has spoken for forty minutes.

Some hon. MEMBERS: Go on.

Mr. ILSLEY: Mr. Chairman, I should like to answer some of the allegations of the hon. gentleman as far as he has gone, and then, if he would like to continue after I get through and give me some more to answer, I will answer him then.

We have had this afternoon what we had in the banking and commerce committee for many months—a succession of propositions, very persuasively and dogmatically stated, which in my judgment are fallacious and dangerous in the extreme, many of them half-truths in the economic sense. I do not hope this afternoon to convince the hon. gentleman who represents Vancouver-Burrard, or the hon. gentleman who represents Parry Sound, or the hon. gentleman who represents Lethbridge. I do not hope, I say, to convince those three hon. gentlemen; but I notice that the leader of the opposition has been paying attention to the discussion, and, lest he may think there is more in some of these arguments than there really is, I should like to get his ear and the ears of some of the other hon. gentlemen who are present.

Mr. GRAYDON: There is no harm in listening.

Mr. SLAGHT: Explain, not denounce.

Mr. ILSLEY: If the hon. member for Parry Sound will just be patient! He gets extremely excited when this matter comes up, and no one has done more denouncing in the last few months than the hon. member for Parry Sound. He knows that very well. He should be the last man in this house to advise other people to avoid denunciation.

Mr. SLAGHT: That is not true.

Mr. ILSLEY: What is the situation? What is the real issue here, as to how this country should be financed in time of war and in time of peace? The issue is a narrow one. The hon. member for Vancouver-Burrard talks very glibly—

Mr. McGEER: Surely, Mr. Chairman, we can get along with the discussion without that kind of reference. I have not indulged in anything like that with the hon. gentleman, and there is nothing "glib" about what I am saying. It comes after profound study.

Mr. ILSLEY: The hon. member for Vancouver-Burrard talks very fluently about the mounting pyramid of debts, and coupled with that he mentions the danger of repudiation. He has used phrases about "drifting over the Niagara of debt into the whirlpool of bankruptcy", or something like that. Now if these statements are not true, if there is no foundation for them, they certainly should not be made at a time—of all times—when the country is at war.

What is the issue between the hon. gentleman and ourselves with regard to this "mounting pyramid of debt"? It became apparent in the banking and commerce committee—I can give the citations from the evidence if it is desired that I should do so—that the hon. members for Vancouver-Burrard, Leth-

bridge, and Parry Sound and myself were agreed that in time of war it was necessary for any country to tax its people heavily, so as to withdraw from them purchasing power which, not withdrawn from them, would lead to inflation. It was agreed by these hon. gentleman and myself that in addition to heavily taxing the people we should conduct great borrowing campaigns and persuade people to save and buy bonds, carry on the kind of campaign we have carried on for the sale of victory bonds and war savings certificates, for the same reason, the reason being that if we did not in some way channel back to the treasury the excess purchasing power created by war conditions, we would lose control of our price level, as so many other countries unfortunately have done.

With regard to the balance, the very small balance proportionately, which cannot be raised by taxation or by borrowing, there is a difference of opinion. The increase in the holdings of the chartered banks of this country of dominion government securities between August 1939 and December 1943 was $1,440 million. The difference between the attackers of this system and the upholders of this system is this, that instead of increasing the holdings of the chartered banks by $1,440 million between August 1939 and December 1943, the banks should not have been permitted to increase their holdings of government securities at all, that the securities should have been held by the Bank of Canada and sold to the Bank of Canada instead of to the chartered banks; so that under the system which we have adopted we are or were at the end of December, 1943, if bonds held by the Bank of Canada are not regarded as debt, more heavily in debt to the extent of $1,440 million than we would have been under the system advocated by those who are attacking us. That is the issue: instead of our direct debt being something like $11 billion as it was at the end of 1943, had the other system been adopted our direct debt would have been slightly less than $10 billion. Under one system we are drifting over the Niagara of debt into the whirlpool of bankruptcy, with possible repudiation; under the other system we are living in a heaven of debt-free money and not creating debt claims.

I hope hon. gentlemen have followed these figures, because it must be clearly understood that the attackers of the system of financing this war would themselves have created an enormous internal debt, would have been obliged to create an enormous internal debt, only slightly smaller than that which we have created.

But, they say, why create that balance? Why buy bonds from the chartered banks instead of from the Bank of Canada? Now, we could have sold our bonds, to cover that proportionately small balance, to the Bank of Canada instead of to the chartered banks, but had we done so, leaving section 59 as it is, I think it is generally admitted that we would have had grave danger of a most serious inflation, because of the multiplication of deposits which would come, based on the increased cash deposits in the chartered banks. In order to avoid that we have what is known as the 100 per cent cash ratio suggestion, which is that after a certain date or with regard to certain deposits the banks should not be allowed to lend money or undertake deposit liabilities to the extent of five or ten per cent of their cash reserves, should not be able to lend any money at all or lend any deposits based on these cash reserves, but that those cash reserves should be put back in the Bank of Canada. That is what is suggested. But what happens? The government borrows its money from the Bank of Canada and spends that money into circulation. The persons who receive that money put it in the chartered banks and the chartered banks incur deposit liabilities, which liabilities cast upon them very substantial expenses, and they are denied any opportunity of recouping themselves for any of those expenses at all.

Mr. McGEER: That is not borne out by the evidence.

Mr. ILSLEY: It is. I do not wish to be deflected. The hon. member for Rosetown-Biggar will seize upon this, I am sure; nevertheless I want to put it fairly before the committee. If one borrows from the government system and permits the private system to carry on commercial banking you have an impossible situation on a 100 per cent reserve ratio system. If the government system were undertaking all the expense of the deposit banking system there would be no reason why we should not borrow from the government system. So far as the point I am discussing at the moment is concerned there would not be, because they would take the bitter with the sweet. But certainly one cannot consider that simply by borrowing from the government system, which has no obligations with respect to deposits and does not have to pay a cent of savings bank interest on any money taken in, which does not have to cash cheques or maintain branches right across the country with large staffs, but casts that expense on a privately owned system, the government is saving money

except at the expense of somebody. Now, at whose expense is it? In the last analysis, it certainly would be at the expense of those using the commercial or private banking system.

One of the worst things about the banking committee this year was the fact that, for one reason or another, we did not have an opportunity of examining the systems of other countries and finding out what happened there, how wholesome it was to finance the war to a large extent by the issue of what is called debt-free money, and to find out what the conditions were in the countries that tried that. An hon. member says, take China. But that is an extreme case. However, there is a long list of countries where the amount of central bank borrowing is away up, and the cost-of-living index is anywhere from 200 to 700 per cent.

Mr. McGEER: Well, take the Soviet Union.

Mr. ILSLEY: I am not talking about the Soviet Union.

Mr. McGEER: If you are going to take in China, take in the Soviet Union too.

Mr. ILSLEY: What I am saying is that the committee did not examine conditions in those countries. But in one country in particular, a sister dominion, I can tell this committee what happened. I refer to Australia. That subject was not pursued very far. In Australia they did borrow from the central bank after a certain date instead of going to the chartered banks for their borrowings. Mind you, they tax very heavily in Australia, and everyone admits that we must do that. And they borrow very heavily in Australia, and everyone admits that we must do that. But as to the residuum, the margin, the balance, they borrowed from the central bank instead of from the commercial banks, and the result was that this money went out and into the commercial banks, into the banks doing commercial business—because the central bank does some commercial business too in Australia. They found that in order to prevent the evils of a great multiplication in deposits and prevent a rise in the price level, they had to provide for the deposit of all cash increases in those banks after a certain date back into the central bank, which is the 100 per cent reserve ratio system. They adopted that plan in Australia, although they did not give it that name. That was what they did about the end of 1941. But what did they do next? They saw it was so unfair to the depositors in the commercial banks and to the commercial banks themselves, casting upon them burdens of servicing the public without giving them any revenue out of which to do it, that they decided to give them some revenue, and so they paid them three-quarters of one per cent per annum on this amount which they compelled the banks to deposit back in the central bank. Independently of experience in Australia, we in the Dominion of Canada, in the summer of 1942, found that we had to borrow from the chartered banks. We had tried desperately to avoid any bank borrowing, but in the summer of 1942 we had to borrow from the chartered banks.

Mr. McGEER: Australia did not abandon the 100 per cent cash reserve.

Mr. ILSLEY: No, but they came to exactly the same result as we did.

Mr. McGEER: Nonsense.

Mr. ILSLEY: Let the hon. gentleman show the contrary if he will.

Mr. McGEER: We will.

Mr. BLACKMORE: The money that Australia borrowed from the central bank, on which she is paying three-quarters of one per cent—does she owe that money? Has that been added to the national debt?

Mr. ILSLEY: It has not been added to the debt of the government of Australia, but there is a deposit liability of the central bank of Australia to the chartered banks of an equivalent amount.

Mr. McGEER: Of cash they deposited.

Mr. ILSLEY: Exactly. My hon. friend gets so excited in these things. If I make a personal remark he does not like it. I will not refer to his being excited, or glib, or fluent, but I would ask him to keep his seat. Instead of going through that circuitous process of borrowing from the central bank, and then making the chartered banks deposit it all back in the central bank, with the central bank paying the chartered banks three-quarters of one per cent on it, we went to the chartered banks and paid three-quarters of one per cent direct. That was what we did and we arrived at the same result. That is covered by evidence in the banking committee, not thoroughly or completely, but by evidence given by the governor of the Bank of Canada.

Mr. BLACKMORE: And you still owe the money.

Mr. ILSLEY: Let us deal with that. I have established the case that the carrying charges, the interest rates, are no different under one system from those under the other.

Mr. McGEER: We do not agree with that.

Mr. ILSLEY: I know my hon. friend does not agree, but let us assume for the sake of argument that I have established it. I can come back to the point just as well as my hon. friend can if he wishes to argue it further. However, let us assume that the matter has been, at least prima facie, satisfactorily cleared up, that it costs the government as much as if they treated the banks and the depositors fairly. If they want to close up the banks, to wreck them, or to impose large service charges on depositors—and all this will be urged later on, I am sure—if that is what is sought, that is a different matter. But if you want to treat the banks and depositors fairly the interest situation will be the same. Oh, yes, it will be said; but look at the situation with regard to principal. In the one case, all the people of the country, through their government, owe the debt to all the people of the country and there is no debt at all, whereas in the other case all the people of the country, through their government, owe a debt to the chartered banks of the country. But in the case of the 100 per cent reserve ratio, the amount that is deposited by the chartered banks in the central bank becomes a deposit liability of the central bank to the chartered banks, and a very great one, because of the volume of the amounts involved. So that if you regard your central bank as an agency of your government —and you have to regard it as an agency of your government if you are to avoid the position that a debt is created when you sell bonds to the central bank—then you have a big principal obligation, namely, a deposit liability of the central bank to the chartered banks. Now this matter can be argued and argued, but unless—

Mr. McGEER: But the debts roll on.

Mr. ILSLEY: And the debts would roll on under my hon. friend's system. Let me take some of the things the hon. member for Vancouver-Burrard said in the banking and commerce committee. Part of the time one would think we should not have incurred any debt at all during this war. This is what he said at page 585 of the committee's proceedings:

> . . . we could have issued, under the controls that we had and without going into debt, enough of national capital through Bank of Canada money to finance the government, without incurring any obligation of debt at all. . . .

I am sure that is what many hon. members of this house and perhaps people throughout the country think the hon. member for Vancouver-Burrard has been standing for.

Mr. McGEER: Of course he has.

Mr. ILSLEY: All right What did he say about what he would have done during this war, at page 1280 of the committee's proceedings:

> I would use the power to tax, and in war time I would use it to the very limit that it could be employed to prevent war profits of an excessive character and to utilize it to the greatest extent to divert everything towards the production of war goods.

Then on page 1281:

> I would exhaust the means of taxation. Then I would have resorted to borrowing from the public and I would have made the same appeal that has been made but I would have gone further.

Then I think he branched into his plan of compulsorily taking a lot of the savings deposits. Then on page 1282:

> All right, I will go this far with you. We will go to the point of saying that we will tax and we will borrow to the limit of the public's capacity to lend and then we will use our national currency for the balance.

How does that stack up with the other statement? Let me read the first statement again:

> . . . we could have issued, under the controls that we had, and without going into debt . . .

Here is the hon. gentleman who would have borrowed to the limit, who would have borrowed more than we did. In another place he says:

> . . . we could have issued, under the controls that we had without going into debt, enough of national capital through Bank of Canada money to finance the government, without incurring any obligation of debt at all. . . .

Mr. McGEER: Let me get in just one word.

Mr. ILSLEY: No—

Mr. McGEER: Well, if you do not want to let me explain it.

Mr. ILSLEY: —my hon. friend can reply when I get through. This is his policy, and the policy of the hon. member for Lethbridge. I will say that the hon. member for Parry Sound has never given two impressions. He has attempted—

Mr. McGEER: There are no two impressions in what I said; it is only the kind of glasses through which the minister is looking that makes him think so.

Mr. ILSLEY: I think my hon. friend will be pretty good if he can say that he is in favour of borrowing to the limit and yet not going into debt.

Mr. McGEER: Give me a chance and I will do so immediately.

Mr. ILSLEY: Well, go ahead, then.

Some hon. MEMBERS: No.

The CHAIRMAN: The Minister of Finance has the floor. When the hon. member for Vancouver-Burrard was speaking certainly he was not interrupted by the minister.

Mr. ILSLEY: Perhaps I should complete my forty minutes first, then, because when the hon. gentleman takes the figures of debt; when he paints this appalling picture of the debt this country is incurring, he does not take the debt to the banks only. He takes figures like eleven billion dollars, fourteen billion dollars, sixteen billion dollars and twenty billion dollars. He counts all this valuable, wholesome borrowing from the public, which he himself advocates, in piling up this debt which he condemns. When we reached this point in the banking and commerce committee; when the hon. gentleman was pinned down after the lengthy speeches he made and asked. "What would you have done"? he said he would have taxed, in the severe way that I have mentioned; he would have borrowed, only he would have borrowed more than we did. But then for the balance—and there might not have been any balance if he had borrowed so much more, and the debt would have been greater than it is at the present time—he would have issued national currency. That is, he would have borrowed from the Bank of Canada instead of from the chartered banks; and he thinks that by some magic, for that is all it would be, he would gain something for the country by borrowing from a government institution instead of from privately owned institutions. My contention is that the interest obligations of the public, if they do the fair thing, will be the same under both systems; and that the principal obligation, certainly if one comes to the deposit liability of the central bank to the chartered banks, would be the same under both systems.

The hon. gentleman in his speech used a phrase which is so attractive and so hard to answer in a sentence or two. He used these words: "If we can issue bonds; if we can use the printing presses to print bonds, why can we not do that to issue currency?" The difference between the two is just this, that when you issue bonds you borrow money from people, reduce their bank deposits and transfer them to the government account; you do not increase the total amount of money or circulating medium in the country. But when you talk of printing money to the amount of a million dollars and paying your contractors, your civil servants and so on, you have increased the circulating medium of the country by a million dollars; and if that goes into the chartered banks as reserves it may be multiplied quite a bit beyond that. Yet I know that very question is troubling hon. members of this house. They say, "If you can turn on the printing presses for bonds, why can you not do it for dollars?" The reason is that in one case you are borrowing; you are taking back the purchasing power of the people, getting it away from them so that they will not exert that irresistible upward pressure which otherwise their spending would exert, while in the other case you are not lowering their purchasing power at all.

Mr. ROWE: You are increasing it.

Mr. ILSLEY: Yes, you are increasing it. That is the reason for doing it under one system rather than the other. In his speech the hon. gentleman said that we must not have deficit financing. I want to say that in due course, after we pass through the war and the immediate post-war period, I hope to get into a position where there will not be any deficits in Canada. We can do that if we can get private investment up to the level at which it ought to be, and if we can keep a healthy, well-balanced condition of prosperity in this country. The hon. member quotes Mr. Dunning back in 1939 as saying that if the fear should become rooted that there are always going to be deficits and that the economic fabric is being destroyed, it will be destroyed. That is why I do not like these speeches, which, if they were taken seriously, might result in that fear becoming rooted.

There is no ground whatever for alarm with regard to the debt we have accumulated so far. I should like hon. members to read the figures I put on the record on July 11, 1944, which appear at page 4718 of *Hansard,* showing that on March 31, 1944, the net annual carrying charge on Canada's direct and indirect funded debt was only $183,509,355 if the surplus of the Canadian National Railways is regarded as a factor in arriving at the net annual carrying charge of the debt. If it is not so regarded, the charge is $219,149,355. On March 31, 1939, the net carrying charge was $149,651,990 and on March 31, 1920, it was $164,349,572. What is there in figures like that to justify these alarmist utterances, this talk about a Niagara of bankruptcy, the fear of repudiation, and so on? This country will not repudiate. It is nowhere near the place where there is any cause for alarm. A year or two ago I used to be afraid for the success of our victory loans when I heard speeches of this kind, but I am glad to say that the people of the country did not take them very seriously. They have faith in the future of the country and they know that the annual carrying charges are well within our capacity to look

after. The hon. member talks here at times about the spending of money in huge sums on the building of public works in every part of Canada—the trans-Canada highway, works to block the strait of Belle Isle, a causeway across the strait of Canso, and so on, and so on, having no fear at all about the expenditure of money. But the moment he comes to an actual expenditure of $183,000,000 he goes back to these gloomy and despairing predictions about the future of the country, and the inability of the country to carry the burden.

This country can carry a burden of very much greater debt. He says that we do not know, that we will not say how big a debt it can carry. He says that we will not say what the point is when the intolerable strain will be too heavy. No, we do not say that. I believe they have had in the United States great arguments about the amount of debt the United States can carry. I do not think that government ever said, and I do not think any government in Canada can say dogmatically. We have to see how conditions develop in this country.

I would be foolish to stand up here and say that if in 1950 we have a debt of twenty billions of dollars we cannot carry it, or say that if in 1955 we have a debt of twenty-five billions of dollars we cannot carry it—or we can carry it. I would be foolish to say that, because I cannot predict the conditions which will exist. But we do know that we have to do everything within our power for the promotion of private investment and, if that is not sufficient, public investment, and by other means—by sound, social security measures, and otherwise—to see that the people of our country attain full employment or at least attain high employment in the post-war period. I feel that we shall be buoyant under the same national economy and financial system which has been adopted in other countries. I am thinking of countries like Great Britain, like the United States, like New Zealand. I am not quite sure about the situation in South Africa, but I imagine it is the same there. Those are countries which have adopted substantially the same system which we have in Canada. That is to say, in time of war they tax heavily and they borrow heavily.

The hon. members who have attacked this system in the banking and commerce committee concede that if we are going to prevent inflation in Canada we have to tax heavily and borrow heavily. I do not complain about that situation, but I do complain about the sweeping statements about the creating of debt, the iniquity behind our banking system, and the necessity of having debt-free money, when the very ones who suggest these ideas admit themselves that we will not have it in time of war, and probably cannot have it after the war, either.

Next the hon. member made some statements about his policy after the war, which was practically the same as his statement with regard to banking during the war. The hon. member said something about deposits being out of control. He said that the Bank of Canada's controls are entirely ineffective. He pointed out that we have $501,000,000 deposited in the chartered banks in cash reserves, and that they can issue or create deposits on this up to $5 billion. That is correct. Then he says that they have unbridled authority to do what they like.

A reserve in cash which must be about ten per cent is a pretty effective control, I can tell this committee.

Mr. McGEER: Who controls it?

Mr. ILSLEY: The Bank of Canada controls it. The Bank of Canada absolutely controls the amount of cash reserve. I have tried to make that clear, time after time. If those cash reserves now in the hands of the banks were to turn into an expansion of deposits, the Bank of Canada could take that out of the banks by the sale of securities. And when the hon. member says that no one can make anyone buy securities, and no one can make anyone sell securities, he is missing the fact that there is always a sale for securities, at a price.

The Bank of Canada can sell securities and buy securities, and by that method they can control the amount of cash reserves in the bank. If the cash reserves in the bank are reduced the amount of cash deposited has to be reduced, or the bank cannot continue in business. And if the cash reserves in the bank are increased, the bank will indisputably increase its loans and increase its deposits, because otherwise it could not profitably continue in business.

I have just touched on a few of the points introduced in the discussion. I have not said much about what has happened in the banking and commerce committee, because I wished to have these proceedings completed. However, I have taken this opportunity again to place on record the views which we hold, and which I have repeatedly expressed and justified in the house and outside the house, views which I think are fairly generally accepted the world over, and views which are sound.

Mr. McNEVIN: Mr. Chairman, in the discussion this afternoon something has been said about the time the bill was introduced into the house. If my memory serves me correctly, the Minister of Finance introduced the bill on May 2. It was referred to the banking and commerce committee on May 16, and on May 17 that committee gave Bill No. 91 precedence over all other business. The bill was finally passed in the banking and commerce committee on July 27. Therefore that committee spent two months and ten days in the discussion of this very important bill. I do not think any member of that committee or any member of the house can say that there was not ample time for a full review, investigation and discussion of the provisions of the bill which renews bank charters for another ten years.

I should like to make only one or two observations with respect to the provisions of this bill. I am very much in favour of those provisions which extend longer term credits to the great agricultural industry in Canada. I regard the banking business as a commission business. The banks have their capital; they have their reserves, and they have a deposit business.

This afternoon the hon. member for Vancouver-Burrard said that in answer to questions asked the governor of the Bank of Canada the governor had said that the banks did not lend their deposits. That is true; he did say that. But the governor further explained that the banks lend the proceeds of their deposits which, I suggest, places an entirely different construction upon this situation.

The Minister of Finance has effectively reviewed the situation as far as the issue of Bank of Canada money is concerned, through the chartered banks. However, after two months and ten days of discussion the hon. member for Vancouver-Burrard had some suggestions, which I regarded as his final suggestions. I find that on Thursday, July 20, seven days before the bill passed the committee, the hon. member for Vancouver-Burrard said this:

> Mr. Chairman, yesterday the matter arose in connection with a liability that would be created or that some seemed to think would be created by the Bank of Canada taking over the savings deposits.

Meaning the savings deposits of the Canadian people.

Mr. SLAGHT: From what page are you quoting.

Mr. McNEVIN: From page 1295 of the evidence of July 20, 1944. Then on page 1296 the hon. member referred to the method the government should adopt to take over bank deposits. I quote:

> We have all the machinery; the Bank of Canada can take over the post office savings banks or use the post office savings banks and expand them; and there are the bank facilities to service the savings accounts in every village, in every hamlet and in every city and community where there is a post office.

In 1868, if my memory serves me correctly, the Dominion of Canada set up through the Post Office Department facilities to take care of bank deposits of the people of Canada. After seventy-six years of operation the savings branch of the Post Office Department has on deposit approximately $28,000,000 of the savings of the Canadian people on which they are paying a higher rate of interest than is paid by the chartered banks. During that period of years the chartered banks have been accepting deposits, and coming down to about the close of 1943 I find that in round figures the ten chartered banks of the Dominion of Canada had about $4,000,000,000 in deposits. I think that illustrates quite definitely the choice on the part of the Canadian people with regard to whether they consider the services of the post office savings banks as suitable as those of the chartered banks to meet their general banking requirements.

Mr. SLAGHT: Will the hon. member permit me? He is wrong in suggesting that there is $4,000,000,000 in savings deposits.

Mr. McNEVIN: I spoke of deposits; I did not specify savings deposits. I was making a comparison between the total moneys deposited in the post office savings banks and in the chartered banks, and in giving the total deposits I included both savings and demand deposits.

Mr. McGEER: What about the—

Mr. McNEVIN: If the hon. gentleman will kindly bear with me I will get back to another reference I want to make. I am thoroughly convinced that when the hon. member for Vancouver-Burrard made the suggestion that we had facilities in every hamlet and every village in this Dominion of Canada to take care of the savings of the people he was on a very unsound foundation. First, may I say that there is no fire protection in those hamlets and villages, and that would be very important if we are going to have the savings of the Canadian people placed in these institutions.

I will go a step farther. Quite often the general store or the small frame building which houses the post office in our villages and hamlets is not strongly constructed. In

addition, and perhaps more important, there is no police protection. If this government were unwise enough to adopt the suggestion of the hon. member we would be creating a happy hunting ground for every bank bandit and bank robber from the Mexican border clear up to Algonquin park. I notice he smiles, but he does not deny the suggestion he made which is contained on page 1296 of the evidence of the banking and commerce committee.

Something was said this afternoon about the Russian monetary system. I do not know whether it was referred to as a monetary system or a banking system, but reference was made to the method of financing the war in Russia. Some few weeks ago Russia, where as we all know they have a state banking system, floated a large loan issue.

Mr. McGEER: Who told you that?

Mr. McNEVIN: The governor of the Bank of Canada, and I consider information from that source as being sound. I do not think any member of this committee will for one moment question my authority. A portion of that loan was issued to non-individuals at a rate of two per cent, and this issue absorbed slightly less than thirty per cent of the total loan. There was an interesting method or system used in the flotation of the seventy per cent. It was on a lottery basis. The person who drew the lucky ticket collected the interest on a block of the bonds, and the other people received no interest. My point is that the seventy per cent of that loan cost the Russian government an average of four per cent in interest. Will any one suggest that that is a cheaper or sounder or more satisfactory system of financing the war than the one we are using in this country?

Mr. McGEER: What percentage of the cost of the year's war in Russia was financed in that way, and what percentage was financed by the use of soviet national currency?

Mr. McNEVIN: I have not discussed that situation for some time—

Mr. McGEER: Your answer is that you do not know.

Mr. McNEVIN: No, it is not. It may be just slightly larger than the percentage we have financed on a similar basis. I do not agree with the hon. member's contention that when you finance through the Bank of Canada you finance without interest. When you issue Bank of Canada money it goes out in cheques to working men, to soldiers, for the payment of dependents' allowances and so on; it goes into the chartered banks in the form of deposits and becomes a liability of the banks to the Canadian people. If you take the savings deposits at one per cent, that is not debt-free money.

During the discussion in the banking and commerce committee something was said about the great emancipator of the United States, Abraham Lincoln. It was said that Lincoln had financed the civil war by the issue of greenbacks. According to my recollection Lincoln did issue about $450 million in greenbacks, but later on about $103 million were withdrawn and the remaining part of the issue was absorbed by the rapidly developing, young and new country. But do not forget this, that in that same civil war the Confederates of the southern states issued very large amounts of fountain-pen money or paper currency that we hear so much about to-day, and I do not think more than one or two per cent of that money was ever redeemed. They papered their back kitchens with it and put it on their gate-posts, et cetera. That should not be forgotten.

But the most important point that I have in mind in connection with the financing of the war by our great and strong neighbour to the south is this. Lincoln was a great emancipator, one of the great presidents of the United States, just as our great neighbour to the south has a great president to-day in Franklin D. Roosevelt; but I am convinced of this, that had Lincoln discovered some method whereby you could finance a war without cost the people not only of the United States but of Canada and of Britain and of Russia would be using that system to-day. But what do we find? From June 12 to July 5 of this year the United States government authorized a loan issue of $16 billion. That was their fifth victory loan. Of that $16 billion, $6 billion was allotted to private subscribers and $10 billion to what we would call our special list. The result of the loan was that approximately $6 billion was subscribed by individuals and the $10 billion was oversubscribed by about $3 billion. So that our neighbours to the south, even in the light of the experiences which they had had under President Lincoln, found it necessary to borrow from June 12 to July 5 of this year a victory loan, not of one billion dollars or of two billion dollars but a loan of nineteen billion dollars. There is perhaps some difference between the rates of interest paid in the United States, in this country, in Soviet Russia, and in Great Britain but the fact remains that the major countries, not including China, who are fighting on our side in this war are all following a somewhat similar system of financing. That is why I have not been convinced by what I am sure were

the lucid arguments of the hon. member for Vancouver-Burrard and the hon. member for Parry Sound.

Something was said in the discussions in the banking and commerce committee about bank deposits and I wish to touch upon that. According to the census of 1941 we had in the Dominion of Canada heads of families numbering 2,516,762. That represents the number of families in Canada at that time. We had employed at that date 2,115,299 males and 699,492 females, a total of 2,814,791 employed persons. The number of people employed and on the payrolls right now is higher than that, but I could not get the exact figures for a more recent date, so that I am taking the figures of the 1941 census. At the close of 1943 we had in the Canadian chartered banks demand deposit accounts numbering 738,300 and savings deposit accounts numbering 4,662,100. There was a total of 5,400,400 deposit accounts. Of course, there may be considerable duplication because some people would have one or two or perhaps more accounts, but I think I am perfectly safe in saying that, on the average, we have in the Dominion of Canada a bank account for every family, and I think that is a very good showing.

I have no particular interest in bankers, particularly big bankers, but what I kept firmly in my mind during the entire discussions in the banking and commerce committee was this, that these ten chartered banks have within their coffers somewhere between four and five billion dollars of deposits of the Canadian people's money, and it is in order to protect those deposits of such a large number of our people that I have been prepared, after lengthy and full discussions, to support the motion to renew the bank charters for a further period of ten years. I do not think this is a time when we should do anything to increase a feeling of uneasiness. We have inserted in the Bank Act wide and new provisions to enable the banks to lend money to farmers, fishermen and many others. The lending powers of the banks have been extended, and now in the closing months of the war we should do what we can to maintain stability because we are faced with great problems of financing reconstruction and rehabilitation in the peace-time period.

I wish to make a reference to a suggestion which the hon. member for Vancouver-Burrard made in the banking and commerce committee, to take over the savings of our people now in the chartered banks amounting to two billion dollars, if I remember correctly, and said that there is an interest rate of one per cent on that.

[Mr. McNevin.]

Mr. McGEER: No.

Mr. McNEVIN: Perhaps it was three billion dollars, but it does not affect my argument. An interest charge of one per cent on one billion dollars would amount to ten million dollars, and an interest charge of one per cent on two billion dollars would amount to twenty million dollars. The hon. member then said that a charge of one-half of one per cent should be allowed for servicing deposits. Then he went on to say that if the government took over that amount of two billion dollars at that rate of interest they would save a great deal of money, because the government were paying three per cent on the bonds which had been subscribed by the Canadian public. I want to dissipate that fallacy. At the present time the dominion government has borrowed from our chartered banks a total of not $2,000,000,000 but $2,700,000,000.

Mr. McGEER: It is $3,000,000,000 now.

Mr. McNEVIN: Take the figure of $2,700,000,000 which was given in the banking and commerce committee as the amount which the dominion government has borrowed from the chartered banks. Mr. Tompkins, the inspector general of banks, said that that was costing the Government an average interest rate of 1·59 per cent. The hon. member for Vancouver-Burrard suggested that by this means we could save a great deal of money, but when you are comparing the taking over of savings banks deposits, the comparison should not be with the bonds borrowed from the Canadian people, but with money borrowed by the government from the chartered banks; and what is the result? According to his computation, he admitted an interest rate of one per cent and one-half per cent service charge, or one and one-half per cent; in the other case the amount is 1·59 per cent; so that all we are discussing is the possibility of saving the difference between one and one-half and 1·59 per cent.

It is possible that if the discussion is prolonged I shall have something further to say later in this debate. I commend the Minister of Finance for the way in which he is carrying a tremendous burden in the successful financing of the war effort of Canada, an effort which compares very favourably with that of any other country, through a financial system which, while I do not say it is superior, is second to no other financial system in the world.

In conclusion, I would sound a note of warning with regard to inflation. Not many weeks ago a friend of mine returned from war-torn, war-ridden China, a country where infla-

tion is eating the very heart out of the people and seriously hampering the war effort of the valiant Chinese, as well as causing some concern to the Americans who are endeavouring to assist them with their finances. Let me give this illustration. A missionary friend, when he was working in the mission field of China back in 1941, was finding it difficult to get milk for his two or three children. A friend said, "Why do you not buy a cow?" He said, "I think I will." Even at that time this cow cost up in the thousands of dollars in the currency of that country. Several months ago, when about to leave China, and not wanting to keep the cow, because he had no one to look after it while he was away, a friend said to him, "If you do not want to keep your cow I will buy it." What do you think he got for the cow? Fifty thousand dollars in Chinese money. That illustrates the heights to which inflation can reach. Of course, before returning to Canada he transferred the fifty thousand dollars of Chinese money into Canadian money and he did not have any more, nor indeed quite as much, as one would get for a cow in this country.

I believe that the Minister of Finance through price control and sound financing has protected the interests of the vast majority of the people.

Mr. KINLEY: The hon. member for Vancouver-Burrard in his opening remarks left the impression that the Bank Act as approved by this committee will be the banking law of this country for the next ten years. He qualified that by saying that he did not intend to run again and that this would be the last chance he would have to change the banking laws. I do not think an impression of that kind should be left with the committee or with the country, because so far as I can see, any government, at any time when parliament is in session, could change the banking laws as it saw fit, if supported by parliament.

Mr. McGEER: Well, why the ten-year provision?

Mr. KINLEY: I will come to that. I think the provision does one thing: if a government changes the law inside of ten years the responsibility would be put where it belongs and that government would have to take the responsibility of the changes.

My hon. friend asks me, why make it ten years? That has been the custom in this country and it has proved a good custom. I believe that, in the interests of planning and service, we should afford a degree of stability to our monetary institutions. I believe also that if we change this plan at the moment, at this critical time in our history, we should be showing lack of resolution.

Mr. McGEER: Will the hon. member permit one question?

Mr. KINLEY: Yes.

Mr. McGEER: When, in any ten-year period, did we ever change the chartered Bank Act of Canada?

Mr. KINLEY: I think, Mr. Chairman, that supports exactly what I say. We did not change it because we did not want to change it, but we could have changed it had we considered it necessary to do so. That, it seems to me, is an additional argument for adhering to the ten-year rule. I believe that any wavering in this regard is a sign of weakness, indecision and distrust. If it is a good thing to continue, why cast doubts about it and say, "We will give you a lease of life for two years. We are not brave enough to destroy you, but we may get courage enough and facts enough in the future to do you some damage when you come back to this house."

In the difficult days ahead the banks should be enabled to function without the insecurity of impending destruction. If anything is wrong, now is the time to change it. Recurring revisions of the Bank Act have always brought changes, and this revision is no exception. The banks must accept these changes. My general opinion is that the banks have done a fairly good job. They are restricted by law. There are some things they cannot do. But we restrict them to make them safe; we limit their services to a certain sphere so that they shall serve the public in the way we intend them to do.

Are the banks efficient? Let us compare them with others. This is a competitive world. Other nations have banks and similar financial institutions. Is there any place in the world which can give us fuller knowledge or teach us more of the mechanics of the operations of banks? In the great republic to the south, a few years ago, the banks were closed. They were unable to perform the functions for which they were intended. They did not have the stability nor did they enjoy the general advantages which are possessed by the Canadian banking system, which is based on the Scottish system. For that reason the banks in that rich country, the United States, failed to function. They could take a lesson from the Canadian banking system.

Another reason why I think our banks are efficient is that they do business in other countries. When you make a product which you use yourself it must be fairly good, but when you can export it to other countries and they are willing to use it you know it must be efficient because it meets the competition

of the world. Our banks have gone to other countries; they have branches in London, in New York, in Paris, in a number of the South American states and other countries, and are doing business there, and they are missionaries of Canadian trade. To disturb a situation of that kind would be a very foolish act on our part at the present time.

Not every business in Canada is restricted to ten years, because we give charters to other corporations. Moreover, limited liability is a privilege to any institution because it absolves the members from certain obligations with regard to personal liability so that they can carry on. Their charters continue indefinitely. One of the reasons for incorporating a company is that when a man dies his business carries on and there is not the same confusion as ensues upon the death of a man who has been carrying on a personal business. Why then, seeing that the banks are subject to greater control than any other business, should we be so particular; why should we be afraid to extend their charters at this time after they have shown a good record, and have continued to do business successfully, and have given us evidence that they will render as good service both within and outside Canada in the immediate days to come as they have done in the past.

In this revision some changes have been made. The banks had a maximum interest rate of seven per cent and we have reduced it to six per cent. Do you know what was said in that regard? It was said that the banks are doing most of their business at six per cent now so that the reduction will not hurt them. In other words, as a result of their efficiency, they were reaching the point which we would compel them to assume by legislation, and when they get the legislation it will not hurt them a bit.

Furthermore, we have extended their powers and increased their responsibility in lending money to fishermen and farmers, so that they can lend money on floating property, which has always been regarded as too hazardous for the banking system. It was difficult to get money on floating property. This is something I regard as advantageous to my constituency because we make our living on the sea, and anything in the Bank Act which will stimulate the marine business of the country will receive my support, because I believe it is in the interests of the people I represent.

As regards farmers, we have an amendment which will allow greater liberty in the making of loans to this class. That is in the interests of the country; it is a step forward. That is something else we have incorporated in the Bank Act this year to bring it into line with the progress that is being made generally.

There has been a change with regard to the qualification of directors, and that I think is a good idea because there might be some misunderstanding in the country. It might be felt that the banks are the citadel of wealth in Canada and that men with big bank accounts, men who are dealing in financial matters, are the only ones who should run the banks. The banks themselves agree that they should draw upon labour and the producing and farming community and lower the qualifications for directors so as to enable the banks to take advantage of that added strength which would come from below. I am sure that will be of assistance and will prove of great value. I think parliament did the banks a good turn in this regard and the banks have so accepted it.

There was some discussion about small loans. There are small loan companies charging two per cent for money under certain conditions.

Mr. SLAGHT: I do not wish to interrupt the hon. member but I understand that we are on section 59 and section 79 and in discussing these collateral banks I am afraid the hon. gentleman is far afield. There is one of them in connection with which I should like to reply to him if he continues. Frankly, I do not wish to confine the discussion in the slightest degree, but I want to have it understood that if he is going to discuss these collateral banks I shall not be out of order myself when I discuss them from my point of view.

Mr. KINLEY: On the point of order, Mr. Chairman, you will remember that we went through the Bank Act very hurriedly and reserved three sections for the purpose of discussion. I do not believe that I have touched upon anything which was not brought up by the hon. member for Vancouver-Burrard and I was replying to him. I agree that if the hon. gentleman wishes to restrict this discussion to the section immediately before us—

Mr. SLAGHT: No; I do not want to do that. I simply wish to make that reservation.

The CHAIRMAN: The point of order has been well taken. The hon. member for Parry Sound knows, however, that I cannot allow any reservation. We are not discussing two sections. We are discussing section 59, the marginal note of which is "Cash Reserves in Bank of Canada notes and deposits." I have allowed some latitude to the hon. member for Vancouver-Burrard because it is almost impos-

sible for hon. members to remain absolutely within the ambit of the clause, but it should be possible for hon. members to confine their remarks reasonably to the section under consideration.

Mr. GRAYDON: I think we can agree on that.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 93, to change the name of the Discount and Loan Corporation of Canada to Personal Finance Company of Canada.—Mr. Boucher.

SECOND READINGS

Bill No. 172, for the relief of Ruth Usher Garson.—Mr. Factor.

Bill No. 173, for the relief of Albert Daniel Joseph Doherty.—Mr. Fulford.

Bill No. 174, for the relief of Rosie Vogel Blatt.—Mr. Fulford.

Bill No. 175, for the relief of William McKenzie White.—Mr. McIlraith.

Bill No. 176, for the relief of Zoe Irene McFarland Craig.—Mr. Fulford.

Bill No. 177, for the relief of George Henry Olaf Rundle.—Mr. Isnor.

Bill No. 181, for the relief of Ruby Violet Gainsford Moorhead.—Mr. Boucher.

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN-YEAR EXTENSION OF BANK CHARTERS

The house resumed consideration in committee of bill No. 91, respecting banks and banking—Mr. Ilsley—Mr. Bradette in the chair.

The CHAIRMAN: The committee is considering section 59.

Mr. SLAGHT: When the committee rose, Mr. Chairman, the hon. member speaking had not concluded, as I understood. I do not desire to infringe upon his time if he has something further to say, but if you so direct I will proceed.

Mr. GRAYDON: We are in committee, in any event.

Mr. SLAGHT: In presenting my views on what to me are the two most important features of this bill to be dealt with by this committee, I desire to make my personal position very clear, as I have endeavoured to do on previous occasions. I have no quarrel with the bankers of this country as men and citizens. They are a worthy, patriotic, hard-working group of men. My quarrel is entirely with two features of the system under which the private banks are operated. And let me say that there can be no reflection upon any member of this committee, any member of this house, any member of this government or of any previous government within the lifetime of any member of this house in regard to the creation of the system which I believe is outmoded and must be discarded. This system was brought into existence by our forefathers. No living member of the House of Commons had anything whatever to do with its creation; nor is it necessary in this discussion to place any blame on our forefathers for having created this monopoly. Conditions then were entirely different from conditions of to-day. Trading was on a small and crude basis. There were no railways. It could scarcely be called the horse-and-buggy days; it was largely the day of the oxcart when the present system came into the hands of the bankers. Highways as we have them to-day were practically unknown, and from Ottawa to Toronto was a two weeks' journey. There was no electricity, gas, telephone or telegraph. There were no motorcars and no branch banks. The currency of the country was in pounds, shillings and pence. The industrial life of Canada as we know it to-day had not developed at all.

I comment on this because we are all more or less inclined to be averse to changing existing conditions. Let no man tell me, however, that the change in our whole economic structure and way of life since the time this system was inaugurated has not been progressive, radical and so great as to be almost unrecognizable. I think it was Mr. Morris Wilson who, ten years ago, when asked why this system should not be changed, smiled and offered to the committee of that day, under the chairmanship of the hon. member for York-Sunbury, the reason, "It has just always been this way." In modern times that, I submit, is not good enough.

I present two main objectives which I believe must be given effect to, if we are to protect the people in the next ten years. Both of these come under the reform set out in sections 59 and 75. The first is to retake from the banks, for the Canadian people, through

the government, the right to create and control currency and credit, and the issue of money. The second is that, hereafter, when new money has to be created, it shall be issued into existence through the Bank of Canada, instead of being borrowed into existence through the private banks, by the use of debt borrowing securities.

My submission is that we should do no borrowing whatsoever from the private banks for public financing or for government needs. We shall thereby destroy what is at present a toll-gate privilege now enjoyed by the banks, of collecting from the government interest on new money issued with the backing of our national credit, by pretending to lend us money which they do not possess but which, in reality, is our own money, our own credit or our own medium of exchange.

Let me put it in another way, as it was put by the present Prime Minister in parliament in 1933, and repeated in 1935 on the public platform. This is a policy which I used in my campaign when seeking election. This is the first time since 1935, in a period of ten years, that there has been a chance to amend the Bank Act. I appeal to the committee, to all political parties, to accept this—not because it is the language of the present Prime Minister, but because it is the very best and soundest economic doctrine which could be presented for the benefit of our people. He said:

> Once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws. Usury, once in control, will wreck any nation. Until the control of the issue of currency and credit shall be restored to government—

That was in 1935. Who had that control? He said that until it shall be—

> —restored to government, and recognized as its most conspicuous and sacred responsibility, all talk of sovereignty of parliament and of democracy is idle and futile. To regain for the nation what has thus been lost will continue to be the first objective of Liberal effort.

Again I quote the Prime Minister, as recently as June 20 of this year—1944—when he spoke upon introducing into the house bill No. 82, to establish a department of reconstruction. He referred to it in this language:

> . . . restoring and increasing the capital equipment of the nation . . .

And then added:

> It is in connection with this economic reconstruction that the new department of reconstruction of the federal government will be primarily concerned.

I do not believe there is a member in the house who does not recognize the need for post-war reforms, as against the old order of things. I think every hon. member would agree that we are not going to allow our men to come back to the conditions they left. Who will gainsay that, among all these reforms, the question of economic reform does not stand at the very threshold and, in the language of the Prime Minister, must be our primary concern? Are we to go back to the days where we are to be asked by the treasury department as we were in peace time, when we desired to increase old age pensions—a small item, but an important one—"Where will the money come from?" If we are to go back to those days, then the picture we are all seeking to bring into being must disappear.

I quote further the language of Mr. Graham Towers, the governor of the Bank of Canada, contained in his annual report issued in February, when he warned us that there lie ahead, to be solved by the government, problems of unprecedented magnitude. Before I conclude I shall ask the Minister of Finance, and I shall also ask my hon. friends of the Progressive Conservative party, who may oppose the reform I suggest, what their remedy would be. What have they to suggest?

We at least have a remedy. I recognize that some may not agree with it. Some may find hidden within it dangers which outweigh the virtues. But we must all agree in the face of language like that from the governor of the Bank of Canada that our problems of government in the economic field are of unprecedented magnitude. If there is any member who will quarrel with those solemn statements by our Prime Minister and the governor of the Bank of Canada, so far as I am concerned he must give me an alternative remedy capable of operation.

Please do not misunderstand my position. I would preserve for private banks—and there, for the moment, I would disagree with my distinguished friend, the leader of the Cooperative Commonwealth Federation party—the right to carry on the commercial banking business of this country, and the right to lend up to the amount of their own capital, and in addition an amount equivalent to the time deposits—that is, the savings deposits—of their customers. But beyond such limits the banks ought not to be allowed to lend money, except to the extent that they have a full cash reserve, either in currency or in credit.

This policy I suggest will save the country from going farther down the path of an ever-increasing public debt, one which has already reached an appalling total. Mr. Graham Towers admitted to me, at page 159 of the evidence, that by the end of this year, 1944, it would reach the sum of $16 billions. This amount includes dominion, provincial and

municipal borrowings, on all of which, let us not forget, the taxpayer must pay interest. I suggest that we must call a halt, or run into national disaster, the disaster of repudiation.

It is all very well for the Minister of Finance to say that we can go on in this way, that we have only just started, and that Canada is a virile nation. He is not going to put me into the position of belittling Canada's great reserves, or her capacity to finance, by using an argument of that kind. I suggest, however, that the amount is staggering and appalling. The figure for interest this year, as given by Mr. Towers—and it will increase by $40,000,000 next year—is $280,000,000. That is what we have to pay to carry the dominion's load alone.

But do not take my word for it. Only a few days ago, on July 4, in the committee, Doctor Clark, the distinguished deputy minister, who is here to-night, made this admission to my friend, the hon. member for Vancouver-Burrard. This is what appears in the evidence:

> Q. —I think you will agree with me we cannot go on pyramiding debt, interest-bearing debt of the people of Canada indefinitely?
> A. Not indefinitely.

Then what is the remedy my hon. friends of the Progressive Conservative party offer? I have heard none in the banking and commerce committee. What remedy do our hon. friends in the group of Liberals in that committee or in this house, headed by certain of my hon. friends who are so solicitous for their Progressive Conservative friends offer? I must except the hon. member for Qu'Appelle. Is it to keep tax-free the inner reserves which the banks refuse to disclose?

I will touch on that in a moment because the Minister of Finance spent a little time this afternoon in trying to imply that if we took this monopoly away from the banks and gave it back to the people of Canada it would be disastrous to the banks. He contended that that is what would happen if we did not keep on borrowing nationally from them in the future. Mark you, I am not suggesting that we take anything away from them by paying in cash the debt of $2,700,000,000 which we owe them now and on which they are collecting $40,000,000 a year and will continue to collect that, as far as I can see, during the life of all the hon. members of this committee. In my judgment it will be a long, long year before Canada can ever hope to repay any principal money of the vast obligations we have undertaken.

I asked for remedies from those two groups. It is true that the C.C.F. suggested a remedy to parliament, but parliament rejected it. That aspect is not under discussion in this debate because my hon. friends of that party bowed to the decision of parliament when this bill was referred. I am not going to spend any time in discussing whether they are right or wrong, but they had a remedy. I want to say to those members who may have deep apprehension about that remedy and the incidents that will flow from it as to industry as a whole, that it is a dangerous thing—

Mr. FRASER (Northumberland, Ont.): It is a proposal, not a remedy.

Mr. SLAGHT: It is a proposed remedy. I hold no brief for them, but they believe it is a remedy that will cure. No doubt it would in part cure some of the evils of the present bill, but it would bring with it matters which in my judgment would be detrimental to our future economic possibilities, so much so that it may be that we dare not accept the good in their proposal because it would bring down around the country a whole house of cards containing much more evil. As I said, I am not going to argue that or express myself on it to-night because we shall hear a good deal about it between now and the next election.

I suggest that if you agree with the Prime Minister, if you agree with Mr. Graham Towers, you will believe with them that it is a problem of such terrific magnitude that someone must produce a remedy. I should like to hear from the Minister of Finance and his friends as to what their remedy is. I think I have heard it in the banking and commerce committee and you have had a smattering of it this afternoon. He has no cure or remedy; it is hopeless! Seventy-five years ago we gave away this monopolistic right to create money. We are now going to go on borrowing from the banks debt-laden money to fill Canada's needs, when we can step to the Bank of Canada and borrow it without interest. I must comment upon what the minister said when he exhorted the committee not to "wreck the banks." That was his expression. Why, he says, if you carry on what these monetary reformers are suggesting you are going to wreck the banks! He was commenting upon what he called the extravagant language of the hon. member for Vancouver-Burrard.

He said, "Why, the chartered banks, the private banks would have to impose service charges upon our people in order to permit them to service the money the Bank of Canada would issue for the public need." I agree with him that these funds would flow very promptly into the coffers of the chartered banks. I had not intended to deal with that here, but let me do so. Why in the world should not the people who receive service from the banks pay for it? Is it bad economic policy to see to it in your national set-up that those who receive benefits which are not conferred

upon all the people should pay for them? Let me tell you, Mr. Chairman, what the evidence in the committee disclosed. I do not want to spend too much time on this because I do not think it is worth an argument.

The CHAIRMAN: A point of order was raised before six o'clock. We had a general discussion on section 1 of this bill, and the bill has been in a committee for several months. I know the hon. member will be the last person to go too far away from the section now before the committee.

Mr. BLACKMORE: Section 59 is a broad section.

Mr. SLAGHT: With great respect, Mr. Chairman, let me submit this to you. Section 59 is under discussion. We suggest that that is an evil section in its present form and contemplate a remedy. There will be an amendment moved to remedy it.

Mr. HOWDEN: There is, I understand, an amendment before the committee.

Mr. SLAGHT: There is no amendment to section 59. It is the problem for this committee to determine the reasons why section 59 should stand as it is. I am speaking now only to section 59, and perhaps to section 75, not to the amendment. Surely I am entitled, in answer to the argument put forward by the Minister of Finance, that if you amend section 59 in the way in which the minister is aware of and which he dragged into this debate this afternoon, in the way in which my colleague and myself propose, you will wreck the banks, you will be unfair to the banks and you will have to let the banks impose a service charge. Surely when the minister put that forward I am entitled to show that he is wrong, and that is what I propose to do.

In the matter of service charges the evidence shows that the small depositors who have $50, $75 and $100 on deposit are now charged by the banks, a service charge of five cents per cheque. But when you consider the large firms —without being invidious, I mention the T. Eaton company—who issue perhaps three, four or five thousand cheques a month, no service charge is made. It is suggested that because they carry a balance there should be no service charge.

Under the present system that service charge is being paid by the taxpayers in the $40,000,000 interest on these government loans. It is put forward that we must not take away the right of the bankers to go on lending money to the government and getting interest because the banks service that money after it comes back. The hon. member for Victoria, Ontario stated there were some 5,000,000 bank depositors in this country. In that figure he included both demand and savings depositors, but he could not separate them for me.

Mr. McNEVIN: I could separate them if I wanted to take the time. There were 700,000 and some odd demand, and 4,000,000 and a few thousand savings.

Mr. SLAGHT: There are 11,000,000 people in Canada, so that there are 6,500,000 who have no bank accounts. Somebody will say at once: Oh, the children are in that. Of course they are in that, but a very large number of people in Canada are paying taxes who have not and never had a bank account of any kind in their lives. When you say to me that such and such a man would be too poor to have an income upon which to pay taxes, let me reply that the poor people in this country are paying enormous taxes through the sales tax which they pay on everything they wear, and on everything that their children wear, boots and shoes and suits and so on. In this country, because of our climatic conditions, children require practically three outfits a year, and it may interest hon. gentlemen to know that last year this government collected $304,000,000 in sales tax. So do not tell me that the little fellows, because they are not paying income tax, are not paying taxes at all. Under the present system these little fellows are paying the taxes for the services which the big firms are getting for nothing. Let anyone rise in his place in this house and support that state of affairs. I only bring it to your attention, Mr. Chairman, to wipe out what the Minister of Finance thinks is an answer when he is asked to take back from the bankers what the British North America Act gave to the people of Canada. I do not agree with him and I do not think this committee should agree with him.

I had intended to give one or two extracts because, strange to say, when you suggest that we have given away to the private banks the right to create money some people do not believe you. I am going to give two or three pretty effective quotations. I give you a few sentences from what Governor Eccles, president of the federal reserve bank of the United States, had to say:

> The banks can create and destroy money. Bank credit is money. It is the money we do most of our business with, not with that currency which we usually think of as money.

Then Mr. J. M. Keynes, now Lord Keynes, who has been representing Britain on the Bank of England's delegation at Bretton Woods, had this to say:

> There can be no doubt that all deposits are created by the banks.

The Encyclopaedia Britannica says:

> Banks create credit. It is a mistake to suppose that bank credit is created to any important extent by the payment of money into the banks. A loan made by a bank is a clear addition to the amount of money in the community.

I am not going to give further references, because I understand that the Minister of Finance and I are agreed on that broad general economic statement. But I want these facts reported to parliament, and to my mind they do not leave the slightest shadow of doubt as to what the situation is.

The figures on the ten chartered banks made it clear that their original paid-up capital was $145½ million. Their rest or reserve fund—that is, the disclosed rest or reserve fund—is $136¾ million, or a total of $282¼ million. They have private bank notes in circulation, a privilege which we gave them to create money at the mere cost of printing and paper, to the amount of $40 million. That privilege is going out of existence. The banks have been notified gradually to reduce the amount until it will be wiped out altogether. Then the banks have hidden reserves about which the minister said nothing at all when he was painting the pitiful plight of the bankers, and these hidden reserves have been accumulating year after year out of earnings, and they are tax free in the current year in which the earnings are collected. We do not know, and parliament does not know to-day, how much that accumulated fund of hidden reserves taken out of earnings amounts to. It may be thirty million dollars or it may be three hundred million dollars.

In passing, let me say this. To my mind the attitude of the bankers and the attitude of the advisers of our Department of Finance in supporting them in refusing to disclose their hidden reserves to the committee on banking and commerce when the banks came there after ten years for a renewal of their charters was most unwise. I asked the president of the Canadian Bankers' Association, "How much have you tucked away in your vaults out of current earnings each year as hidden reserves? What is the total amount now of that hidden reserve fund?" He said to me, much more politely than this—this is not his language but it was this in effect—"It is none of your business." He would not tell me. Accordingly I turned to the Minister of Finance, who does know—and it was said by Mr. Tompkins that he does know what these aggregate total hidden reserves are—and I asked him to tell that to the committee on banking and commerce. The minister said in effect: This is a very serious matter, and I should like to ponder it; I think I need a little time to decide whether I should disclose it or not. He took from the 25th of May to the 6th of June, twelve days, and then he came back to the committee with a nine-page statement and refused to tell the committee or parliament the aggregate amount of those hidden reserves of the ten chartered banks on December 31. What do you make of that?

I thought the banking and commerce committee—and I have the terms of reference here—was a fact-finding committee, given full power to bring witnesses and to secure evidence on the subject on which we had to report back to the House of Commons, and so it is. The advisers of the Minister of Finance were brought in—and I will tell you in a minute how I know they were brought in to assist him in preparing a statement which he doubtless believed in with the utmost good faith, and I want no misunderstanding on that score—and they would not tell the committee what the hidden reserves of the ten chartered banks are which have been accumulating for fifty years. I asked why? And what do you suppose was the reason? Parliament ought not to know; the people of Canada ought not to know. The shareholders of the individual banks do not know because their directors and auditors conceal it from them each year. None of these three bodies ought to know, they said. Why? Because they might misunderstand it.

The first smoke-screen that was set up in support of concealing the hidden reserves was that if the banks disclosed last year, and the year before, their hidden reserves and then two years hence they admitted any serious loss it might check the confidence of the public in the bank, if you please. So I bowed to that, which was vehemently put forward by the hon. member for York-Sunbury, not by any Liberal I might say, and then I said: "Mr. Minister and Mr. Banker, tell this committee of parliament what is the aggregate total amount of the hidden reserves of all the ten banks on December 31. Is it thirty million dollars or three hundred million dollars?" And I framed a resolution which was put to the banking and commerce committee, that this committee require the bankers to disclose to parliament the gross amount of the hidden reserves of all the ten chartered banks—that and nothing more. Now what excuse they will give this time I do not know.

I invite the Minister of Finance to disclose the aggregate amount to this parliament to-night. But no more hush-hush. How can a parliament deal with applications to renew

charters for ten years and consent to be told by the bankers who seek this monopolistic privilege, "Parliament is not going to know from us—and we have got the minister converted to our view-point—and members of parliament are not going to know how much more earnings the banks take in every year and put away as hidden reserves, and escape payment of taxes on them in the current year." Has the minister any God-given right to know what my hon. friend the chairman of the banking committee does not know? I venture to say he knows a good deal about the economics of banking. I venture to say that in bringing his good judgment to bear on whether we should renew the charters, it was important to know how much over fifty years has been tucked away as hidden reserves. There may be $300 million of Bank of Canada cash in there in that respect. What blessed reason is there that they should in 1944, coming for renewal of charters, hide the truth from parliament? To my mind it is the blackest thing acquiesced in by any body of men, as destroying the supremacy of parliament, that has happened in the last hundred years. Who is there who will tell me why he should know and you should not know? Are your constituents less entitled to weigh your conduct in renewing the bank charters than the constituents of the hon. member for a maritime constituency? I thought that this was the place where the people's representatives were to learn the truth, and that any black pall of secrecy was done away with long ago in British parliaments conducted on British lines. Therefore I say to this committee, when we are told, "Do not bow to this reform and take back this monopolistic privilege to create money, because you will wreck the banks," and in the same breath we are told, "You are not old enough or wise enough or you cannot bring good enough judgment to bear if we disclose to you the lump sum of money which is tucked away tax-free in ten years"—tax-free, I should say, in the year in which it was earned—the people of Canada are not going to be content with that attitude.

I beseech the members of this parliament in this matter to remove the stain which will rest upon us if we pass these bank charters for ten more years, dissolve this house and then, going home to our constituents, have to tell them from the public platform or wherever we meet them, "We signed on the dotted line and we did not ask the bankers to tell us what in each year were their earnings which they tucked away as hidden reserves."

[Mr. Slaght.]

To my mind—and I put the point in all friendliness—we made a mistake in the banking and commerce committee. The hon. member for Vancouver-Burrard has said that he may not sit in this house again. I say the same thing, under present conditions. I have not made up my mind. But I am going to find it difficult to come back here and support a policy of renewing bank charters, when bankers have told us, "It is none of your business what we have tucked away in hidden reserves and escape taxation on." I love my party, perhaps as well as any man on this side of the house. Let us see where we are going in this thing. Let us stop while there is yet time; and if the committee do not agree with me and my colleague in the matter of having the public exercise their right under our constitution to do government borrowing from our own bank, let us reach that decision after our Minister of Finance, whom I invite and beg to do so, has disclosed the real financial situation of the ten chartered banks.

The ACTING CHAIRMAN (Mr. Golding): Order. The hon. member has exhausted his time.

Mr. SLAGHT: I have something more, but I can say it later.

Some hon. MEMBERS: Go on.

Mr. KINLEY: At six o'clock the hon. member for Parry Sound brought up a point of order, which was that he thought we ought to stick to section 59, which deals with cash reserves of the bank, and while I shall perhaps go farther afield than this section indicates, I think he has done the same. I want to read this section so that there will be no mistake about it:

Cash reserves

59. The bank shall maintain a reserve which shall, as provided in the Bank of Canada Act, be not less than five per centum of such of its deposit liabilities as are payable in Canadian dollars and such reserve shall consist of a deposit with the Bank of Canada and of Bank of Canada notes held by the bank; and the bank shall also maintain with the Bank of Canada or elsewhere adequate reserves against liabilities elsewhere than in Canada and furnish such information as may be required by the minister from time to time to satisfy him that such reserves against liabilities elsewhere than in Canada are so maintained.

The hon. member for Vancouver-Burrard, in quoting this section, said that the law required that a reserve of five per cent should be maintained against this sort of banking business, and he said that the bankers, with a disdain born of greater knowledge, decided that they would not conform with the law but they would use ten per cent. In my business, where

we deal with materials and have to take into account stresses and strains, we always allow for what we call a margin of safety to provide against disaster. For instance, if engineers tested the elevators in this building for 2,000 pounds, do you imagine they would allow you to put 2,000 pounds in these elevators? They would test those elevators for 3,000 pounds—

Mr. ADAMSON: More likely, six.

Mr. KINLEY: —and then they would probably allow you to put in a weight of 2,000 pounds. If I build an engine of 150 horsepower, I always have a margin which I can use in an emergency; probably it would develop 165 or 170 horse-power. So with a boiler; if you are going to test a boiler for 200 pounds, do you think any engineer would allow you to put steam into that boiler up to 200 pounds? The boiler would first be tested for, perhaps, 300 pounds, and then he might let you use it with a safety valve up to 200 pounds. Much the same principle applies here. My hon. friend misquoted the act. The section does not state that the reserve shall be five per cent; it says that it shall not be less than five per cent. The bankers in their wisdom think they should have a margin of safety, and put it at ten per cent, and the hon. member uses that fact as a reason for arguing that the bankers are disdainful of the laws we create to control them.

There is a distorted opinion in the country of what banks can do. Some people have the idea that banks can create money ad libitum. According to the hon. member for Vancouver-Burrard, they can create money with a fountain-pen. If that were true, I do not see why bankers would have to stay in business very long, why they do not get rich and be done with their vocation altogether.

I do not intend to explore this realm of banking on a plane which almost comes into the region of mystery; I am going to get back to the old country store. You know a great deal can be said for the old country store; in the old days it was a place where a good deal of sound philosophy and many wholesome truths were learned. They are the people who must be convinced about the banking situation and therefore we had better talk in language that they will understand. The old country store was a good institution and performed many duties that usually belong to the bank, and until the days when the chain stores took away their cash business and compelled them to deal only in credit the country stores were found throughout the country almost at every corner.

Suppose a man were helping in the building of a railroad in some country district. The farmer wanted to use his team on the job and he would call up the storekeeper and ask for a double harness. The storekeeper would say, "All right; it is worth $100 and I will send it over. I will charge it on the books." He then instructs his bookkeeper to charge John Jones with $100 for that harness. A few days afterwards the contractor calls up the merchant and says that he would like to get some potatoes. The merchant calls up John Jones and tells him that he would like to have 100 bushels of potatoes for this man who is engaged on the road. The price, let us say, is $1.25 a bushel. And so he credits John Jones on his books with $125 for his potatoes. Now there are two transactions. He calls up the contractor and tells him that he is going to deliver 100 bushels of potatoes and asks him if he will give him a cheque. The contractor sends the storekeeper a cheque which he puts in the bank and the bank gives him credit for $125. The contractor in turn wants some money and he calls up his debtor, who sends him a cheque which the contractor takes to the bank and deposits it and is given credit for the money he places there. Now all these transactions have been completed and there is no cash, no Bank of Canada money involved. Who says that is getting something for nothing? Who says that is not a splendid way of doing business?

The bank is a place where you exchange obligations; it is a credit exchange, and when it performs that function and collects a service charge therefor, it seems to me it is carrying on in a way which is beneficial to the business of the country. Take a manufacturer. I want to buy a certain quantity of raw material and I send him an order and get thirty days credit on that raw material. The man I bought it for makes a draft through the bank and I accept it at thirty days. When the draft is due the banker charges that to my account on the debit side and sends a credit along for the manufacturer, and the goods are dispatched. Is there anything wrong about that? There is no money used. A week afterwards I have to pay my men and I send a cheque to the bank and get $1,000 in bank notes. That is where you need real money, for pay envelopes. I go to the bank and they charge that to me. And so the transaction goes on.

Every transaction involves a debtor and a creditor; one brings and another takes. You can read that in any of the books on economics. The hon. member for Vancouver-

Burrard said that a bank could buy a $50 Dominion of Canada bond and all they had to do was to make an entry in their books; they did not need to put up any more than $5 as a reserve against it, in other words, 10 per cent. So far so good, but the hon. gentleman did not follow that transaction through. Suppose the government owes my hon. friend $50 and issues him a cheque on that bank and he takes it to the bank. He can demand for that cheque fifty Bank of Canada bills, or he can give it to the banker with instructions to have it placed to his credit, thus transferring the credit from the bank to himself, or he can take the cheque to another bank and cash it. If he takes the cheque to another bank the first bank must meet the clearing-house the next day and give Bank of Canada bills for the cheque. It will be seen, therefore, that the hon. member went only half way in telling about such a transaction; he did not follow it all the way through. If he followed it through he would find that the bank must meet their obligations or be in peril at the clearing-house when they get there.

As I said before, the bank is the medium for the exchange of the country's business. It is true it creates deposits and credits and there is an enormous amount of business done without money at all, but a distorted idea is conveyed that the banks create money, that in their function as an exchange for the business of the country they create money, which is only credit and confidence. We must not break down credit as an institution for carrying on the business of the country. This five per cent reserve is a reserve against break-down. It is what one might call a degree of safety in the exchange of confidence and credit. Nor must we forget the power of association. The Creator Himself when he made the world had regard for the power of association. To make life it takes two people; one man cannot make life. Two people have to be properly equipped to make life; every living creature is of the same kind, and so is most agricultural production. Money is the economic bloodstream of the nation, and to control the economic bloodstream you need association; because there is power and there is virtue in association. I might do something that was criminal if I did it alone, but if I did it in association with others, and if it were done in a manner agreed upon, that would be all right. I say, therefore, that we had better be careful above a government-monopolized bank working all by itself instead of having a bank working in association with the people of Canada for the purpose of carrying on the business and commerce of the country.

My hon. friends say that there should be a 100 per cent reserve. What would you think of the country storekeeper who, when he charged the harness on the books, told his bookkeeper instead to go and get $100 in cash and put it in the safe so that he might have a reserve against the harness, or who, when he sold the potatoes, ordered his bookkeeper to go and get $125 in cash and put it in the safe so that he might have a 100 per cent reserve in that transaction? To hear our friends talk, to hear what some people said before the banking committee, one would think that banking was the only function in this country. There is a feeling that if you could fool with money, and have an easy time with it, you would be happy and the business of the country would be all right. Banking is only the handmaiden of business in this country; it is only the instrument that business uses for its convenience. As a rule, any troubles from which the country suffers do not come from banking; industry and business support the country. Banking in itself, in my opinion, will have very little to do with the prosperity or advancement of the nation.

Then the hon. member for Parry Sound, with considerable heat and fervour, almost in the style of a stump speech at election time, referred to these inner reserves. He pretty well rang the changes in regard to them, and his words could create a good deal of alarm in this country in this connection. He calls them secret reserves.

Mr. SLAGHT: Are they not secret?

Mr. KINLEY: Well, the banks must disclose their reserves to the Minister of Finance.

Mr. SLAGHT: But not to the minister in charge of taxation.

Mr. KINLEY: They must disclose their reserves to their auditors, and to the auditor appointed by the shareholders. They must satisfy Mr. Elliott, the commissioner of taxation. Then, by virtue of an amendment adopted this year they must also disclose their reserves to the Minister of National Revenue. These inner reserves are something like the stand-pipe that you see at the point where the water-main comes into a town, to control the flow so that it will be even, regardless of any rise or fall in the level. These controls all have their purpose; every machine must have some control. In any machine there is motive power and there is a means of control. Your automobile has an engine and a steering-wheel, but it also has a brake and other methods of control. All these things are for good and intelligent

control. The banks are in competition. Do you think one bank should know what the other has in its inner reserve?

Mr. SLAGHT: I never suggested that.

Mr. KINLEY: Would that not destroy the competition between the banks?

Mr. SLAGHT: The hon. member will recall that I never suggested anything which would mean that one bank might discover the reserves of the others.

Mr. KINLEY: Well, if you make the information public in the banking and commerce committee the other banks will get it.

Mr. SLAGHT: No. I suggested that the aggregate for ten years be disclosed, after it had been added up by the Minister of Finance.

Mr. GRAYDON: Then you are still going to have some things hidden.

Mr. SLAGHT: All right. Apparently you are for hiding everything.

Mr. GRAYDON: I have not said anything as yet.

Mr. SLAGHT: Then do not get on that band wagon.

Mr. GRAYDON: I thought you were for opening up everything.

Mr. SLAGHT: So I am, but one thing at a time. I had a hard fight in that committee; so let us have one thing at a time.

Mr. GRAYDON: I am amazed at the position you are taking now. I thought you were for having everything wide open.

Mr. SLAGHT: You will be further amazed when you hear the position your party took, when I speak again.

Mr. KINLEY: Might I say a word now, Mr. Chairman?

The ACTING CHAIRMAN (Mr. Golding): I would ask hon. members to keep order. The hon. member for Queens-Lunenburg has the floor. If he permits a question it is quite in order, but not otherwise.

Mr. KINLEY: I will permit any intelligent question, for I believe we should search for the truth; truth will make men free. The hon. gentleman says that he wants only the aggregate. Well, that is the entering wedge. Supposing, for instance, I owed the bank $50,000. The bank might say to its auditor, "This man Kinley owes us $50,000. We do not think we will ever get it, so that we had better set up a reserve against it," to which the auditor would reply, "Yes, I think you should." Well, if you are going to pursue this thing to the bitter end you have to get down to names. The directors have a meeting; they tell the shareholders the news. It comes back to my home town that I owe the bank $50,000 and they do not think they are going to get it. In the first place that will destroy my credit. In the second place, if I find that they do not expect to get their money, I may never pay them. So that you see it is a bad thing in more than one way.

What is our interest in these inner reserves, anyway; what is the public interest in them? We can have only one possible interest; that is in connection with taxation. We are told that ordinary businesses have inner reserves, and I know they have reserves of inventories. I know most industries to-day will make a conservative inventory because of uncertainty as to the future. You may say that is evading taxation, but is it? These inventories are bound to get into the money stream of the business in a short time, and if you make them too large this year you lose out next year. The thing will balance in a few years because eventually it gets into the money stream of your business, and it will not do you any good unless you go into a field of lower taxation in the immediate future. I do not have to disclose the reserves of my business to this parliament. First I have to satisfy my own auditor, who is very careful not to do anything he should not do, because his reputation depends upon how well he carries out his duties and how well he obeys the law. Then I must satisfy the income tax officials who go over my books, and who are experts. Finally I must satisfy the minister. An ordinary business does not have to disclose its inner reserves, and it is a feature of our income tax laws that you may not divulge what people pay in income tax. It is not fair to do so in a competitive system.

Therefore I say that as regards these inner reserves of the banks having any effect on the taxation of this country, that is a matter conjured up for the purpose of frightening somebody, and I do not think those who want to be fair about the matter will consider it for a moment. Why, the shareholders' auditor, one of the most eminent members of his profession in the city of Toronto, was most positive in stating that the interests of the shareholders and of business and industry generally were protected by keeping these reserves secret except from those who should know. The Minister of Finance is a public servant who is expected

to protect the people of this country, and it seems to me sufficient if he and his officials have this information.

On the other hand we have in this country one branch of business which has large reserves and which does not pay any taxes. I recall that we have in western Canada large organizations doing business running into millions of dollars. At first they were mutual companies that were allowed to divide their profits among their shareholders and those who were cooperating. Then they decided that they should have reserves, and obtained that privilege under the law. They went ahead and built up reserves amounting to millions, and they are exempt from taxation while the banks pay millions of dollars of taxes to the government of Canada. Then take the Canadian National Railways, since we talk so much about government ownership. What taxes did the Canadian National ever pay to the government? Do you not think the Canadian National is a better railway because we also have the Canadian Pacific? Our ventures into public ownership in this country have been a sorry story of deficits. It took a war to bring the Canadian National out of the red, and we are not very sure of what may happen when the war is over. It seems to me that when we get into the realm of government ownership we get into the realm of the Cooperative Commonwealth Federation party. They want to nationalize the banks of Canada, and make them government-owned banks, government monopolies. I think a government monopoly is about the worst kind of monopoly one can have.

We are told that monopolies in this country are terrible. I am not so much afraid of monopolies. They are defenceless when parliament wishes to deal with them. It did not take the Minister of Munitions and Supply long to tell the Canadian Pacific what they were to do with their air lines. He told them that the air lines were to be preserved for the young men coming back.

What I am afraid of is that we might lose our free parliament. As long as we have a free parliament to deal with monopolies, we can deal with them; but if we have a government that owns monopolies, and a government that runs monopolies for the service of the country, we lose our free parliament, and we have a monopoly which is supported by the government. The people would get very little from it.

Something has been said about debt-free money. Some persons would abolish interest. The wages of money might be high in this country, but in my opinion the wages of money are fair. Let us suppose I have a house. I want to rent that house, and you come along and give me $50 a month for the rent of it. That would be a fair rental. However, after a couple of months you come to me and say, "Look here, I think I can build a house. I think I could live cheaper and save some money if I built a house." I say, "All right, I will lend you the money to build the house." You get the money and you build the house. You live in the house and you save money—and that, of course, is a splendid thing to do. You take some responsibility when you do that. You have paid the rent for my other house, but now you do not want to pay me interest on my money that I gave you to build the house in which you are living. Somebody, possibly, made you believe in debt-free money.

This matter of debt-free money is only a matter of dilution. A farmer may bring 100 quarts of milk to town. When he milks his cows, one day he gets only seventy-five quarts, and he says, "Well, we will put it under the pump, fill it up, and we will have 100 quarts." But that is not more milk, and he cannot be paid for 100 quarts. If they catch him they will put him in gaol. That is what is meant, and I am getting it down to the place where people can understand it. We have had this thing up in the air so long that we had better get it down to the place where people can understand this kind of talk.

You talk about inflation! My dear friend in the corner, the hon. member for Lethbridge, tells us about debt-free money. I have some of his debt-free money, right here—or I had some. I do not think I can spend it. This was debt-free money that was issued—prosperity certificates.

An hon. MEMBER: Where is that from?

Mr. KINLEY: It is a province of Alberta certificate. This is a prosperity certificate, and it states that the provincial treasurer will pay to the bearer the sum of one dollar on the expiration of two years from date of issue thereof, upon presentation; provided that there are attached to the back thereof 104 one-cent certificate stamps.

Mr. MACKENZIE (Vancouver Centre): What is the date of that?

Mr. KINLEY: If they gave that money to the people, and at the end of that year they got $1.04 back, it might be different; but they made them work for it. They paid schoolteachers with it, and it is fifty-two per cent money. If I got one dollar from the bank and then put it into the bank I would get one and a half per cent interest. If I

get this certificate I have to put fifty-two cents on it. It is hot money; the longer you keep it, the less it is worth. If I wish to cash it to-day it would cost me $1.04 to cash it.

I am a practical business man. This whole talk about debt-free money in this country gets us nowhere. This is what we judge them by, because they issued this money and told the people that they might use it, but the people would not use it, and they had to withdraw it.

Mr. MACKENZIE (Vancouver Centre): What is the date of it?

Mr. KINLEY: August 5, 1936. Then they promised $25 a month.

Mr. SLAGHT: I rise to a point of order. We are on sections 59 and 75.

Mr. KINLEY: I understand that, and I apologize.

Mr. SLAGHT: This scrip which the hon. member has in his hand is, as I understand it, scrip which was issued by a province—not by the dominion government. And it is an insult to the credit of the Dominion of Canada to suggest that that is comparable with national currency issued by our people.

Mr. KINLEY: I never suggested anything of the kind. I just suggested that that is what the Social Credit party is doing. That is all I said.

An hon. MEMBER: Tell us why the schoolteachers from 1930 to 1936 in many instances went without their salaries?

Mr. KINLEY: That is unfortunate, but this is no good to them.

This inflation business never succeeded anywhere it has ever been tried—and it has been tried. They tried it in Mexico. The people got hold of United States cheques, and they would not do business except with United States cheques. They passed them, one to the other, and it became their money, and was the only money that was any good.

Germany had to resort to inflation; defeated countries all do it. It is a sign of weakness. They had to do it in China. Poor China is in travail to-day because of it. An hon. member passes me one of these German reichmarks. It took a barrel of them to buy a cup of tea.

We have before us a revision of the Bank Act. We sit in judgment on the banks in Canada, which have done a good job. They have been the pride of Canada in days of adversity. The banks are not perfect. The human element enters into them. They are in competition, but they have a record of which we may be proud.

It seems to me that in the future, and that in facing days of peril and adversity we should be careful of what we do at this time, and we should hold fast to that which is good.

Mr. FRASER (Northumberland): Mr. Chairman, this afternoon and this evening we have heard a great deal about two sections which have been held over, namely sections 59 and 75, in connection with this renewal of the Bank Act. There were about forty-five sessions of the banking and commerce committee. The pros and cons of arguments, back and forth, have been set out by different members of that committee, by representatives of the banks, by the retail merchants' association and by other organizations which appeared before the banking and commerce committee.

This afternoon and this evening we have heard two speeches by two eminent Canadian lawyers. I want at this juncture to say a word about the eloquence of the hon. member for Vancouver-Burrard and to refer to several statements by the hon. member for Parry Sound as being simply unadulterated shadow-boxing. I can vouch that the hon. member for Parry Sound could with his eloquence and his experience argue the case for the renewal of these bank charters with just as much merit as he has the ideas which he has accepted and which in my opinion are absolutely unsound.

I should like to deal with this matter from two or three matter of fact points of view, but I will adhere as strictly as possible to the two sections under discussion. Before proceeding, may I say that this matter should be analysed in a cool, businesslike way without using words like "dark secrets" and "hush, hush" or applying to the business of banking inferences that are absolutely unfounded and without reason.

In the first place the banking business of this country is a highly scientific business. It is no different from many other businesses because all the corporations in this country are the children of government. Companies operate under charters issued either by the provinces or by the dominion. They are permitted to conduct certain types of business, not only for ten years but perpetually as long as they comply with the taxing laws of the country and the articles of their incorporation. I submit that no business is subjected to such close scrutiny year in and year out, particularly every ten years, as the business of commercial banking. The business of banking is scrutinized not only by government officials and by the inspector general; it is subjected to the closest scrutiny by the Minister of Finance and his officials.

The question of inner reserves has been mentioned; and I submit that an endeavour has been made to create a bogey, to arouse suspicion in the minds of the Canadian people that there is something hidden, something uncanny, something the people of this country should know in connection with hidden reserves. In analyzing this matter of the renewal of these bank charters we must consider whether the banking business of Canada is being properly conducted or whether it is not; whether the banking business of Canada is making undue profits or whether it is not; whether the banking business of Canada is serving the purpose that commercial banks should serve in the interests of the people of this country, both depositors and borrowers, or whether it is not. I submit that the banking system of this country is being conducted in a highly efficient manner, consistent with the best banking experience and brains not only in Canada, but in the great republic to the south, or even, as some hon. members have said, in the Scotch banking system.

Let me deal for a minute or two with the matter of incorporation and also with the question of whether the chartered banks are making excess profits. As was set out in the evidence submitted to the banking and commerce committee, the profits of the Canadian banks average only 6·2 per cent. Not only do they not compare favourably with many other financial, industrial and commercial enterprises, but they represent an extremely modest profit. It happened to be my good fortune to sit in the banking and commerce committee of 1934 when the bank charters were renewed, and I have endeavoured as much as possible to absorb the discussions that took place in the many meetings of the committee during the last three months.

Let us look for a minute at the position of Canada's chartered banks. The word "monopoly" has been used time and time again in the committee and in this house. It is said that we are being asked to renew the charters of what has been termed a monopoly. I submit that the position of the Canadian chartered banks is not an enviable one in comparison with that of other industries. I have in my hand the statement of Lake Shore mines. With a capital of $2,000,000, this company showed a profit of 134·8 per cent in 1936. They do not have to have their charter renewed every ten years or to make reports to the Minister of Finance, the Minister of National Revenue and the inspector general. Not only is this corporation a child of the government, but under its incorporation it can develop the natural resources of Canada. Therefore let us not call the banks a monopoly. Let us not point to the banks as making immeasurable profits. If we are going to discuss the profit motive, let us take the picture as a whole and stop pointing just at the Canadian chartered banks.

I wish to say a few words in connection with the hidden reserves of the banks. It was in reference to the hidden reserves that the hon. members who preceded me used the language I quoted a moment ago. As I say, that language has been used not only in this house but repeatedly in the banking and commerce committee. It has been broadcast throughout the length and breadth of Canada that there is something sinister, something we should be suspicious about in connection with these hidden reserves. There is nothing mysterious about the hidden reserves.

It is not a question of hidden reserves; it is a question of the method of accounting that is used not only in the banking business but in industrial and commercial businesses throughout Canada. We had as a witness before the banking and commerce committee Mr. Clarkson, one of the leading accountants in Canada. His evidence corroborated what I say, that this method of accounting is quite common. I am going to read from one bank statement and compare it with the statements of some commercial companies. The banks carry on exactly as do the commercial companies. They take in their inventories which are composed of loans, portfolios, assets and the like, with reserves to protect themselves against loss in any one year. That is all they do. There is nothing secret about it. There is nothing funny about it. It is a system followed by every company in the Dominion of Canada. Let me compare for a moment the financial statement of Canada Steamships Limited and its subsidiary companies with a bank statement. I am reading from the 1943 consolidated balance sheet of the Canada Steamships company, and this is what it says:

Accounts receivable, less reserve.

That is exactly what the banks do. There is nothing funny about it. They simply take in their accounts receivable and their other assets, less reserves.

Mr. McGEER: But they are not hidden.

Mr. FRASER (Northumberland): They are hidden to exactly the same extent.

Mr. SLAGHT: They have to be disclosed to the minister of taxation, while the banks reserves have not.

Mr. FRASER (Northumberland): Under the amendment which the Minister of Finance brought in the banks will be in exactly the same position.

Mr. SLAGHT: They will not.

Mr. McGEER: No.

Mr. FRASER (Northumberland): Or I might take the statement of an industrial company to show how it deals with reserves, and I will deal with the other question my hon. friend raises in a moment. Here is a statement of an industrial company and it says:

Reserves for contingencies, $300,000.

I could go on citing case after case. Every company that uses sound financial methods sets up reserves against depreciation of inventories, depreciation of investment portfolio, accounts receivable and other assets which they carry at the end of the year.

Let me say this to the hon. member for Parry Sound, that the reserves of the banks are scrutinized by the banks' auditors in exactly the same way as reserves of industrial companies are scrutinized by their auditors. There is no difference. That evidence was given before the banking and commerce committee.

Let me go one step farther. An hon. member said this evening that the shareholders had not the right to know what the hidden reserves of the bank are, but evidence was given before the committee that upon request the shareholder had the right to ascertain through the directors or the auditors what the reserve of the bank was at a given time. It is also provided in the act that the banks are required once a year to submit to the Minister of National Revenue, the Minister of Finance and, I believe, to the deputy minister of finance, or at all events to a third person, what amount has been set aside as hidden reserves.

Mr. SLAGHT: My hon. friend is in error in saying the Minister of National Revenue. Under the amending bill the banks have to submit that figure to the Minister of Finance, who in turn may advise the Minister of National Revenue.

Mr. FRASER (Northumberland): Then I stand corrected on that point.

Mr. ILSLEY: Do not stand corrected when you are correct. It says that the Minister of Finance "shall" notify the Minister of National Revenue, and so on.

Mr. FRASER (Northumberland): That is what I thought. As has been stated, these reserves are to protect the banks against losses on loans and declining prices and are submitted to the careful scrutiny of the three gentlemen I have mentioned. On that point, Mr. Chairman, have we in this country reached the stage where the people of Canada cannot trust the Minister of Finance, the Minister of National Revenue, a deputy minister, and probably the governor of the Bank of Canada, no matter what government happens to be in power? If we have, certainly there must be a weakness in our democratic system somewhere. So far as I am concerned, as a customer of the banks I am perfectly happy to have the reserves of the banks scrutinized in that way.

Reference has been made to the cash reserves of the banks and it has been proposed that 100 per cent cash reserves be held by the banks. I do not think the hon. member for Parry Sound is really serious in what he suggested because he knows perfectly well, for it has been repeatedly stated, what an impossible situation it would be if the banks had to carry 100 per cent Bank of Canada cash against their deposits. Let us analyse for a few moments what the banks really are.

To me and, I believe, to most hon. members there is nothing funny about this banking business. The banks are simply the bookkeepers of the nation. They are the retailers of credit. There is nothing funny about money. I can take this blank cheque that I have on my desk, fill it out for five or ten dollars, write my signature and hand it to the Postmaster General and he will give me a ten dollar Bank of Canada bill for it. Why? Because he is satisfied that behind that cheque I have in the bank of Montreal a credit, created through selling lumber, apples or something else and depositing the proceeds in the bank. The banks are a repository of the stored-up energy and production of the people of Canada. That is another reason why confidence in our banks should not be jeopardized by anything that is said here by any hon. member. Previous speakers, notably the Minister of Finance, have pointed out all the ramifications that would be involved in insisting upon the banks carrying 100 per cent cash reserves. As the minister said, it would be an impossible situation.

The hon. member for Vancouver-Burrard stated that the government of Canada had no control over the chartered banks. I remember well the submissions that were made to the banking and commerce committee in 1934; I am quite willing to give credit to the hon. member for Vancouver-Burrard who, along with many others of us at that time, advocated the establishment of a national bank, and in consequence the Bank of Canada was set up. The banking system in no other country in the world has made as much progress, so far as government control is concerned, as has the Canadian banking system

since 1934 and on through the years to 1937, when we took over the whole stock of the Bank of Canada. I submit that under the set-up of the Bank of Canada the government of Canada has ample control, practically total control, over the flow of money and credit in the Dominion of Canada. Anyone who has studied the financial system knows perfectly well that the Bank of Canada controls the flow of money and credit throughout this dominion.

I listened attentively to the statements made by the hon. member for Vancouver-Burrard and the hon. member for Parry Sound. But it is a bad thing to put people to doing things to which they are not accustomed. With all due respect to my hon. friends, I must say that they are first-class lawyers who can argue on either side of a case with equal dexterity and facility. There is no question in my mind as to that. I prefer to take the opinion of gentlemen who have spent their lives in the banking business of this country—managers of banks, the Minister of Finance, the governor of the Bank of Canada, the deputy minister of finance, the gentlemen who make it their lifelong business to handle the banking requirements of the people, who understand not only those requirements as respects our banking system but also the ramifications of the foreign connections of the banking of the dominion. It is a bad thing at this time to create any suspicion in the minds of the people of our banking system. It is also unjustifiable. We have the most flexible banking system in the world, one which stood up during the years of depression; a system which, unlike the banks of the United States, did not go by the wayside. Our banking system is flexible in the set-up of its branches across the country. The branch banks not only serve the people in the communities in which they are established, but are repositories of the savings of the people of those communities, and can transfer credits to different parts of Canada where those credits are required. Our banking system provides the flexibility required by a country such as ours. It can serve the fisherman on the east coast, the grain grower of the prairie provinces, the lumberman of British Columbia, because the collection and flow of funds are made possible through the branch bank set-up. I repeat that it is a bad thing to try to shake confidence in this system, because I do not believe any of the allied nations possess banking systems which have been as successful as our own in handling the demands of the present war.

At this time I wish not only to make reference to the splendid way in which the chartered banks are handling the demands of industry, agriculture and the services of the dominion, but to pay tribute to the foresight, the tenacity, the judgment, and the never-ceasing application of thought and untiring effort which the present Minister of Finance has given, not only to the banking system through the Bank of Canada, but to the whole financial set-up of this country in the prosecution of the war. As somebody said the other day, and as is acknowledged beyond the dominion, the pattern of finance, the success in controlling inflation, the application of our price ceiling, the application of wage and salary controls, have not only been a matter of pride in Canada but recognized in the United States and Great Britain as models of efficiency. I do not believe any other banking system in the world has served, under the direction of the officials I have mentioned, the purposes of the prosecution of this war as effectively as that of the Canadian banks.

After all that has been said in connection with this bill, not only in this chamber this afternoon and evening, but in the long sessions of the banking committee, I do not think it is necessary for me to go into further details in connection with our banking system, except to say that unless somebody can submit evidence such as, I claim, has not so far been presented, there is no reason why these bank charters should not be renewed for the next ten years. Personally, as a member of this house, I would consider it extremely disastrous should anything occur to hold up the renewal of the charters of these banks for any less period than the banks have been granted in the past. Do not forget that we shall be shortly entering the great post-war period. The last thing we want is any uncertainty in connection with our financial set-up. The last thing we want to do is to inject into the management of our financial system anything except experience and capable management, under the assurance that there will be no interruption with the operations of the banks for the next ten years.

As I said a minute ago, there are ample safeguards. There is no question of the scrutiny of the banks, no question of their solidity, no question as to their ability, in all of the ramifications of the country's business, to handle it efficiently. I submit that neither in this committee nor in the banking and commerce committee has any reason been advanced why these charters should not be renewed. All along the greatest emphasis and stress have been applied to the matter of these hidden reserves. Some of my hon. friends have dwelt on these things. The Min-

ister of Finance this afternoon refuted the suggestion made by the hon. member for Vancouver-Burrard in the banking and commerce committee. The hon. member for Parry Sound followed with this hidden reserve stuff. I say not only to you, Mr. Chairman, but to the hon. member himself, let us get away from this talk of hidden reserves. Let us acknowledge what it is. Let us accept the statements we have received and admit that there is nothing sinister about the thing.

Mr. SLAGHT: Two of the banks were caught a few weeks ago by the minister and are refunding amounts which they had taken excessively under the hidden reserve scheme.

Mr. FRASER (Northumberland): I am glad I have been able to get my hon. friend on his feet on that one. I have been drifting along in the doldrums hoping somebody would say something.

Mr. McGEER: You know all about that. You said there was nothing to it.

Mr. FRASER (Northumberland): My hon. friend says that two banks were "caught". "Caught"—caught in the dead of night! They are porch-climbers! They were caught, mind you, in this dark and deadly secret of hidden reserves! Somebody gum-shoed on them, and they were caught in the darkness and dead of the night!

Mr. McGEER: Caught by the Minister of Finance.

Mr. FRASER (Northumberland): Oh, no.

Mr. McGEER: Oh, yes.

Mr. FRASER (Northumberland): Oh no. They were not "caught" by the Minister of Finance. Not at all.

Mr. McGEER: He was not gum-shoeing, was he?

Mr. FRASER (Northumberland): They were not "caught" by the Minister of Finance. If my hon. friend would do a little more gum-shoeing he would be more quiet. They were not "caught" by the Minister of Finance. That is not the word to use. As my hon. friend knows, these statements are submitted every year to the Minister of Finance, to the banks' auditors and to the inspector general of banks, and they decide, after they have checked the inventories and the portfolios of the banks, whether or not, they have taken too much depreciation on their stock in trade.

As regards the two banks referred to by the hon. member for Parry Sound, when the investments in the portfolios, when the lending accounts were checked by the competent auditors and submitted to the Minister of Finance, he did not gum-shoe; he did not catch them. He scrutinized the accounts as any business man would scrutinize a statement, as I would scrutinize a statement submitted by my own bookkeeper. Anyone would say to a business man, "You have too high an inventory reserve of merchandise," or "your inventory is not high enough, and you must go and change it for this reason or that." And the reasons are given. It is not a matter of catching anybody. As I say, that is not the word to use in business. You might use that word in a police court, but this is not a police court; this is a matter of analysing the business statements of financial institutions doing business in the interests of the people of Canada, acting as their trustees, the repositories of their savings, institutions trusted by the people of this dominion. No one was caught. The Minister of Finance decided, on the advice, I suppose, of his deputy minister or of the governor of the Bank of Canada, or probably of the Minister of National Revenue, that these inventories were taken at too low a figure. The market had moved up over a period, or some loans may have been paid over that period. And so they said to the banks—not with a ·38 calibre revolver in each hand, but as businessmen dealing with other businessmen: Call in your auditors and let us discuss the matter; in our opinion these inventories are too low; your reserve for depreciation or for bad debts is too high, perhaps, or whatever it might be, and we suggest to you as businessmen that they should be reduced. And they were reduced. There is nothing funny about that. It is not all a dark mystery. It is all clear.

Mr. SLAGHT: Solely as the result of disclosures in the banking and commerce committee, after the investigation had taken place.

Mr. FRASER (Northumberland): I am glad my hon. friend has brought that up. It was not solely as a result of disclosures in the banking and commerce committee, not by any means.

Mr. SLAGHT: Ask the minister.

Mr. FRASER (Northumberland): I will tell you what took place. I submit to the hon. member for Parry Sound that the minister explained that through the stress and burden of victory loans in connection with war finance and the handling of the domestic business of Canada he was two or three months behind in seizing an opportunity to

scrutinize these statements. Naturally, with the stress of work and lack of time, he was three months, or two months, or whatever it was, behind. It was not because of anything that was said in the banking and commerce committee, because the statements would have been checked, as there is an obligation under the act to check them every year. It was because of overwork on the part of the Minister of Finance. I say to my hon. friends in this house: Why try to permeate and saturate this whole question and to cover it with suspicion. This is not a matter of porch-climbing; it is a matter of discussing an important function, obligation and responsibility of certain institutions, and it is the duty of the intelligent representatives of the people of Canada to come to a judgment in this matter.

There were over forty sittings of the banking and commerce committee where the whole question was considered, and I suggest that we should decide now whether the charters should be renewed or not. If we have not discussed the matter sufficiently to be in a position to reach a conclusion, it is for one of two reasons: either lack of mentality to absorb on the part of certain hon. gentlemen, or straight obstruction on the part of some other hon. gentlemen. It can be for only one of those two reasons, because you cannot carry this thing on forever. Every question has been asked that could be asked; every witness has been called who was requested; the zenith of courtesy has been extended to members of the committee; there has not been a general manager of one bank who objected to any question; there has not been a question directed at the deputy minister or the minister himself to which they have refused to reply. They were as open-minded as they could be, and I suggest that no effort should be made to tar this queston, to tar the whole subject with suspicion and to try to spread suspicion across the dominion. We as businessmen and as members of parliament can unquestionably make our decision, and I for one have come to my decision, namely, to vote for the renewal of these bank charters for another ten years. In my opinion that is what should be done in the interests of the banking institutions, in the interest of the depositors and in the interests of the borrowers and of the people of Canada who are receiving from the chartered banks the best banking service given to any population in any country in the world.

Let me say in that connection that, notwithstanding what has been said in this committee and in the banking and commerce committee, the dominion to-day is paying only a service charge on over one billion dollars which it is receiving through the Bank of Canada and the Canadian chartered banks. I have not tried to remember the exact figure, but the service charge is 1·2 or 1·3 per cent. Surely the labourer is worthy of his hire. The banks are retailers of credit. They have a function to perform; they have thousands of employees across the dominion, and the government as borrower has to pay a service charge for the service it receives. There is no mystery about that. You cannot do funny tricks with money. You cannot make money out of paper unless you have something behind the paper. No one has ever done that successfully and no one ever will.

I repeat, in conclusion, that there is every reason why hon. members should renew these charters. Let us get away from the uncertain position in which the banks have found themselves for the last three or four months. Let us renew these charters so that the banks can get on with their business and so that the people of Canada may enjoy full confidence in them, in a banking system which has rendered excellent service and over which there is, in my opinion, ample control through the Bank of Canada.

Mr. ADAMSON: With the greater part of what the hon. member has said I agree, but he and other members as well have compared the profits of the banks with the profits of the mines, and he said that the Lake Shore mine in 1926 made a profit of 164 per cent; I think that is what he said. There is a very important point that we should realize with regard to the difference in financing as between banks and mines. First of all, your bank stock is $100 par stock, whereas your mining stock is, generally speaking, $1 par; and your mining companies, generally speaking, have an issued capital of from two to five million shares.

The ACTING CHAIRMAN (Mr. Golding): Order. I must ask the hon. member to stick to the section.

Mr. ADAMSON: I am speaking about the matter of bank profits, which is the subject we are on at the present time. For a mine like Lake Shore, which has an issued capital of two million shares, to make a profit of 164 per cent it is only necessary for them to make a profit of $1.64 per year per share, and I submit that it is totally unfair to make a comparison of that kind. I am entirely in agreement with what the hon. member has just

said, but do not let us compare the profits of mines with the profits of banks, because the financing is totally different.

Mr. FRASER (Northumberland): I agree with that.

Mr. ADAMSON: Mining capital is generally risk capital. You buy a stock for a few cents to-day, hoping they will find an ore body; or you buy stock for a dollar or so, hoping it will increase in value. On the other hand, you buy the stock of a bank, which is an established institution, and pay $100, $150 or $200 per share. One year Lake Shore actually paid 600 per cent profit, but that dollar stock was then selling at $60 per share. Mind you, Lake Shore was perhaps the most successful of all the mines in Canada, and to mention this mine apart from all others is a great mistake, and just as misleading as to talk about the hidden reserves of the banks.

Mr. FRASER (Northumberland): I should like to tell my hon. friend that my only purpose in bringing it up was because it was an incorporation, the child of a government, and that in its incorporation it received certain concessions from the government. No reflection was intended upon either the mining industry or Lake Shore mine. I simply wanted to show that it was established under a charter granted by a federal or provincial government, just as the banks are. I quite appreciate everything my hon. friend is saying.

Mr. ADAMSON: I realize that my hon. friend understands these matters, but I did not want to let the impression get out that these mining companies were making terrific profits. That is not the case. It was the case with Lake Shore, which was probably the richest and most phenomenal mine on the continent of North America.

Mr. FRASER (Northumberland): The minister will take all the profits, anyway.

Mr. ADAMSON: He is certainly doing so now. It must be remembered that with a bank the capitalization remains static, which is not the case with a commercial organization if it is a profitable operation. In the majority of the corporations of Canada, in order to make the shareholders' equity a better equity you will have a stock split, so that instead of one share of $100 par value, you will have four shares of $25 par value, to make it more easily salable on the stock exchanges. I think the proposal that the banks do the same thing is excellent. I merely wanted to clear up this matter, because several hon. members have mentioned the Lake Shore mine in particular and said, "Look at the terrific profits of that mine; 600 per cent in one year." I believe the bank of Nova Scotia paid sixteen per cent during a certain number of years, but we must remember that while the stock of the bank of Nova Scotia had a par value of $100, it had been selling for more than $200 for some years. To compare the sixteen per cent profit paid by the bank of Nova Scotia with the two or three hundred per cent paid by the Lake Shore mine is unfair, and I do not think is a proper comparison to make as to the payment of profits.

Mr. CLEAVER: Mr. Chairman, it is a popular thing with the masses to attack the banks. We are approaching a general election. I do not think any hon. member will make any speeches in defence of our banking practices and banking system unless he is actuated by the most sincere motives, and feels compelled to do so.

As we look at the picture, the allied nations are fighting a war of survival, fighting the costliest of all wars. It is no exaggeration to say that during the first three years of this war we were fighting with our backs to the wall. The best financial brains in Great Britain, the United States and Canada have been directing this war from a monetary point of view, and I think I am safe in saying that these men have devised what they believe to be the best method of financing it. Recently in the banking and commerce committee Canada's financing of the war effort has been under what might be called a two-pronged attack. I will deal with the lesser attack first. That was in regard to inner reserves. Under these circumstances, I think at least we should be careful of our facts. As I listened to the hon. member for Parry Sound talking about hidden reserves this evening I was positively shocked to hear him state that the banks might have tucked away in their vaults $300,000,000 of Bank of Canada cash as these hidden reserves, as he calls them. I well remember the hon. member in the banking and commerce committee referring to hidden reserves as loot, and in another place he said that sums of money were tucked away.

I am going to make a statement which I think will shock the hon. member for Parry Sound, but I know it is positively true. I say that not a bank in this country has not disclosed in its financial statement, for everyone to read, every security that it holds, every dollar of its cash, and the value of all its bank property. I picked out at random from my banking and commerce folder the statement of the bank of Montreal, on which I should like to make some comments. The assets of any Canadian chartered bank in the main are

these. First there is the bank property, their real estate, furniture, office fittings and the like. Next comes their Bank of Canada cash, in the form of deposits with the Bank of Canada or actual cash. Their third asset is securities.

Mr. McGEER: What has the bank of Montreal in its hidden reserves, and of what do they consist?

Mr. CLEAVER: I shall be glad to follow through, but I have thought this thing over, and I believe we should approach this matter in a studious, careful, quiet and sane manner, that we should not get in any passion about it.

Mr. McGEER: Not at all, but that is a very simple question, and you can give me an answer.

Mr. CLEAVER: I shall be glad to.

Mr. McGEER: Then why hide it?

Mr. CLEAVER: I will give it to you when I am ready. I do not intend to be led astray from my train of thought. I would ask the committee to be good enough to follow it with me, for I am quite prepared to prove the statement I made a moment ago, that there is not a bank in this country with a dollar of loot, or a dollar's worth of securities, or of cash in any of its vaults in the form of inner or hidden reserves.

Mr. SLAGHT: Mr. Tompkins, the inspector, says that there is.

Mr. CLEAVER: I will prove that there is not, and I say to the hon. member for Parry Sound that Mr. Tompkins did not say that.

Mr. McGEER: I do not think the minister would agree with that.

Mr. CLEAVER: As I said a moment ago, when I was interrupted, I had come to the third form of assets which a bank holds, namely securities and bonds, Dominion of Canada bonds. The fourth form of security is promissory notes, as well as any collateral, which they hold with them, for the repayment of loans which they have made to customers.

Let hon. members look at any bank statement—and I say this without fear of contradiction, although I know it will be a shock to the hon. member for Parry Sound. I know the hon. member did not intend to mislead the committee, but I say that he did mislead the committee when he said that any bank had a dollar's worth of security or a dollar's worth of cash in any of its vaults in the form of inner reserves.

I come now to the fourth item of bank assets. The fourth item is securities in the form of promissory notes which a bank holds, in order to secure repayment of loans which it makes. Now we come to the place where inner reserves arise. In this instance I am reading from the financial statement for 1943 of the bank of Montreal, and I find this item: "Current loans and discounts, less estimated loss provided for"—and then the item extended is $215,000,000 odd.

That statement simply means this, that the bank of Montreal holds promissory notes for loans which it has made to customers in excess of $215,000,000. But it just shows $215,000,000 in the statement, because bankers know they are in a hazardous business. Every year they take losses. They know they may not be able to collect the par value of the notes which they hold for loans they have made; therefore they must make a compensatory adjustment, and if they are to have a true financial report they must make a compensatory adjustment to bring down the total par value of loans to the actual amount which they will finally recover. That is the inner reserve item; it is simply a bookkeeping item. There is not a dollar of security behind it. There is not a dollar of cash there. There is no hidden loot.

Why, to hear some hon. members talk one would think that the banks of this country have hidden away in some corner of their vaults, piles of stocks, currency and securities for hidden or inner reserves. Nothing of the kind happens. They do not hold a dollar of cash, and they do not hold a dollar's worth of securities under this item of hidden reserves. It is simply a bookkeeping entry, simply a writing down of the amount of their loans from par value to the amount which the experience in banking tells them they will finally collect. You can pick up any bank statement and you will find that item, or a similar one—"less estimated loss provided for."

When I approached this problem in the committee on banking and commerce and I found that the banks were not required to report to the Minister of National Revenue, the taxing minister, the amount set aside as an item to protect them against loss they would eventually have in the collection of their loans, I did not think that was proper. I thought banks should be placed in exactly the same position as all other industries in this country. I thought banks should have to report to the Minister of National Revenue the amount they had set aside in the reduction of the par value of their loans, in order to reach the true value of their loans. I moved an amendment, but when the minister indicated

that he was bringing in an amendment to provide for what I had in mind, I of course withdrew my motion.

We have to-day in the Bank Act the fullest possible protection in that regard. The Minister of Finance has no option. The act says that the Minister of Finance shall report the amount of the inner reserves to the taxing minister, so that the taxing minister will at all times have full information.

With that amendment in the Bank Act the banks of this country, so far as inner reserves are concerned, are in exactly the same position as every other industry. One can pick up the financial reports of canning companies, steel companies or other industries in Canada, and he will find that they all make a similar compensatory deduction for anticipated loss, and that they do not disclose the amount to the general public.

Mr. SLAGHT: I did not catch what the hon. member said a moment ago, as to whom, under the amendment, the banks are required to report.

Mr. CLEAVER: I said that they were required to report to the Minister of Finance, and that the statute goes on to say that he shall pass on the information to the Minister of National Revenue.

Mr. SLAGHT: No; that is done only under certain circumstances, according to subsection 9. It is only if he, in his judgment, regards the hidden reserves to be in excess of what they ought to be. If he decides it is all right, the Minister of National Revenue never knows about it.

Mr. ILSLEY: The Minister of National Revenue has the same power in respect of banks, under the National Revenue Act, that he has in respect of every other taxpayer in Canada.

Mr. SLAGHT: I understand that.

Mr. ILSLEY: That is apart altogether from this provision. This is an additional superimposed protection. It leaves alone, untouched and unmodified, the power of the Minister of National Revenue over the banks, and that power was the same as it is for any other taxpayer.

Mr. SLAGHT: Quite right, but the only reason I interrupted was—

The ACTING CHAIRMAN (Mr. Golding): Order.

Mr. CLEAVER: I am prepared to accept the hon. member's interruption.

Mr. SLAGHT: The hon. member inadvertently, I think, gave the committee the impression that under the amendment the banks are now required to report to the Minister of National Revenue. That is not the amendment. I draw the hon. member's attention to section 56(9). Under the amendment the banks, as heretofore, report to the Minister of Finance, not to the Minister of National Revenue. But if in his opinion the Minister of Finance believes that the banks have set aside in excess of the amount they ought to have set aside, then the amendment requires him to notify the Minister of National Revenue. And at that point the section stops. The Minister of National Revenue is not obliged to take any steps. My hon. friend will recall that the evidence showed that right down to this investigation the banks had never notified or advised either the Minister of National Revenue or his deputy, of the amount they set aside for hidden reserves. That is the record.

Mr. CLEAVER: I thank my hon. friend for his interruption and, in fairness, I propose right now to read into the record the gist of subsection 9, leaving out the superfluous wording.

Mr. SLAGHT: Yes.

Mr. CLEAVER: It states:

> Where in the opinion of the minister an amount set aside or reserved by any bank . . . for the purpose of meeting losses on loans, bad or doubtful debts, depreciation in the value of assets . . . the minister—

That is the Minister of Finance.

> —shall notify the Minister of National Revenue and the deputy minister of national revenue (taxation) of the amount so set aside and of the amount of such excess.

Mr. SLAGHT: That is exactly as I stated it.

Mr. CLEAVER: Yes. I have concluded what I intended to say about inner reserves. I wonder if at this stage in the debate the hon. member for Parry Sound would be good enough to withdraw the statement he made that the banks might have millions of dollars worth of Bank of Canada notes set aside in their vaults as inner reserves.

Mr. SLAGHT: I do not withdraw it because it is literally and actually true. I have just found a reference in Mr. Clarkson's evidence, and I will refer to the evidence of Mr. Tompkins who also makes the same declaration. I asked Mr. Clarkson what form these inner reserves took which were in the custody of the banks, and he said they were partly in cash and partly in securities.

Mr. CLEAVER: We cannot both be right, but I say positively that every bank in this country reports in its financial statement every

dollar of cash, every dollar of Bank of Canada deposits and every dollar of securities in the possession of the bank, and that the so-called hidden reserves item is simply a bookkeeping entry.

Mr. BLACKMORE: What would the bookkeeping entry represent?

Mr. CLEAVER: I am sorry if I have not made that clear. The bank may show a net value of loans of $215,000,000. They have reduced that by the amount of their estimated losses with respect to the loans. Those loans are secured by promissory notes, but actually the amount would be in excess of $215,000,000. They set up a reserve or a cushion between the par value of their loans and the amount which they show as the actual value of the loans. It is simply and purely a bookkeeping entry.

The major part of the attack in the banking and commerce committee was that we were all wrong in the way in which we are financing this war, that we have created an unbearable load of debt, that we are on the way over Niagara falls into the whirlpool of bankruptcy. The complaint has been not only with respect to the interest of the debt but equally with respect to the capital. In the light of present-day conditions when hon. members make a statement of that kind they know there are many gullible people who think the wealthy are holding out on them and all that sort of thing; they know there are many gullible people in Canada who will believe these statements even though they are wholly untrue. I think the least these hon. gentlemen can do when they make statements of that kind is to give us their proposal.

Time after time in the banking and commerce committee I asked the hon. member for Vancouver-Burrard to tell us, please, what his proposal was. Was his proposal that for every dollar of the cost of the war we could issue Bank of Canada cash, debt-free money as he calls it? Was his proposal that we can finance this costliest of wars without any cost? I think he should tell us. Is it his proposal that a limited amount of Bank of Canada cash in addition to the amount that has been printed should be and can be issued? If it is a limited amount, I think he should tell us how much.

Our Minister of Finance demonstrated clearly this afternoon that while from a physical point of view we could issue as much Bank of Canada cash as we have paper and printing ink, it would not be debt free; it would not be costless; it would cost just as much in the long run to finance in that way as in any other way. I do not intend to go into that phase of the matter at all because it has been ably answered already, but there is one point which has not been covered and to which I should like to call attention. If we started the printing presses of this country to print Dominion of Canada notes, not for the purpose that they were intended to be printed but to pay our debts, I think the people of Canada would have something to say, I think the people of Canada would have a reaction as to the value they would place on those notes.

Keeping in mind the fact that there is not a dollar of gold behind our Bank of Canada notes; keeping in mind the fact that the value of those notes can be retained only as long as the public retains confidence in them, I suggest to the hon. members for Vancouver-Burrard and Parry Sound that the issue of those Bank of Canada notes is in the nature of a trust. The Dominion of Canada through its parliament has entrusted the Bank of Canada with the creation of a medium of exchange. The power to issue Bank of Canada cash was not given in order that the Dominion of Canada could pay its debts with that cash. The reason why the Bank of Canada is empowered to issue Bank of Canada notes is to supply to the people of this country a medium of exchange so that they will not have to carry on their trade by barter and the exchange of goods.

I suggest that just the minute any government departed from that fundamental principle and started to issue Bank of Canada cash for the purpose of paying government debts instead of for the purpose of supplying the people of this country and the business life of this country with sound money as a medium of exchange, just as soon as that happened the people of this country would have something to say as to whether they would put any value on that kind of money.

Mr. BLACKMORE: Would the hon. member tell us what sound money is?

Mr. CLEAVER: I do not pose as an expert, but I will do my best. I would say that the Bank of Canada cash which has been issued to date is sound money.

Mr. BLACKMORE: Why?

Mr. CLEAVER: It is sound money because it does not exceed in quantity the amount of money that was intended to be created when the authority was given. It is a medium of exchange to permit the farmer who has a beef cattle to sell, to obtain a medium of exchange, which can be used anywhere in Canada instead of having to drive in the beast to the grocery store and obtaining credit there for it or bringing back goods to the value of the beast.

Mr. BLACKMORE: The hon. member is on the all-important question right there.

Does the soundness of the money depend upon its scarcity and, if it does, scarcity with respect to what?

Mr. CLEAVER: No, I would not say that it depends upon its scarcity. I would say that it depends upon its proper quantity and the purpose for which it was issued. If we tried to raise ourselves by our own bootstraps, if we tried to pay our debts with this paper money, the people of Canada would soon sense it. So long as the Bank of Canada confines the issue of Bank of Canada cash to the amount necessary for the carrying on of the business life of this country, then you have sound money.

Mr. BLACKMORE: How can you tell how much is necessary?

Mr. CLEAVER: I would say, only by experience. It was brought out this afternoon that the people of this country are carrying around in their pockets something like six or seven hundred million dollars more cash than they were before the war. If that has happened it is obvious that we have between six and seven hundred million dollars more money than we had before to meet our normal requirements.

Mr. BLACKMORE: Is the money as sound now as it was in 1939?

Mr. CLEAVER: Yes. And I would say that it is the duty of the Bank of Canada if, because of a depression or for any other reason, that money is drawn out of the pockets of our people, to call in that surplus Bank of Canada cash, and I am sure that the bank will do it.

Mr. SLAGHT: Would the hon. member permit me to refer him to page 991 of the proceedings before the banking and commerce committee to settle the controversy we had about what Mr. Clarkson said. I was mistaken when I said that I was asking him the question. It was the hon. member for Peterborough West, seven lines from the top of the page. I quote:

By Mr. Fraser (Peterborough West):
Q. What I am getting at is this. I was wondering if they produced any revenue or not.

He was speaking of inner reserves, and went on:

They might and they might not. They might be profitable.
A. Oh, well, they would not be that; because you can see in your statement—
Mr. Fraser (Northumberland, Ont.): There is nothing there.
The Witness: Part of it might be in cash. Part of it would be in loans and part in securities.

That is the evidence of Mr. Clarkson.

Then as to the other point on which we differed, that the statements which the banks issued to their shareholders disclosed their hidden reserves, I refer my hon. friend to page 996 at the foot, where I find this:

By Mr. Slaght:
Q. Perhaps I can ask you this, Mr. Clarkson. This is the point I have in mind. If I were a shareholder of the Bank of Commerce, let us say, and read your report to the shareholders would I be able to ascertain from that the amount that the directors had set aside last year as a hidden reserve?
A. No.
Q. Why do you not tell your shareholders what the directors are setting aside for possible losses?
A. Why should you?
Q. Is there any other answer than that? If not, I will pass on.
A. No.

Mr. ILSLEY: With regard to the first citation quoted by the hon. gentleman, if the hon. member for Halton will permit me, just before the passage read by the hon. member for Parry Sound I should like to direct the committee's attention to this question and answer:

Q. Having regard to these inner reserves, are they always revenue-producing or might they be non-revenue producing?
A. I can only answer you in this way. They are the difference between the aggregate fair realizable value of the bank's assets and the aggregate value of the composite lot as they appear in its statement. They are not earmarked at all. They are just so much in the pot.

Then comes the question and answer that the hon. member for Parry Sound read. If there is any attempt, which I am not sure there is, to indicate that the inner reserves themselves consist of cash and securities instead of being part of cash and securities as representing a write-down from the book value, then clearly the answer of Mr. Clarkson in the part which I have just read shows that that is not the case. They are simply a write-down of the book value.

Mr. SLAGHT: Part of it might be in cash, part in loans and securities.

Mr. BLACKMORE: They are just a write-down of the value of the assets, and among those assets will be securities and perhaps cash?

Mr. ILSLEY: There will be no write-down of cash.

Mr. BLACKMORE: There would be a write-down of securities?

Mr. ILSLEY: Yes.

Mr. BLACKMORE: If I may be allowed one more question, because this is very im-

portant and it is going on the record for all time, are they not a write-down of the value of all the assets as they are shown on the books of the bank at a given time as compared with the value of the same assets at a former time?

Mr. ILSLEY: Not all of them.

Mr. BLACKMORE: Of certain specified assets?

Mr. ILSLEY: I shall have to deal with that later. I am taking up the time of the hon. member for Halton.

Mr. CLEAVER: I repeat again that I think Mr. Clarkson was misled by the question and that the proposition was not fairly put up to him. I repeat again that I hold in my hand the bank statement of the bank of Montreal for 1943, and I say that that statement shows every dollar of cash and every dollar of securities of any nature that the bank holds.

Mr. McGEER: This afternoon the Minister of Finance referred to the fact that to-day we are carrying a much heavier load of debt with a very much greater amount of interest. The fact is that in 1920 we were financing dominion government bonds, issued to pay 5½ per cent tax free. The rate of interest at that time ranged from 5½ per cent to not lower than 2½ per cent. Obviously the endeavour to balance the budget that took place between 1920 and 1930 resulted in the collapse of the whole economic structure of the Dominion of Canada as elsewhere. When that collapse came, refunding took place all the way down the line until the general interest rate was reduced from 5½ per cent to 3 per cent, and in some instances the rate was lowered to three-quarters of one per cent.

The ACTING CHAIRMAN (Mr. Golding): I would ask the hon. member to keep to the section under discussion, section 59, which has to do with cash reserves.

Mr. McGEER: Of course, Mr. Chairman, section 59 as I read it is the section which gives the banks power to issue money, and the question is whether or not that power should remain in the chartered banks or should be recaptured and vested in the Bank of Canada. What we are dealing with is whether we can go on carrying the burden of debt that is piling up. The minister overlooks the fact that we have now reduced our interest rate in some instances to a level where it is just about equal to the operating costs of servicing money. But do not forget this. According to the governor of the Bank of Canada, at page 10 of his 1943 report, issued this year, the total annual interest payable in Canada by the dominion government as of August 1, 1939, was $169 million, and as at December 31, 1943, it had risen to $304 million. That means that this government, even on these figures, in a period of ten years must levy in taxation under this system for a total of $3,004 million. These credits are not offset properly against the interest.

Mr. ILSLEY: Why not?

Mr. McGEER: Why not? Let us look at some of the items he offsets. He says:

> In calculating a net interest burden adjustments must be made for C.N.R. interest which the railway is able to pay out of its own net earnings—

Mr. ILSLEY: That is right.

Mr. McGEER:

> —and cash revenue received by the federal government on its investments or advances to other organizations such as the Bank of Canada, the foreign exchange control board and the national harbour board.

Mr. SLAGHT: We get these just the same.

Mr. McGEER: We get these just the same, whether we pay interest or not. They have nothing to do with the interest item itself; they are independent revenues of the government, and if we were issuing our own money we would get these revenues in exactly the same way as we are doing now.

Mr. ILSLEY: We would not have had the properties if we had not increased our debt to acquire them.

Mr. McGEER: If we had used our own money we would not have incurred any debt. Of course the assumption is that there is no way by which a government can finance public enterprises unless it borrows its own credit, its own money. Let me give the committee one example of its fallacy which is based on indisputable facts. We were always told in Canada that this was a young country, that we had not the accumulations of savings which were required for our capital investments, that we therefore had to go into the realm of international finance, to London, Paris or Berlin.

Mr. BLACKMORE: Or New York.

Mr. McGEER: Or any place where large sums of money had accumulated over the centuries from large numbers of people. What happened when this war came? Did we go to London to borrow capital to build up the war organization? No, we did not, and we certainly did not go to Berlin or Paris, and we did not go to New York. The first thing we did was to lend England $700 million. Then we assumed the responsibility of our own

army, our own navy, our own air force, and a new munitions industrial organization. How did we finance that? Did we go to London? Not at all. Instead of London being the rich uncle as we had assumed in the past, London was the poor relative. Not only did we lend $700 million, but we gave $1,000 million of goods and services. How did we finance that, because that required an enormous capital investment in plant and equipment and organization? Then the next year, because some people objected to a gift to Britain, we made it a billion dollar gift of mutual aid for the various nations.

Will anyone say again that, in the light of our experience in financing our enormous war programme between 1939 and 1944, we shall ever have to go abroad again to raise money to build railways or municipal buildings or provincial highways or harbour facilities? We have proven that Canada, as far as financing the development of her own resources with her own intelligence and her own labour is concerned, is independent of the world.

This notion that you cannot do these things comes back to the old story that money without gold behind it would not have the confidence of the people.

Mr. BLACKMORE: Another bit of nonsense.

Mr. McGEER: That kind of shibboleth has gone forever. Our Bank of Canada bills go forth and are handled and accepted by anybody, and there is not a penny's worth of gold behind them. And when we argued, as we did in 1934, as the hon. member for Northumberland, Ontario, knows very well, that we should divorce our internal currency from gold, that was the same kind of "heresy" they are talking about now when we say that we should finance our undertakings with our national currency and not with our national debts.

Mr. CLEAVER: Will the hon. member permit a question?

Mr. McGEER: Yes.

Mr. CLEAVER: If I may just state it first, so that you will understand what I mean.

Mr. McGEER: Yes, I am sure you will make it very plain.

Mr. CLEAVER: Well, I do not pose as an expert.

Mr. McGEER: No, I would not suggest that you would, very successfully.

Mr. CLEAVER: We are all agreed that Bank of Canada cash under the present system needs no gold backing. Would the hon. member please indicate whether in his opinion unlimited quantities of Bank of Canada cash could be issued and the cash still have its value?

Mr. McGEER: I do not know what the hon. gentleman means by "unlimited quantities".

Mr. CLEAVER: I will put it in this way. Will the hon. member tell me how much Bank of Canada cash he thinks could be issued, say within a given period?

Mr. McGEER: Yes, I am prepared to do that, very plainly. Enough to maintain the Dominion of Canada, upon a sound, going-concern basis, with a rising standard of living and with a reasonable measure of continuous employment of all those in Canada who are able and willing to work.

Mr. CLEAVER: Yes. Now my hon. friend does pose as an expert, which I do not, and he admits I am not.

Mr. McGEER: My hon. friend has asked a question, and that is all.

Mr. CLEAVER: How many millions of dollars—

Mr. McGEER: I ask the hon. gentleman to defer his question until I have completed my statement.

Mr. CLEAVER: I understood you were willing to answer.

Mr. McGEER: I answered one question—

Mr. CLEAVER: Perhaps you don't know.

Mr. McGEER: —and, with your usual spirit of generosity, you want two.

The ACTING CHAIRMAN (Mr. Golding): Order.

Mr. McGEER: I am not prepared to go that far to-night.

I want to put on the record before the house adjourns an amendment which I propose to section 59. It is a very harmless sort of amendment, but it does vest control, as far as new issues of bank deposit money are concerned, in representatives of the parliament of Canada and the Bank of Canada. The amendment reads as follows:

That section 59 be amended by adding thereto a new subsection, to read as follows:

"The bank shall not hereafter create or issue bank deposit credit in place of or as a substitute for the lawful currency and coinage of the Dominion of Canada unless the amount so to be created or issued has been authorized by a board consisting of the Prime Minister, the Minister of Finance, and the governor of the Bank of Canada.

That does not mean that every time the banks create a new loan they will have to get that authorization. They can budget for three months or six months or a year. They can be stopped from doing what they did in the stock boom period of 1929. I examined the manager of the bank of Montreal on what happened in that particular period. The banks were behind the stock boom and the banks were definitely responsible for the collapse that came in 1929. In Canada it required several hundred million dollars of inflation of bank deposits to support that boom, and that boom was supported by the creation and issue of several hundred million dollars of bank deposit money. Here it is. The witness is Mr. Gardner, manager of the bank of Montreal. Let us take the situation that obtained in 1929.

The ACTING CHAIRMAN (Mr. Golding): Order. I do not think the hon. member is in order in referring to these matters under section 59.

Mr. McGEER: Well, I am in order on my amendment, because the very thing that I am referring to which has been done is the thing I desire to prevent being done again, and my amendment will cure this very condition that existed then and that can happen again. If you read my amendment you will see that the power to create and issue bank deposit money, which created the boom in the past, will be prevented unless authorized by this committee that I propose to set up. At page 1326 of the evidence I quote:

> Mr. McGeer: Well, take the situation that obtained in 1929. As I recall it, in 1926 the total of bank deposits was $1,958,000,000. The stock boom came along and collapsed in 1929, when there was an increase in bank deposits of $335,000,000.
>
> The Witness: Right.
>
> Mr. McGeer: Then in 1932, when the stock boom had collapsed and wrecked the whole economy of Canada, there was withdrawn from circulation, by a decrease in bank deposits, $338,000,000.
>
> The Witness: Yes.

The manager of the bank of Montreal could not deny these figures. It was that inflation of bank deposits withdrawn from circulation which caused in the first instance the stock boom and the collapse that swept all over the country, which the bankers and the Bank of Canada were powerless to stop—because we must not forget that the depression continued into 1939.

There is another feature of this situation to which the Minister of Finance has referred. He says: Mr. McGeer says that he would tax and he would borrow. Well, that is a matter of degree. But what is happening to-day? We are told that we were going to pay our way in this war. Pay as you go was the slogan; pay out of taxation. What has happened since the war began? Instead of paying as we have gone, we have put an obligation on future generations already to the tune of something between ten and eleven thousand million dollars of new debt. If that is paying as you go, then I have a strange conception—

Mr. ILSLEY: The figure is high.

Mr. McGEER: My figure is not high. On your borrowings this year you have already made that commitment; you cannot escape it. I venture to suggest that if you include your commitments up to March 31, 1945, my figure is low and not high.

Mr. ILSLEY: You said "already".

Mr. McGEER: We will not quibble about that. Ten billion dollars in four years of war, on a debt load of four billions in 1939. That is something we need not be concerned about?

Let me point out another thing. We were told that this would be a war without profits. We have increased bank deposits since 1939 by two thousand million dollars. In 1938 we had $2,892 million and in April, 1944, our bank deposits totalled $5,297 million or an increase in bank deposits of $2,405 million. Where did the money come from?

Mr. ILSLEY: Not necessarily from profits.

Mr. McGEER: Certainly from profits or accumulated savings. Nobody but the Bank of Canada and the banks had the power to issue that money. But that is not all. Take your bonded indebtedness. If a man has money in the bank in what is called bank deposit he has what is called cash; but if he has a dominion government bond he has the next thing to cash; for, as the minister said this afternoon, there is always a market for a security at a price. So that when a man owns a bond—

The ACTING CHAIRMAN (Mr. Golding): Order. It is eleven o'clock.

Mr. ILSLEY: May I ask the hon. gentleman a question? Does the amendment contemplate that this board shall control the amount of loans made by banks or control the amount of deposits to be accepted by banks, or both?

Mr. McGEER: No; to control only the amount of new deposits created by issuing loans and not by accepting deposits. This board will have nothing to do with anybody who comes along and makes a deposit of money already possessed, but when it comes to the power of the bank to issue new money then it will be free to this board to say, "You can issue that money, or we will issue it through the Bank of Canada."

Mr. ILSLEY: That is a very obscure answer.

Mr. McGEER: Maybe, but—

Mr. SLAGHT: What is obscure about it?

Mr. ILSLEY: The obscurity is that the hon. gentleman has not stated clearly whether the board is to control the amount of loans or the amount of deposits. He says the amount of deposits resulting from loans, which is perfectly unworkable. If he means this is a board to pass upon the amount of loans the banks can make, I understand what he is talking about; or if he says that they shall control the amount of deposits the banks are to receive, I can understand that. But I cannot understand a double-barrelled responsibility there.

Mr. McGEER: I will tell you one thing that will happen if it goes through. The interest on bank loans of your own credit will be obscured.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, August 9, 1944

The house met at eleven o'clock.

BANKING AND COMMERCE

Ninth report of standing committee on banking and commerce—Mr. Moore.

INCOME WAR TAX ACT

The house resumed from Monday, August 7, consideration in committee of bill No. 180, to amend the Income War Tax Act—Mr. Gibson—Mr. Bradette in the chair.

Section 4, subsections 5, 6 and 7 agreed to.

On section 4, subsection 8—Alimony or other similar allowance.

Mr. KNOWLES: The parliamentary assistant will note that in subparagraph (u) (ii) the expression "if he deems it advisable" is used. The same expression is used in subparagraph (iii). The minister, if he deems it advisable, may obtain the advice of the national research council before consenting to certain deductions. It will be noted that in subparagraph (ix) the expression "if he deems it advisable" does not appear. In other words, in that instance it is mandatory for the minister to consult with the national research council. If under subparagraph (ix) it is mandatory for the minister to consult with the national research council before making these exemptions, why should it not be mandatory in subparagraphs (ii) and (iii)? My contention is that the expression "if he deems it advisable" should be deleted from the two last-mentioned subparagraphs.

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): The answer is that it is not felt that it should be made mandatory to consult the national research council in respect of every payment made for scientific research to a university, college or research institute. In some cases it may be so obvious that the payment is appropriate that it would not be necessary to refer the matter to the national research council. It would only be in cases of doubt that the minister might feel he should have the benefit of the advice of the national research council. I am advised that is the reason the permissive form was used when drafting the bill.

Mr. KNOWLES: Why is it used in two subparagraphs and not in the third?

Mr. ABBOTT: Where it is over five per cent it is felt it should be mandatory to obtain the advice of the national research council.

Subsection 8 agreed to.

Subsection 9 agreed to.

Section agreed to.

Section 5 agreed to.

On section 6—Allowable deductions for taxes paid certain other countries.

Mr. KNOWLES: There is a phrase in this clause similar to the one to which I just called attention. In line 18 appear the words, "provided that the minister may in his discretion allow a taxpayer to deduct." It strikes me that in a case of that sort there should be a definite rule. Why is it left to the discretion of the minister?

Mr. ABBOTT: That language is similar to the language contained in the existing section. It may not be known exactly what the character of the foreign tax may be. For instance, it may be a capital gains tax, in which case we would not allow it as a deduction. In other words, there must be an administrative decision as to whether the tax in the foreign country is imposed on a comparable basis with ours. That is the reason for giving discretion to the administration to determine that question.

Section agreed to.

Sections 7 to 17 inclusive agreed to.

On section 18—False statement in any returns, etc.

Mr. ABBOTT: I have a technical amendment to suggest here:

That subsection 4 of section 80 of the Income War Tax Act as set out in section 19 of the bill be amended by adding the words "or section 46A" after the words "under this section" in line 33 on page 15.

Mr. GIBSON: I move accordingly.

Amendment agreed to.

Section as amended agreed to.

Section 19 agreed to.

On section 20—Refund by minister for taxes upon income for 1944.

Mr. ABBOTT: There is another technical amendment here:

That subsection 1 of section 20 of Bill No. 180 be amended by inserting between the word "taxpayer" and the words "the amount by which" in line 12 the following:

"in lieu of the amount refundable under subsection 1 of section 93 of the said act."

Mr. GIBSON: I move accordingly.

Mr. CHURCH: Some of these amendments have never seen the light of day before in this committee, and you are passing them and giving them the force of statutes over the head of this committee, something to which I objected last Friday.

Mr. GREEN: I understand that this year the amount that is allowed as a deduction from compulsory savings is split in half. Is that done on the basis of the amounts that are paid, say on an insurance policy during the first six months of the year, or do you take the whole year and then deduct half of the payments made?

Mr. ABBOTT: We take the whole year. When we were in the resolution stage I explained that where for instance a payment had been made in the last six months of an insurance premium the taxpayer would be entitled to take credit for half the voluntary savings during the whole period, whether made in the first or last six months.

Amendment agreed to.

Section as amended agreed to.

On section 21—Married persons and persons given equivalent status.

Mr. GLADSTONE: I have a communication from a single young man not residing in my constituency, upon which I should like some information. He writes as follows:

While I do not object to carrying my share of the income tax it has seemed rather unfair to me that single men supporting a parent in a "self-contained domestic establishment" should receive less consideration than a man supporting a wife under similar circumstances.

Here is my example: I support my mother who is no longer able to work. She receives a British imperial pension of approximately $450 per year. Because this pension exceeds $400 per year I am taxed as a single person.

If I was a married man without dependent parents, in other words carrying similar responsibilities, I could claim married status provided my wife did not receive more than $660 from investments. She could earn any amount of salary without changing my status.

He goes on to say that it seems to be unfair and he would like to know if any consideration could be given to his case. I should be pleased to have some statement about this matter.

Mr. ABBOTT: The case referred to by the hon. member for Wellington South concerns a man who is supporting his mother or supporting a son or daughter in a self-contained domestic establishment. I gather from what he says that the mother has an income in the form of a pension of some $450, so that she would not be wholly dependent upon the taxpayer. I think it is by reason of that fact that the son is not able to get the tax credit which he would get were he supporting in that self-contained domestic establishment a son or daughter who did not have any income and who was wholly dependent upon him. I understand that the line drawn administratively as to what constitutes total dependency is that the dependent shall have an income of $400 or less. If the income is over $400 the dependent is considered as not being wholly dependent upon the taxpayer.

Under an amendment to the act this year a person in receipt of income in excess of a certain amount may make a donation to the crown and thereby reduce his liability to tax or the liability to tax of some other person who is supporting him. In the case my hon. friend has stated I think the mother would be entitled to avail herself of this amendment and make a donation to the crown of $50. The son would then be entitled to claim the tax credit or exemption to which he would be entitled if the mother were wholly dependent upon him. My hon. friend will find that the proposed legislation gives some relief in the case he has cited.

Mr. LOCKHART: In the event that the $450 was received and there were other circumstances meriting relief, extra help, for instance—I happen to know of one such case—would this allowance be permitted, or does the $450 rule it out?

Mr. ABBOTT: It would depend upon the total amount of the income.

Mr. LOCKHART: And extenuating circumstances would not count?

Mr. ABBOTT: No.

Section agreed to.

On section 22—Income of married person, and spouse.

Mr. KNOWLES: Mr. Chairman, this clause was under discussion the other evening when I referred to the case of a doctor whose wife is also a doctor. There are others in the same situation—married lady doctors and married nurses who under a strict interpretation of rule 2 are discriminated against because they are receiving their earned income in the form of fees which are paid to them directly by their patients. I shall not go into the details again, because the basis of this discrimination was made quite clear the other day, and I think that hon. members generally have recognized that it is unfair. The desire of the government was to draw the line between earned income and investment income. It seems to me that it is quite proper to do that, but it is unfair that the classes of people to whom I have referred, whose income is earned income, should not come under the benefit of rule 2 simply because their earned income is in the form of fees. The point is that a married lady doctor working for a clinic and being paid a salary by the clinic comes under the last sentence of rule 2, but a married lady doctor who is receiving her income in the form of fees directly from her patients does not come under it, and the same distinction applies in the case of married nurses. Accordingly I move, Mr. Chairman, seconded by the hon. member for Cape Breton South, the following amendment:

That section 22 be amended by deleting the words "being employed and" in lines 44 and 45 of page 17 of the bill.

If that amendment were to carry the last sentence of rule 2 would then read:

Provided that a husband does not lose his right to be taxed under rule one of this section by reason of his wife receiving any earned income.

The parliamentary assistant told us the other day that the words "being employed" militated against the cases to which I have referred because a married lady doctor who is receiving her income in the form of fees is not regarded as employed. I trust the government will see fit to accept this amendment.

Mr. ABBOTT: I am afraid, Mr. Chairman, that I shall have to raise my favourite point of order here; in fact I think it is the only one I have raised. I submit that the amendment which has just been moved by the member for Winnipeg North Centre is out of order because if adopted it would substantially affect the revenue. What he is asking is that the provisions of this section, which as now interpreted extends only to those in receipt of salary or wages, should be extended to all classes of earners, and that would include women lawyers, women doctors and women in business of all sorts. As I said the other day, the policy of the income tax act from the very beginning has been to allow a person who is in receipt of fees or profits to deduct his expenses in earning those fees or profits, but where he is in receipt of a fixed salary—he or she, and he includes she for the purposes of interpretation—no deductions are allowed for expenses. The effect of the amendment would be to extend the provisions of rule 2 to all classes of women who are earning money, whether it be in the form of salary or wages or whether they are in business for themselves and operating on a basis of gross profits and deducting their expenses from the gross.

Mr. KNOWLES: My amendment would still deny the benefit of the rule to those in receipt of investment income.

Mr. ABBOTT: That is true, but it would include all women who were in business for themselves or were engaged as lady doctors or insurance agents or anything else, who are receiving their income in the form of fees. The section as it stands is restricted to those who are in receipt of a salary or wages.

The CHAIRMAN: I think that the point of order raised by the parliamentary assistant is well taken. There is no doubt that the amendment if carried would affect the revenue and for that reason I declare it out of order.

Section agreed to.

On section 23—Tax credit for dependents.

Mr. CHURCH: Who is to know what the law is with respect to this section? The explanatory note says: "This implements in part budget resolution No. 8." That is not the effect of it in my opinion. Budget resolution No. 8 regarding dependency allowance and tax credits is most unfair, unjust and inequitable and it bears most hardly on the small man, and on those with a fixed income. They are taxed all along the line. Wait until you see the income tax next year with all these millions of relief resolutions and social security provisions which are being put over this parliament in the dying hours of the session. Nobody in this committee understands what section 23 means. I doubt whether the financial critic

of the opposition knows what it means. I doubt whether some members have even read this section. I want to protest against the way in which these things are clipped through the committee. I did so the other day in connection with a related bill. So far as the dependents are concerned, the tax credits allowed are not what they should be. Take housekeepers, for instance, referred to in section 23. The Minister of Labour brought down a return the other day, which was never mentioned in the newspapers, indicating the great lack of domestic help in the homes of this country and the great dearth of nurses who are badly needed in our hospitals. That situation is becoming intolerable, and the dependents' meagre deduction allowances are partly to blame for it. It is time we called a halt. We should know what these clauses mean.

The budget speech should be fixed by statute within sixty days after parliament opens. Here is the one hundred and nineteenth day of the session, and these resolutions are brought down. Nobody knows what they are. What is going to be the result? When are we to file income tax for 1944 under the statute, including the schedule about dependency and that kind of thing? The allowance under section 23 for dependents is not large enough, considering what it costs to keep a house to-day. I urge there should be more liberal allowances all along the line for those who are keeping a household. In the city I come from there are a hundred thousand people with no houses who have moved into apartments, and it is the main taxpaying city in the main taxpaying province of the country. Some of the provinces pay little or no income taxes. This is a tax which for the most part involves the two industrial provinces. It is absolutely unfair that this kind of taxation should be imposed, applying to some and not to others. There is no attempt at equality of service or sacrifice.

Further, the lawyers cannot tell you what the law is, nor can the doctors or the physicians. Take section 23, rule 5: you have to look at "Rule 5 of section one of paragraph A of the first schedule." Who here this morning has ever seen the schedule; they are amending a schedule you have never seen; and section one of paragraph A of the schedule is amended "by replacing the period at the end thereof with a semicolon," if you please! We are learning grammar here from the department; a semicolon makes all the difference in the world. Then "the following words are added", and we are told that it follows resolution 8, and on page 18 we find "provision for housekeeper." Such a provision is unfair and unjust to those who keep a house. Why should there be any limitation in this connection? Does it not cost one person as much as another to keep a house of the same kind? I agree as to the proviso in the third paragraph, regarding the self-contained domestic establishment, for the reasons given in rule one of the section. But the whole thing, Mr. Chairman, should be simplified. I do not see why it is necessary to have these rules and provisoes and explanations referring to schedules in the statute. It would be more fair and just and more would be obtained in the long run if this government adopted the old income tax method of the municipalities and had the tax imposed on the aggregate net income received by the taxpayer. By setting a percentage of the man's income for tax purposes, be it 10 per cent or 12½ per cent or otherwise, he would know what he had to pay. To-day one does not know anything about it.

Only yesterday we had an election, and there seems to be a demand that income tax shall be restored to its proper place, where it was prior to 1917, namely to the municipalities. If this system of income tax goes on much longer I do not see where the taxpayer is going to be, because he has had to pay almost two and a half years' income taxes in a year. I wish to protest again against this proceeding;—against the method and manner of passing the amendments; the limited allowance made for tax credit for dependents; the construction put on domestic establishment; and, fourth, the system and method of taxation, the rules and regulations which are read into these amendments after we pass the principle of the Income War Tax Act, and all those things. If, as we hope, this bill will pass this morning, I doubt whether this afternoon any member of parliament will be able to tell you what the law is. The departmental officials all over Canada will need a volume the size of the revised statutes to tell them what the law is. We are going too far. Section 23 is fittingly numbered, it is a "skidoo" section, that is what it is; it allows some relief and others no relief; it treats one class of domestic householders one way and another class another way. I should like the parliamentary assistant to give us some explanation.

Mr. ABBOTT: I think my hon. friend has misunderstood what this section really does. This is the section which, in conjunction with the comparable rule affecting graduated tax, extends to widows and widowers who are supporting their children in a self-contained domestic establishment with a housekeeper or servant the additional tax credit which up

to the present they have not received. I explained on the resolution stage that widows and widowers receive the $150 tax credit by reason of the fact that they supported someone dependent on them in a self-contained domestic establishment, and in order to obtain the credit for the first child of $28 in the case of the normal tax and of $80 in the case of the graduated tax they had to "use up" that child to establish the status to entitle them to $150. This section gives relief to the extent of not requiring them to, so to speak, "use up" the first child in order to get the $150 taxation credit, and that is all this section does.

Section agreed to.

Sections 24 to 26 inclusive agreed to.

On section 27—Tax credit for dependents.

Mr. KNOWLES: I think it might not be amiss for a member of the opposition to rise and commend the government for having introduced this new provision, even if it did take a good deal of argument from this side of the house to persuade them to do it.

Mr. ABBOTT: We had it from other sides of the house, too.

Mr. KNOWLES: In other words, you got it from behind and before.

Mr. ABBOTT: The hon. member must not take all the credit for himself.

Mr. KNOWLES: The request made, apparently by hon. members on all sides, was that daughters between the ages of 18 and 21 attending schools of nursing be treated as children attending educational institutions. The government did not see fit to grant our request in exactly that form, but I note under this clause, which is a new one, that if a parent actually spends the amount of $400 on a daughter training to be a nurse, he will receive a deduction of 20 per cent of that amount, in other words $80. Am I correct?

Mr. ABBOTT: Briefly, this is intended to recognize the fact that young people in this category who are training as nurses are not wholly dependent on the taxpayer but are partly dependent on him. That is, we have not gone the full length.

Mr. KNOWLES: In other words, it goes as high as $80 but not as high as $108, which is the maximum deduction allowed for a dependent child?

Mr. ABBOTT: That is correct.

On section 28—Incomes of married person and spouse.

Mr. ABBOTT: I desire to move an amendment to insert a rule which was overlooked in the second printing of the bill. It corresponds to rule 7 in clause 24 which has already been passed.

Mr. GIBSON: I move that section 28 be amended by adding thereto the following subsection:

(2) The said section two is further amended by adding the following rule after rule 8 thereof:

Rule 9—Where a taxpayer is entitled to make a deduction from his income for the taxation year under paragraph (t) of subsection 1 of section 5 of this act in respect of a payment for the maintenance of a spouse or a child, the spouse or child shall, for the purposes of this section, be deemed not to be the spouse or child of the taxpayer.

Mr. SENN: I think the parliamentary assistant said that this related to rule 7 of section 24. Would he give us a brief statement of what that rule implies?

Mr. ABBOTT: Substantially it is this. A person who is separated from his wife and who is paying alimony or a separation allowance under a judgment or separation agreement is treated as an unmarried person, and he gets the amount which he pays as alimony as a deduction from his income. Up to this year his position was that he was entitled to take credit on his own tax for the tax which the spouse to whom he was paying the money would pay on that income. We have granted a further relief this year by allowing the payer to deduct from his income the amount paid to the spouse from whom he is separated.

Mr. SENN: The spouse from whom he is separated on her own account. Does he get tax credit for the payment he makes to the spouse to look after the children?

Mr. ABBOTT: He deducts from his income the total amount paid to the consort for her own support or for the support of the children.

Amendment agreed to.

Section as amended agreed to.

On section 29—Basic income.

Mr. CHURCH: Does this apply only to men and women overseas or does it apply to those who are in Canada? Many of the cases are not covered by rule 2 under section 29 or by the amendment. I submit that there is a large body of men who should be included, the men in the merchant marine. They are

at sea doing very hazardous work. No more valuable work has been done in this war than that which constitutes the battle of the Atlantic. Are those men included? In my opinion the rule is not clear enough and it should be amended accordingly. The last clause gives women members of the forces exactly the same tax credit as the men of the forces. To what class does that apply? Does it apply to those at home or to those overseas? In the old country, where similar provisions are in effect, objection was raised to certain of these provisions. There is a shortage of domestic help and of nurses, as discovered by a survey made. Everyone will pay the highest tribute to the work done by the women in this war, whose record has been a glorious one, but a return over there showed that some of the women in the armed forces were physically unfit, ill and absent after one or two years' service, while there was a shortage in the hospitals, to take one instance. I believe the same situation has been found in other allied countries. I suggest that some of these persons should be returned to industry, as the chancellor said in the old country, to help things along at home. At any rate, I hope that some provision will be made to include the men of the merchant marine. I do not think that is covered by rule 2 of section 3, paragraph (a) of the first schedule, which is not covered by the new amendment. What is the meaning of the provision?

Mr. ABBOTT: The necessity for amending this rule arises from the removal of one half of the savings requirements this year. In the case of the armed forces there is a fixed tax credit for those in receipt of an income of $1,600 or more, depending upon their status, whether married, and with dependents. This amended rule is this, in effect. We are not going to reduce the tax credit because the savings are cut in half, and while the matter is a rather technical one, and I am not sure that I would be able to explain it quite clearly offhand, I may say that this gives effect to the change in the law whereby the savings requirements are cut down one half for the current year. Since the armed forces operate on the basis of a tax credit, depending upon whether they have married status, and the number of the dependents, this rule makes the necessary changes to enable that tax credit to be established without taking into account the fact that the savings portion has been cut in half.

Mr. ROWE: That is relative only to the active service within Canada.

[Mr. Church.]

Mr. ABBOTT: The active service within Canada. There is no tax applicable to overseas, so that the act does not apply there.

Section agreed to.

On section 30—Application to rule 2.

Mr. KNOWLES: Under this clause, which has to do with military service outside Canada, would the Minister of National Revenue indicate the status at the present time of income tax rebates that are to be made to men of the Kiska force? This is a matter that has been under consideration for some time. I should like to know whether rebates have been made or will be made at an early day.

Mr. GIBSON: The matter is under active consideration at the present time. The names of all those that were taxable—just the officers, of course—have been secured. Refunds are being made of over-deductions on income of 1943. They were entitled to six months' exemption from tax on their return to Canada; consequently arrangements are being made to deal with the amount deducted this year. If any of these officers have proceeded overseas they would be entitled to a refund. If they are in Canada, the deductions would apply against the tax that they might owe this year; but I understand that the Department of National Defence is not making further deductions from these officers for the rest of the year, so that the amount already deducted will likely be sufficient to take care of their tax indebtedness for the present year.

Section agreed to.

On section 31—Deductions in respect of 1944.

Mr. ABBOTT: There is a slight technical amendment in drafting. I move that subsection 1 be amended by striking out the words "ninety-three" in line 36 and substituting the word "twenty". The "ninety-three" refers to the income tax act, and it is more appropriate to refer to section 20 of this amending act.

Amendment agreed to.

Section as amended agreed to.

On section 32—Application.

Mr. ABBOTT: There is a slight amendment to this section also. I move that the word "eight" at the beginning of line three be struck out. It should not be in the bill.

Amendment agreed to.

Mr. CHURCH: When will this act come into effect in 1944? Will it be as soon as it becomes law? When will the returns for 1944 have to be made?

Mr. ABBOTT: With reference to the first question, it will come into force as soon as it becomes law. There is a section which relates to various provisions of the bill as to when they become effective. The returns for 1944 will be filed on or before April 30 for individuals and, in the case of corporations, six months after the close of the fiscal year.

Mr. CHURCH: How long will it be before the schedules are ready, and the rules and regulations which are based thereon will be in the hands of the income tax divisions across the country, and when will the business men be notified?

Mr. GIBSON: As soon as the bill passes the house they will be printed and distributed as quickly as possible.

Mr. CHURCH: Is there not some way in which the minister can eliminate some of what I call the abuses of the system by which, after deductions have been made at the base all year, parliament meets and passes a whole lot of rules and regulations and clauses we have never seen? Will the practice of assessing somebody with a bill for about one-third of the total tax after the tax has been paid and after the deductions have been made according to the tables be adopted in 1944? Will the minister make any amendment to that for 1944? I should like to have an answer, Mr. Chairman. After business men have made deductions at the source in 1944, according to the tables, they are sent a notice saying that the deductions have not been large enough. I object to that. They are sent a bill for nearly one-third of the total tax.

Mr. GIBSON: From what the hon. member says I assume he is referring to the balance that is payable over and above the amount that has been deducted at the source. May I point out that the tax deductions tables are based on estimates of ninety-five per cent of the tax payable, and that the additional five per cent is not collected at the source. It is left to take care of such allowances as charitable contributions or unusual medical expenses. If the balance is not expended in that way, then there will be a balance of tax payable.

Mr. ROSS (Calgary East): Mr. Chairman, you ran over the earlier sections so quickly I was unable to follow you. I should like to revert to section 8, subsection 10. This subsection grants tax concessions to companies drilling unproductive deep test oil wells if they are spudded in between June 26, 1944 and March 31, 1945. Undoubtedly the object of this subsection is to encourage drilling for oil. I suggest to the minister that the concession should be granted to all wells spudded in between March 31 of this year and March 31 of next year. When any company starts in to drill for oil it usually begins its work about March 31. Usually they begin to drill in new and unsettled territories. The wells will be deep test wells. If they start in at the late date suggested in the subsection they will be carrying on their work during the winter months. In order to avoid doing their work in the winter months they start early, about March 31. If the date could be changed it would be helpful to the industry. As it stands it will be of little or no help to the industry. Would the parliamentary assistant agree to having the date switched back to March 31, 1944, so as to include wells spudded in before that date?

Mr. ABBOTT: I do not want to go back and review the section. I explained this section fully when it was in the resolution stage. It is incentive legislation. That particular type of drilling has to be approved by the Minister of Mines and Resources. What my hon. friend is asking in effect is that it be made retroactive. While I have listened to the representations of the hon. member, may I say that that question was considered, and I am afraid it cannot be acceded to in respect to this particular type of well.

Mr. ROSS (Calgary East): I should like to put a question to the Minister of National Revenue. Wheat has been accumulating on farms in the prairie provinces for some years. This accumulation has taken place not at the wish of the farmers themselves but because the elevators were filled and it was impossible to have that wheat sold and shipped out of the country. This year the farmers will be able to dispose of that wheat. If they dispose of it this year and it is all taxed this year, the result will be the imposition upon the farmers of excess profits taxes that will be most unjust. Is there any provision to take care of that situation?

Mr. GIBSON: No provision has been made to take care of the situation to which reference has been made, although we have made a provision to deal with the taxation of moneys received from wheat participation certificates. Where those certificates were received over a period of years and are being paid in one year, the farmers are being permitted to include the receipts from participation certificates in the income of the year in which the wheat was delivered; but the situation where wheat or grain has accumulated for more than one year and is disposed of in one year is the same problem that industry has, where it has

a heavy inventory and disposes of it all in one year. I agree that it is a problem, but there is no measure to provide a different means of taxation for the farmer in that situation from that which exists in other businesses.

Mr. ROSS (Calgary East): To adjust the tax on participation certificates of wheat or grain actually delivered to the elevator would not be helpful. In this case, the grain has been accumulating in the farmers' bins for three years. It has accumulated because they could not dispose of it. They wanted to dispose of it but could not. It seems to me that they should have the right to spread it over the three years in which it has been accumulating. It is most unfair and unjust to take all that accumulated grain and bring it under the excess profits tax; that is what would happen under the minister's explanation.

Mr. ABBOTT: Which clause are we on, Mr. Chairman?

The CHAIRMAN: When a privilege is granted it is sometimes difficult not to prevent abuse. I ask the committee at this stage of the session to keep within the section under discussion.

Mr. RICKARD: In some parts of Ontario farmers have been hit this year by hail storms. Some of them have nothing left. I have in mind a farmer in my county who has a big farm. He has seventy or eighty milch cows. He has no feed for these cows. If he has to sell the herd, then the income from them is taxable. In another year he may have enough feed to feed them, and may wish to replace them. Some provision should be made whereby this man will not be taxed in one year on the amount he receives for the sale of the cows. May I have some information on that?

Mr. GIBSON: I would say that where a farmer is forced to buy additional feed as a result of some calamity that he has suffered on his farm, that additional expense is allowed as a deduction from his income. Allowances have also been made to permit farmers to apply their losses in one year, both backward and forward.

Mr. RICKARD: He has no money to buy the feed. He wishes to sell part of his herd because he cannot feed it, and he has not enough money to buy the feed for them. He wishes to sell forty of these cows. If he does, he is taxable in the year in which he sells. For the next year if he wishes to continue the same business he would have to buy the cows back.

[Mr. Gibson.]

Mr. SENN: That is a very live subject among farmers. A great many will sell their herds and still have their farms. They realize on those herds in one year, and they are taxed on the whole amount. I do not wish to labour the question, but it is a live one and something should be done about it.

Mr. ABBOTT: I do wish to keep within the rules. I believe there will be another place where this discussion might be had. Could we revert to a discussion of the bill? Perhaps it was my fault that the discussion has gone somewhat far afield. It is my understanding that all sections of the bill have passed.

Mr. RICKARD: I realize that, but surely at this stage of the session we can ask a question and get a reasonable answer.

Mr. ABBOTT: I am sure there will be opportunity for the hon. member to ask his question when the estimates for the Department of National Revenue are before the committee.

Mr. RICKARD: But it comes under this bill.

Mr. ESLING: Will the parliamentary assistant clarify section 4, where the deduction is allowed for hearing aids? What is the position with respect to allowances for batteries to maintain those hearing aids? If a person uses his equipment only casually, the supply of batteries is not so great. But if one depends upon those aids in his employment, it is a different situation altogether.

Mr. GIBSON: If I might interrupt the hon. member, the allowance for hearing aid apparatus includes batteries required for their maintenance.

Mr. ESLING: Is it a fixed sum? In other words, on the hearing apparatus there is a fixed sum, but that sum does not cover the cost of maintenance for batteries during the year.

Mr. GIBSON: That is included as an unusual medical expense. The usual medical expense is considered to be up to four per cent of a taxpayer's income. The unusual part is above four per cent, up to the limitation prescribed by the act.

Section as amended agreed to.

Bill reported, read the third time and passed.

EXCESS PROFITS TAX ACT

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of bill No. 182, to amend the Excess Profits Tax Act, 1940.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Bradette in the chair.

Section 1 agreed to.

On section 2—Adjustment to standard profits.

Mr. LOCKHART: What does this adjustment mean?

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): I gave a detailed explanation when we were on the resolution stage. But capital employed, as the committee knows, is defined in the act. Additions to capital employed were permitted only in respect of accumulated surplus, if that surplus had been capitalized by the issue of stock dividends. These profits of accumulated earnings left in the business since the end of the standard period—the end of 1939—may be included in "capital employed" up to the end of 1943, or the beginning of 1944. Standard profits may be increased by five per cent of the amount of that additional capital. In other words it is a recognition of the fact that in a number of cases accumulated profits have been left in a business and are forming part of the capital employed. It is felt that recognition should be given to that fact, even though this may not have been capitalized by a stock dividend.

Section agreed to.

Sections 3, 4 and 5 agreed to.

On section 6—Deduction of excess profits taxes paid abroad.

Mr. KNOWLES: Section 6 of this bill is similar to the first part of section 6 in bill 180, to amend the Income War Tax Act, which we discussed a moment ago. I would appreciate it if the parliamentary assistant would refer to the section in the other bill. In the comparable section in bill 180 we find the expression, "in respect of the income of the taxpayer derived from sources therein." The section now before us is similar to this in all respects, except that it does not include those last words. Whether I understand that expression may be open to question, but I take it to be a section which would limit these tax deductions to taxes paid by the taxpayer in other countries on income which actually comes to him in Canada. To illustrate what I am getting at, I would refer the committee to section 6 of bill No. 180, at the bottom of page 9, where there is a provision under which the tax exemption allotted on dividends that a wholly-owned subsidiary sends home to Canada has now been limited by the government to the taxes paid on that portion of the income which actually comes home to Canada. Under the resolution as at first introduced the provision was quite sweeping, but the government has now limited the deduction from income tax paid in Canada on account of income tax paid in a foreign country to such taxes paid in the foreign countries as were paid on the portion of income actually reaching this country. Paragraph (b) takes care of that.

Mr. ABBOTT: That is right. Instead of treating dividends from foreign subsidiaries as tax-exempt income, we have put it on a tax credit basis with respect to dividends paid to a Canadian parent by a foreign subsidiary.

Mr. KNOWLES: You give that tax credit, not for all the taxes the subsidiary may have paid in the foreign country but only for the taxes paid in connection with the earning of dividends brought home to Canada during the year?

Mr. ABBOTT: That is right.

Mr. KNOWLES: I am wondering if there should not be an additional phrase in the section before us to make sure that the same principle applies here. I feel that the taxpayer if he gets a deduction at all should get the deduction from his excess profits tax only on the taxes that he has paid in another country on income that actually comes to him in Canada. I am wondering if it is not an oversight that the phrase, "in respect of the income of the taxpayer derived from sources therein" has not been added to this paragraph?

Mr. ABBOTT: The misunderstanding may have arisen because of the fact that under the Income War Tax Act the Canadian taxpayer is taxed on his world income, whether he earns it in Canada or abroad and whether he brings it home or does not bring it home. He is entitled to certain tax credits. In the case of the Excess Profits Tax Act he is taxed on the same basis, and the ascertainment of the income for the purpose of determining the liability for excess profits tax is based on income, as that term is used under the Income War Tax Act. In other words, he is taxed for excess profits tax purposes on the net income, as that term is used in the Income War Tax Act. I am not just clear about the point raised by the hon. member.

Mr. KNOWLES: I am not quarrelling with the basis for the ascertaining of the amount of income. My question has to do with the basis for ascertaining the foreign tax and whether the full amount of tax paid in other countries is allowed as an exemption in this country.

Mr. ABBOTT: The basis for ascertaining the tax is that the taxpayer takes credit for all the taxes paid in a foreign country with respect to income on which he is taxed in Canada for income tax or excess profits tax purposes up to, but not exceeding, our rate of tax on the same income. In other words, if the income of a Canadian taxpayer from all sources anywhere in the world is $100,000, of which $50,000 is derived from the United States, he would be taxed in Canada on his gross income of $100,000 from the two countries. He would estimate his tax at the Canadian rates and then he would deduct from that tax when ascertained the income tax paid in the United States with respect to the $50,000 earned there, provided that that tax was at a rate not exceeding the Canadian rate. That is the tax position with respect to the Canadian taxpayer. He would pay that tax whether the income was earned at home or not.

Mr. KNOWLES: I felt from the explanation of the parliamentary assistant that he was assuming that the phrase, "in respect of the income of the taxpayer derived from sources therein" applied to section 6 which is now before us, but my point is that it is not there and I felt it was an oversight.

Mr. ABBOTT: It is a little technical. The hon. member will note that up above it says that the taxpayer may deduct from his tax and so on the amount paid to the United Kingdom of Great Britain and Northern Ireland and the like in respect of the profits derived from sources therein. That is what he may deduct. Then the proviso reads:

> Provided that the minister may in his discretion allow a taxpayer to deduct from the aggregate of the tax under the Income War Tax Act and the tax under this act payable by him the aggregate of the income tax and excess profits tax paid to the United Kingdom of Great Britain and Northern Ireland or to any of His Majesty's self-governing dominions or dependencies or to a foreign country.

As I said a moment ago, the reason is that income for the purposes of the tax is determined under the Income War Tax Act, and this provision is a tax credit against the tax and therefore the tax which has been determined on the income from sources abroad sets the Canadian tax liability. He deducts from the excess profits tax or the income tax as the case may be the amount paid abroad provided that tax rate is not greater than the Canadian rate.

Mr. KNOWLES: Just on the last reference of the parliamentary assistant, the provision that deduction for taxes paid abroad shall not be greater than the amount the taxpayer would have paid in Canada is set out in plain English on page 10 of bill No. 180. The parliamentary assistant is speaking now as though that same provision were included in section 6 of this bill, but I do not see it. That provision is not there. The parliamentary assistant is saying that the total tax deductions allowed in lieu of taxes paid abroad shall not be greater than the amount of the taxes that would have been paid under Canadian law. That provision is in bill No. 180, but I do not see it in bill No. 182.

Mr. ABBOTT: I am sorry I have not been able to make it clearer. As my hon. friend realizes, it is pretty technical. The Income War Tax Act and Excess Profits Tax Act are interdependent, but I am assured by the solicitor for the department and my expert advisers that this section does cover the position I have indicated to the committee. There is no loophole whereby the tax may be avoided or a greater tax credit taken than the tax paid in a foreign country with respect to earnings earned there, and there is the further restriction that the rate in the foreign country must not be greater than our rate. One really should have the two acts side by side.

Section agreed to.

Sections 7, 8 and 9 agreed to.

Bill reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

DEPARTMENT OF TRANSPORT

National harbours board—

407. Advance to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1944 on any or all of the following accounts:

(a) Retirement of maturing debentures—

Saint John, $47,500.
Three Rivers, $158,400.
Total, $205,900.

(b) Reconstruction and capital expenditures —generally — unforeseen and miscellaneous, $200,000.

Mr. ISNOR: This item deals with the national harbours board, a matter in which I am particularly interested because of the large number of men employed on the water-

front at Halifax. On a previous occasion I made a suggestion to the Prime Minister which he was good enough to say was a helpful one, and later he indicated that the Minister of Transport would consider my suggestion.

I felt that the time was opportune for the Department of Transport, through the national harbours board, to take complete control of the labour situation on the waterfront at Halifax and at other ports which are under that board. I would respectfully urge that the minister give this matter his earnest consideration. We all know that there is a great amount of money invested in the operations of the national harbours board. In 1943 the board had a revenue of $10,861,081 and an operating income of $5,583,507. I feel that the investment is sufficiently large, particularly when we take into consideration the assets of the national harbours board amounting to $224,892,400.27 to warrant the closest supervision so far as the labour situation is concerned. Instead of having a large number of concerns looking after labour on the waterfront I believe that greater efficiency of operation would be secured if my suggestion were adopted, and I think it is particularly important at a time like this when Canada is at war and the quick dispatch of our ships both entering and leaving the ports is so necessary.

I could enlarge upon this but I indicated my views on a previous occasion and I shall not take up further time now. I will content myself by urging the minister to give favourable consideration to establishing a policy under which the waterfront workers, such as the longshoremen, the freight handlers, checkers and casual labour, would receive a guaranteed weekly floor wage. The situation in the past for many years has been that large numbers of men will come into Halifax and other ports and take work for short periods, at fairly good rates of pay, but I think it would be much better for the men themselves and result in greater efficiency in the operation of the ports if the men were guaranteed a weekly wage spread over the entire year. I hope the minister will give that suggestion very serious thought.

Mr. MICHAUD: I thank the hon. member for Halifax for having brought this matter to my attention. It is a very important question, and I can assure him that it will be given every consideration.

Mr. GILLIS: The senior member for Halifax has raised an important question. I do not know very much about the organization of the waterfront workers in Halifax, but I am of the opinion that each of the labour classifications mentioned by the hon. member is organized in a legitimate bargaining agency, and by order in council a commission was set up by the federal government for the purpose of coordinating the organizations mentioned. Just how well it has been working out I do not know. I would ask the minister if representations have been made along the lines suggested by the hon. member for Halifax by the unions along the waterfront in Halifax, or are they satisfied with the present arrangements? The commission was set up by order in council after consultation with the Department of Labour and the unions concerned.

Mr. MICHAUD: What the hon. member for Cape Breton South is referring to I think is the temporary wartime arrangement which has been made under order in council to take care of the war business in the harbour. But what the senior member for Halifax has in mind is a permanent rearrangement of the waterfront labour at all the ports, and that is a matter that we are going to look into.

Mr. GILLIS: Does not that commission handle it?

Mr. MICHAUD: So far as war work is concerned.

Mr. GILLIS: And there is some kind of floor wage?

Mr. MICHAUD: Oh, yes.

Mr. ISNOR: Perhaps I can throw a little light on the question raised by the hon. member for Cape Breton South. I would be the last to want to interfere with any satisfactory arrangement that any labour union has at the port of Halifax. The hon. member is right in part in saying that there is a floor wage. There is a floor wage for what is known as the pool, which consists of approximately six hundred to seven hundred men. Originally they had a floor wage guarantee of $45 a week, but that has been reduced to $30 a week. Recently the checkers' union at Halifax made representations to the port controller that they come under an arrangement similar to the pool system and be guaranteed a weekly floor wage. I had no thought of taking away any bargaining rights which any union may have at the present time. My thought was rather that if all the waterfront activities were brought under the national harbours board it would lead to greater efficiency in the port's operations, and the labour unions which the hon. member has in mind would still continue to enjoy their present bargaining rights. They would be dealing with one organization, namely, the national harbours board, instead of with a large number of employers. I feel that my suggestion would be a move in the

direction of greater efficiency in the handling of freight both incoming and outgoing to the port of Halifax.

Mr. MACDONALD (Halifax): I would like to add a word to what my colleague has said. There is one class of our waterfront employees at Halifax who I think will be entitled to a better deal at the very first moment an opportunity presents itself, and that is the freight handlers, particularly those who are handling wharf freight. Prior to September, 1942, this class was employed by the Canadian National Railways, but because of considerations arising out of the war it was deemed advisable to have these men employed by a stevedoring company to whom the handling of freight was given by the railways. This situation has been tolerated during wartime, but I submit that, now the end of the war is in sight, different principles must apply. These men should once again become employees of the Canadian National Railways. Many of them were employed by the railways as long as thirty years. They enjoyed certain benefits owing to the relationship to the Canadian National Railways; for example, they were entitled to temporary and yearly passes. While they were not permanent employees they had many of the rights and benefits which permanent employees of the Canadian National Railways enjoy. Some of them lived outside the city. Their passes enabled them to travel to and from work free of charge.

There are one or two other observations I wish to make about national harbours board operations at Halifax. Halifax has been called during the war the world's busiest port. It looks very much as though its activities may continue, if not on the same scale, upon a very large scale, for some years after the war. But because of the activities in Halifax during the past few years there has been no time for national harbours board to take care of ordinary maintenance of harbour works, let alone new construction. I wish to suggest, for the consideration of the minister and officials of the harbours board whom I see in front of him, several matters.

In the first place, there should be a new deep-water pier in place of existing piers three and four at the deep-water terminals. The existing wooden piers are quite old and are now almost a fire hazard. They could be replaced by a large pier, or even, if deemed advisable, by two small ones. That is something which should be taken in hand at the earliest possible moment.

Another matter: at pier 9, in the northern part of the city, an extension was made during the past year. Most of the pier, however, is of timber construction, built almost forty years ago, and its period of usefulness is now approaching an end. Consideration should be given to the construction of a new and more permanent type pier.

A new transit shed is required at pier 26. It is true that at the moment the open dock at pier 26 is under lease to one of our large corporations, but the time will likely soon come when they can release it and possibly confine all their operations to pier 9, where they are also operating. In that case pier 26 with a new shed could be used as an ordinary pier for the transit of cargo.

We hope that Halifax will become a very important fish centre after the war, and much more important in this respect than it is to-day. It is now the centre of very considerable fishing activities, but it is contemplated that these will increase, and I would suggest for the consideration of the minister and his officials that the cold storage plant be extended. Additional freezer space is required at the plant, and the new fish pier should be constructed in its vicinity.

One other matter which I suggest should be taken into consideration by the minister is the coordination of the fire services in Halifax harbour. Unfortunately a fire occurred on the national harbours property during the past winter, and a considerable delay occurred between the time the fire was first known to exist and when the alarm was sent in. A very full investigation was made by the fire marshal of Nova Scotia, and one of his recommendations was that the fire services of the Halifax-Dartmouth area be coordinated. The national harbours board have their own fire-fighting equipment there and their own fire services under the supervision of a very competent official, Mr. James Cody, who has had long experience in the work of fighting fires and has a capable staff under him. The city has its own fire services; so has the town of Dartmouth. I suggest, now that some effort is being made to coordinate these services, that the minister interest his officials in the matter.

Mr. ISNOR: I want to support the suggestions of my colleague. They have been talked over on many occasions. I hope the minister and the officials of the national harbours board will bear in mind that my colleague is not simply asking for expenditures. We believe that these are real investments which have been suggested for the port of Halifax. For some reason or other, and I do not say this unkindly, officials of the board when they come to Halifax are over-careful of spending a dollar. Perhaps it is because of the fine natural harbour we have, where there

is no necessity of doing any dredging or carrying on such expenditures as are required in harbours where it is necessary to make channels. We have a natural harbour, with an inlet from the ocean leading into the port of Halifax, open the year round, and perhaps it is because of this fact, and the very few demands we make, that our suggestions occasionally made for the spending of money are sometimes overlooked. I repeat that they are not to be regarded as ordinary expenditures but as an investment to take care of future business. I support the constructive suggestions of my colleague, and I hope that the minister and his officials will be a little more kindly disposed in the future towards spending a few dollars, because future years will bring many dollars in return. Good common business sense dictates an investment in something which is going to make a very handsome return.

Mr. MICHAUD: The suggestions for improvements and extensions of Halifax harbour which have been made by the junior member for Halifax and approved by the senior member have been under consideration, and are projects which will certainly enter into the post-war reconstruction programme. As to the need of carrying on the shipping activities connected with the war, I believe both hon. members will agree that everything which could be done under the circumstances has been done to make Halifax harbour a port which could best serve the war effort.

Mr. MACDONALD (Halifax): I think that is so, but we are concerned more with what is going to happen when the war is over.

Mr. MICHAUD: The suggestions which the two hon. members have made have not escaped the attention of the members of the harbours board, and will be submitted in due course, as soon as circumstances and conditions permit, in the programme of reconstruction.

As to the coordination of the fire-fighting apparatus in the port of Halifax, there are three means of fighting fires, the city service, the town of Dartmouth service, and the two fire tugs owned by the harbours board. In the use of these three elements in fighting fires in the harbour of Halifax, I am satisfied that the harbours board has done everything that is possible, and I can assure the hon. members representing that constituency that it will continue to make every effort to secure better cooperation if that is possible among the different factors.

Item agreed to.

Prince Edward Island car ferry and terminals—

409. Amount required to provide for the payment during the fiscal year 1944-45 to the Canadian National Railway Company (hereinafter called the National Company) upon applications approved by the Minister of Transport made from time to time by the National Company to the Minister of Finance and to be applied by the National Company in payment of the deficit (certified by the auditors of the National Company) in the operation of the Prince Edward Island car ferry and terminals arising in the calendar year 1944, $564,200.

Mr. GRAYDON: The Prince Edward Island car ferry has been before the house so often that I have no desire to raise the question again except to say I understand a new boat is being built, and perhaps the minister will tell us when it will be put into service.

Mr. MICHAUD: According to the contract we expect to have it delivered on the last day of October 1945, for the navigation season of 1945-46.

Item agreed to.

Civil aviation division—

395. Control of civil aviation, including the administration of the Aeronautics Act and regulations issued thereunder, $256,800.

Mr. ROWE: Will the minister explain this?

Mr. MICHAUD: This is the cost of administering the civil aviation branch of the department as at present constituted under the Aeronautics Act, and carrying out all regulations made thereunder. I have not the details as to employees, but this is nothing new, nor has it anything to do with carrying out the amendments to the Aeronautics Act passed by parliament at this session.

Mr. GRAYDON: Will any part of this vote go to the airport at Malton?

Mr. MICHAUD: It is possible that under this item some officials employed by the department at Malton are paid.

Item agreed to.

396. Airways and airports—Construction and improvements, including lighting and radio facilities—(revote $592,400)—capital, $2,035,800.

Mr. KNOWLES: I am sorry the Minister of Munitions and Supply (Mr. Howe), who usually has charge of this section of the estimates of the Department of Transport, is not here, because some of the things I would like to say under this item are by way of an answer to statements he has made in reply to questions of mine about Stevenson field at Winnipeg. I do not know whether the present minister is willing to let the item stand or whether he wishes me to go ahead.

Mr. MICHAUD: Go ahead.

Mr. KNOWLES: On several occasions I have asked questions on the floor of the house or through the medium of the order paper with regard to Stevenson field at Winnipeg, because in the view of those of us from that city the time is overdue for an enlargement of that field and particularly for an extension of the runways. A year ago when I pressed this matter under this very item the Minister of Munitions and Supply insisted that the runways at that field, in their present condition, are long enough for the largest planes that might wish to use the field. I quoted from one of the Winnipeg newspapers and made the statement that some of the larger planes that had sought to use the field had found it difficult to do so. I was in a very difficult position because I felt that some of the information that had been given me was in the nature of a military secret and so I was unable to press my point. Instead I had to let the minister's statement stand, that in his view the runways were long enough. Now, with the information that has been released about the purchase by Canada of bases in the north built by the United States government, and also with the information that has been released regarding the number of American planes that have been flown over Canada to the Soviet Union under the terms of lend-lease, perhaps we are in a position to discuss this matter much more freely. What I was told before, when I spoke about the matter a year ago, was that on two or three occasions some very large planes, American Flying Fortresses, had landed on Stevenson field but that the pilots who brought the planes down found that, although they made successful landings, they brought their planes to a stop so close to the end of the runways that they felt they did not wish to continue bringing these planes down on Stevenson field. That information was given to me by an official in the city of Winnipeg, but knowing myself that it might be in the nature of a military character I did not feel free to continue the argument with the minister last year. I understand that as a result of the experience of these pilots in finding the runways at Stevenson field not long enough for Flying Fortresses an arrangement was made whereby the United States government constructed a larger airport with larger runways at Edmonton. Consequently some of these larger planes which might have flown via Winnipeg and thus helped to build up the route through that city were flown instead through Edmonton and on to Churchill and thence to the Soviet Union.

I have no desire to say anything that could be interpreted as critical of the future of Edmonton as an important airport on the world air map of the future I have no doubt that Edmonton will be a place of great importance in that respect, but I feel that the same is true of Winnipeg. Winnipeg is at the very centre of the Trans-Canada route. We have large facilities there at the present time, but the people of my city feel that we have been given the go-by so far as plans for enlarging that field are concerned. Perhaps I should qualify that by saying that there have been plenty of plans drawn. I have seen them. Plans have been laid on the table of the house in response to motions on the order paper. But that is all that has happened. Nothing further has been done, despite the fact it is desirable to know what is to be done so that the necessary property can be purchased and any railway lines moved, if that should be necessary.

In reply to my representations on behalf of enlarging Stevenson field and extending its runways under this item, the minister's reply last year was, as I have already said, that the runways at Stevenson field were perfectly long enough for any plane to land there. The information that has now been published suggests that the runways are not long enough for planes that might have used the field during the past two or three years.

When the hon. member for Lake Centre (Mr. Diefenbaker) was making representations the other day on behalf of certain airports in Saskatchewan, the minister made a slightly different reply to him. The reply on that occasion was that it was due to shortage of material and man-power. I suppose that that answer might now be made with respect to the situation at Stevenson field, and with some validity; but I am now seeking to refute the answer which the minister gave me last year when he said the runways were perfectly long enough. They are not long enough for the largest planes that are now flying, and because of that we feel that not sufficient attention has been given to the importance of Winnipeg on the air map of the future, not only on the T.C.A. route that runs from east to west, but on the route that will run from the United States through and across Canada to Europe and to Asia.

Now that the story of what has gone on in the past few years with respect to flying planes across this country is out in the open I hope that the government may reconsider its position so far as Stevenson field is concerned; that instead of a statement to the effect that nothing is necessary there, we shall have active consideration given to enlarging the field and extending the runways. I hope the fact that if this field is enlarged and the runways

extended this work will be done in the constituency I have the honour to represent is not the reason why nothing has yet been done about this matter. The people of Winnipeg are deeply interested in this, and I earnestly hope that some active consideration will shortly be given to the matter. They are also deeply interested in the request that I made to the minister the other day, when I repeated the request which was made to him in the first instance by Mayor Coulter of Winnipeg, namely, that that part of Canada should be represented in the party that is leaving to-day to tour these northern air bases to see what use can be made of them in the post-war period. It is not good enough to try to sidetrack us in Winnipeg on this matter; it is not good enough to say what development there may be in the years that lie ahead. This is the kind of thing that calls for planning in advance, not only in the interest of Winnipeg but in the interest of Canada as a whole with respect to post-war civil aviation. Particular attention should be given to developing the largest, and most modern and most-up-to-date airport we can have in the city of Winnipeg. I hope there will be a change of attitude on the part of the government in connection with this matter.

Mr. MICHAUD: I do not think the hon. member is warranted in making the statement that he hopes there will be a change in attitude on the part of the government toward Stevenson airport. He knows better than I do that the airport at Winnipeg is one of the largest in the west and that it is a civil airport. During the war it has been sufficiently large to accommodate ordinary civil air travel. The incident which he mentions to support its contention that the runways should have been enlarged is that on occasions some very large fighting planes coming from the United States, found it difficult to land or take off from the airport. That may be true. These were exceptional occurrences during the period when it was difficult to expand the runways. The hon. member knows that the airport at Winnipeg is centrally and strategically located. For post-war world needs it will be necessary to revise the set-up. I may repeat to him what has already been said, that at the present time the technical staff of the department is working on a master plan to improve the airport in order to meet the possible and obvious requirements of post-war conditions. In order to meet war requirements some $1,342,000 have been spent on urgent improvements and enlarging of runways. I have no doubt that in the near future it will be necessary to enlarge them again, and possibly to revise the whole set-up and make it a much more modern airport than it is to-day, although I am told it is a very good one now. My hon. friend need not worry; the matter is receiving the attention of this branch of the service; the officers in charge know what the requirements of the future will be, and they will be able to take care of them.

Progress reported.

At one o'clock the house took recess.

The house resumed at three o'clock.

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN-YEAR EXTENSION OF BANK CHARTERS

The house resumed from Tuesday, August 8, consideration in committee of bill No. 91, respecting banks and banking—Mr. Ilsley—Mr. Bradette in the chair.

The CHAIRMAN: The discussion is on the amendment to section 59 moved last night by the hon. member for Vancouver-Burrard.

Mr. McGEER: Last night I was pointing out the necessity for this measure of control over the issue of bank deposit credits, as a substitute for Canadian currency. I would draw the attention of hon. members to the inflationary condition which existed between 1926 and 1929, and the deflationary condition between 1929 and 1932, which followed the line of the flow out of bank deposit money, and its withdrawal.

From 1926 to 1929 bank deposits were increased by $335,000,000, and from 1929 to 1932 they were withdrawn to the extent of $338,000,000. It was that amount of money, that amount of inflation of bank deposits, and that deflation of bank deposits that played a preeminent part in the stock boom and collapse.

To-day, under the law as it stands in section 59, the banks have issued $5 billion of bank deposits. They have, as the evidence before the banking and commerce committee shows, issued that on a ten per cent reserve of cash, holding, as they say, $501,000,000 of Bank of Canada cash on deposit in the Bank of Canada, or in their till. They therefore can now,

under the law, issue another $5 billion, or increase the bank deposits to $10 billion, on the five per cent cash reserve requirement. But that is not all. Since the war began the Bank of Canada, in financing the government, has issued roughly a billion dollars in bank of Canada cash. The total in round figures today is, roughly, $1,400,000,000 in Bank of Canada cash in circulation, or on deposit with the Bank of Canada, or in the bank's possession. Now, of the $501,000,000 which the banks say they hold, and taking that from the $1,400,000,000, there is another $900,000,000 of Bank of Canada cash in circulation, a very substantial portion of which is potential cash reserves for the banks. Any time anyone takes a Bank of Canada bill and deposits it with a bank, that becomes a chartered bank cash reserve. Therefore you have an uncontrolled inflationary condition of $5 billion, and in addition to that reserves in issue and in circulation to the extent of $900,000,000, or sufficient to carry $18 billion of new bank deposits. This makes in all a margin, under the law as it stands, and reserves that are in issue, of a potentially possible sum of $23 billion of bank deposit money. That is the ceiling placed on them by the law.

Is it good enough to say, in the face of that situation, that the Bank of Canada which controls the situation now can prevent an inflationary condition of, let us say, $400,000,000 or $500,000,000, which would be quite sufficient to set in motion again the same type of inflationary boom and the same type of deflationary collapse we had between 1926 and 1932?

But there is something even more important than that danger. We are told by the Minister of Finance that we cannot use national currency to pay for government services. It is not because national currency is not a good medium of exchange. I have never been able to know the reason why the government, operating on a managed paper standard, was not in a position to create its own money and pay for the services and goods it requires. What could be wrong with the government letting a contract for a bridge and, when the construction was completed, handing the contractor Canadian national currency for his work? Why should it not pay for the transaction in that way, and put into circulation the money required to build the bridge? What would be wrong with that transaction? Those who received it would have the money to pay, and those who did the work and supplied the materials and skill would receive their wages. But why in the world would we go through the mumbo-jumbo nonsense of giving some cash to the chartered banks and then having the chartered banks create in a bookkeeping system a medium of exchange that we would borrow back and pay interest for?

People say, "Well, that would cause inflation," but they forget that we have done that very thing with a billion dollars of Bank of Canada cash in this war. The Minister of Finance says that you cannot do that under section 59 as it stands because you would threaten the country with the danger of inflation of the medium of exchange in common use, bank deposit money. Let me put that right on the record as he stated it himself on July 15, 1942, in the House of Commons:

> Every one familiar with the working of the banking system knows that, the moment the banks get their hands on additional cash—I mean by that Bank of Canada notes, or deposits by the Bank of Canada which are convertible into Bank of Canada notes—when the banks get those reserves in their hands powerful forces are set in motion to get the banks to buy securities themselves, to make loans themselves, so that the deposits of the chartered banks will be seven, eight, nine or ten times as great as their cash reserves. That lies at the base of their whole profit-making activities; the way they make money is by lending more money than they have. What they have is their cash reserves; and unless a bank has out several times—six, seven, eight, nine or ten times—its cash reserves, it is not being profitably, or from a banking point of view, properly conducted.

Are we concerned with issuing Bank of Canada cash so that the chartered banks can lend eight, nine or ten times more than the cash they have, or are we concerned with maintaining the solvency of the nation? Do you think it is reasonable to allow any private monopoly, any private corporation to take the cash of the Dominion of Canada and lend seven, eight, nine and ten times more than the cash they have in their possession? That surely is the power of issuing a substitute for money in terms of private gain and to the detriment of the economy of the whole nation.

So long as section 59 remains in its present position there can be no possible use of the Bank of Canada as the main utility of the nation. The Minister of Finance suggests that I am not concerned, but I say that I would use Bank of Canada cash, that I would tax and that I would borrow. I happened to have handed to me the other day an article which appeared in *Maclean's* magazine of March 15, 1933. This was written by me as a part of a debate conducted by *Maclean's* magazine between myself and Professor A. F. W. Plumptre. At that time I wrote these words:

> As a system, the banks no longer merely passively receive deposits and distribute loans but are the chief creatures of loans and deposits. . . . The system as a whole creates and distributes credit. . . . All the defensive argu-

ments which picture the banks merely as society-serving go-betweens between outside depositors and borrowers fall to the ground.

Professor Plumptre agreed with me to this extent:

> There can be no doubt that, as a system, the Canadian chartered banks control in large measure the volume of money available in Canada—and agrees with me that the volume of purchasing power, which he agrees now consists of token currency, bank notes and bank credit, does affect "the general prosperity of the country."

And later on:

> Now, I proposed that the taxpayers' burdens should be relieved and the consumers' purchasing power augmented by financing all public enterprise with national instead of private bank credit, and to regulate and control circulation by regulatory taxation. Mr. Plumptre dismisses this proposal on the ground that it is impracticable, arguing that the necessary measures for the control of the volume of credit in issue through taxation would not be "politically popular."

That is exactly what has taken place since the war began. We have not regulated the price level by depending upon the money in circulation. We have done that by the use of deliberate controls. There is no monetary system in the world that could prevent prices from falling too low or rising too high without the assistance of direct controls exercised by the government. The same thing is true of your foreign trade. You cannot regulate the value of your money by any monetary manipulation and your only hope of sustaining your foreign trade is by the deliberate management and intelligent regulation of it. If you keep your exchanges of goods and services with other nations in balance you will find the value of your purchasing power internationally sustained. In that same article written in 1933 I laid down this as a general programme:

> (1) That the cause of the depression is due in large measure to the failure of the circulation of credit purchasing power.
>
> (2) That international agreement is not possible, and that Canadians must resort to their own devices to reestablish Canadian prosperity.
>
> (3) That bankers can now control in large measure the volume of purchasing power in issue and in circulation.
>
> (4) That the volume of purchasing power could be increased by financing all public enterprise with national credit, and that circulation of credit could be controlled by taxation.
>
> (5) That government should set up the economic machinery essential to the regulation of the issue and circulation of credit, and some measure of price level control.
>
> (6) That a closer approximation of the ideal volume of credit in circulation can and should be maintained.

What we have done in this war is what we did when we started moving out of the depression. There was no magic monetary factor used at that time. The enormous spending programme of the Roosevelt administration and the fact that we went into a spending programme in Canada brought us out of the depression with an accumulated budget deficit of roughly $1,000,000,000 in ten years. We have done exactly the same thing in this war. There is no trick in converting government bonds into money of the form that we use. We have done exactly in this war what we did in the last. We have used more national currency proportionately, and I believe we have used more taxation and more price control, but we have gone ahead exactly as we did between 1914 and 1920, elevating the debt load by discounting the future. Do not make any mistake about it, the borrowing to be spent to-day and to be paid back to-morrow or some time in the future is merely deferred taxation.

In addition to increasing our bank deposits by $2,000,000,000 we have roughly increased our issue of bonds by $7,000,000,000, and that is continuing at the rate of possibly $1,500,000,000 to $2,000,000,000 a year. Now where did the money come from that was used to buy those bonds? We certainly did not have it available in 1939. That money has been turned out through the chartered bank system, by a system of loans and advances and paper. But that $7,000,000,000 of money that was used to purchase those bonds must have been produced at a profit either on wages or other operations because those bonds have been purchased and paid for outright. What is going to happen to a country that piles up $7,000,000,000 of profit in four years of war and has that profit converted into $7,000,000,000 of national debt? I doubt very much whether very many people owning government bonds to-day are willing or anxious to convert that capital into some form of private enterprise. The risks are too great and the uncertainties too many. One of the most dangerous things any nation can face is a situation where far too much of its wealth is invested in first mortgages on the whole nation. We cannot issue national currency because if we dared to do it the banks would inflate through bank deposits. What I propose in this amendment is that they cannot issue any new money in the future for the purchase of government bonds or anything else unless a committee of the governor of the Bank of Canada, the Minister of Finance and the Prime Minister responsible to this parliament authorize it, and you can rest assured that with that power there, they would never authorize the issue of the volume

of bank deposits that was required to start the last boom and to precipitate the last depression.

I know that it is easy to say that men are eloquent and that their oratory runs away with their intelligence, but I have never been ashamed of what talents I have. I have tried to use them in whatever public service my friends and neighbours have elected me to. I am not alone in advocating monetary reform. I would like to add to the list a few names of people who have advocated monetary reform, because we must be all crackpots together.

Woodrow Wilson said in 1911:

> The great monopoly of this country is the money monopoly. So long as that exists, our old variety and freedom and individual energy of development are out of the question. The growth of the nation and all our activities are in the hands of a few men who, by reason of their own limitations chill, check and destroy a genuine economic freedom.

Senator Elihu Root, recognized as one of the greatest councillors that ever spoke in the United States Senate, predicting what would happen and what did happen in 1933, said when the Federal Reserve Act of 1913 was being passed:

> This bill (the Federal Reserve Act) proposes to put in pawn the credit of the United States. We are setting our steps in the pathway that brought Rome to its fall.

Louis D. Brandeis, the distinguished American counsel at the Pujo commission in 1907 and afterwards an associate justice of the Supreme Court of the United States, said:

> We must break the money trust or the money trust will break us.

Following these statements, Franklin Delano Roosevelt, after he was elected in 1933, said:

> Nature still offers her bounty, and human efforts have multiplied it. Plenty is at our doorstep but a generous use of it languishes in the very sight of the supply. Primarily this is because the rulers of the exchange of mankind's goods have failed through their own incompetence. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.
>
> The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths.

Lloyd George, describing Roosevelt's fight for monetary reform, said this:

> The intrepidity with which he is fighting against the machinations of the established and arrogant priesthood of the golden calf is being watched with a thrill of admiration by those who, all the world over, have been suffering from its thraldom. If he wins he will have rendered a service to mankind which will exceed that of Lincoln when he abolished a more limited slavery.
>
> But his task is even more formidable, for the hierarchy he has challenged is powerful and its janissaries in all lands are federated in a well-knit, well-drilled and well-equipped brotherhood in arms. They play into each other's hands —they fight each other's battles. If they fail, they will share each other's ruin—if they succeed, they will divide the loot among themselves.
>
> In London and in Paris they are unassailably entrenched. To adopt the Scriptural quotation, "Judas is their law giver. Industry is their wash-pot and over successive ministries have they cast their shoes."

Mr. BLACKMORE: Hear, hear.

Mr. McGEER: That is not my language.

Mr. STIRLING: It sounds like it.

Mr. McGEER: It is Lloyd George's, and he is talking about President Roosevelt. Listen to what he says:

> The President has resolved that this verse shall no longer apply to American governments and American producers.

And we sit here and pass a bill that gives away for ten years the right of this nation to create and issue and use its own money, and we accept in its place a form of money issued by a private monopoly for private gain. I speak a word of warning to this government, because I want you to know that you have no special dispensation here. My own humble opinion is that the situation in Canada is such that we face a more terrible division of opinion than we have ever faced before in our history. Monetary reform is marching in the vanguard of the ambitions of the common people for a better Canada. Do not make any mistake about the votes in Saskatchewan and in Alberta. They are the people's votes and they are economic votes. The people in both these two great provinces have completely repudiated the old political parties.

I read a book in 1925, written not by a monetary reformer, not by a crackpot, but by one of the most astute and distinguished business men in the United States, a great philanthropist and a great success. Edward A. Filene, famous in Boston and throughout the world, published "The Way Out" in 1925 and he has this indictment to offer of the private money system:

> It is clear beyond need of explanation that most of the sins for which the modern revolutionist indict our social system are sins of the financial point of view, not of the administrative. I could bring numerous instances to show how the substitution of the banking for the administrative point of view affects good relations between employer and employee and seriously hinders social progress. As an astute critic of our social system has said: "An adequate study of the modern political organ that has grown out of the ancient business of exchanging and storing money must soon be undertaken."
>
> For the fact is that the administration of credit has become one of the greatest forces of

social control in modern times. Credit is the lifeline of the business system which feeds, clothes and shelters mankind. It is therefore a species of social treason not to regard its administration as a public responsibility and a creative opportunity. The real rulers of modern society are not the men who own the most but the men who exercise most control over enterprise, namely the men who administer the world's money.

I think it is true to say that the slow and, to my mind often sinister, encroachment of the financial upon the administrative point of view in business and industry has given the modern revolutionist one of his best arguments.

In his May day speech of 1942, Premier Stalin of the Soviet Union had this to say:

> The German army is a blind tool in the hands of these gentlemen and is called on to shed its own blood and the blood of other peoples and to cripple itself and other peoples not for the interests of Germany, but for the enrichment of the German bankers and plutocrats. That is what the experience of war tells us.
>
> In reality the German fascists are enemies of European culture, and the German army is an army of medieval obscurantism, called upon to destroy European culture and assert the slave-owing "culture" of the German bankers. This is what the experience of war tells us.

Emil Ludwig, who has just written a magnificent sketch of our own Prime Minister, writing the life of Stalin, makes these observations:

> I am irresistibly attracted by the social justice of the world. Though I am convinced that the power of personality is greater than that of numbers and I cannot be taken for a Marxist, the foundation of the Soviet Union appears to me as the greatest event produced by our century till to-day. The Russians are the only people that have broken the reign of money.
>
> Stalin is so outstanding as a colonizer and general that he towers above most of our contemporary leaders—no matter what his end is going to be. Probably he will be the only dictator who survives the war. Who fears that Stalin's victory will bring world revolution is not aware of the fact that we are in it already.

We are following in the same steps that brought Germany to disaster. It was the debt load which precipitated the invasion to extinguish us. It was the debt load and the impossibility of advancing the Russian masses that compelled the Kerensky government to collapse and permitted Lenin to take over. And do not make any mistake about the programme that Kerensky had. He had a programme of social justice, of independence and freedom and of national development infinitely superior to anything which has been presented by the budget of this parliament. But it was too late. Do not make any mistake about what brought Mussolini into power in Italy or caused the revolution in Spain. It was the idea that you could go on financing by issuing debts based on the assumption that it was sound business to pay off promises you could not keep by making more promises that you knew you would not be able to meet.

We can, of course, balance our budget. But how are we going to finance our municipalities? How are we going to finance our provincial governments? How are we going to maintain the national income at the level estimated by some to be, to-day, over $10,000 million a year? We must maintain a monetary system that can circulate a medium of exchange created and issued by the government, not by a private monopoly.

I just want to say in conclusion, Mr. Chairman, that you will find confirmed beyond any question as to how we are financing the war if you will examine page 6 of the report of the governor of the Bank of Canada. He says:

> During 1943, the Canadian deposit liabilities of the chartered banks increased by $748 millions. In addition, total active note circulation (including Bank of Canada notes) rose by $161 millions, making the total expansion in the volume of money, therefore, $909 millions during the year.

Why did we not have $909 million of Bank of Canada cash? We did not need to have any debt. They say, "Oh well, if you did that the banks would have to service it through the exchange system." That is perfectly true. But why should the government pay interest charges and pile up unpayable debts for the purpose of bonusing the banking system? That is what you are doing. You are bonusing the banking system by clamping on the nation hopeless and impossible debts, and that in itself could never be justified. If anybody wants to put his money in one of our chartered banks and have them look after it and have them service it by transferring it under a cheque system, why should not that individual pay for that service? Why should the nation go into bankruptcy or accumulate unpayable debts to allow a person getting a service that is worth something to escape paying for it? If large corporations like departmental stores or general stores and merchants of all kinds want to use the banking system as their exchange headquarters and to facilitate their business, why should not they pay for that service? In Australia, of course, they have changed to 100 per cent cash reserve, and that means that when you have a deposit in a bank in Australia you have money in the bank behind it. But in Canada you have the promise of a banker to pay, and all the money he needs to have to make that promise good is five per cent of your deposits. Of course Australia is paying a service charge, but they cannot accumulate debt when they issue national currency and pay a service charge on it.

Mr. ILSLEY: The government is paying a service charge, though.

Mr. McGEER: Of course, and why should not the government pay a service charge? But it is not three per cent for bonds; and do not think that your banks have not got plenty of three per cent bonds in their vaults. You know they have.

Mr. ILSLEY: What corresponds to the Australian transaction is the deposit certificate transaction here, which is three quarters of one per cent.

Mr. McGEER: Well, that is only part of your programme.

Mr. ILSLEY: So it is in Australia.

Mr. McGEER: The Australian programme does not carry any debt with it at all.

Mr. ILSLEY: It is the debt of the central bank instead of the debt of the government, that is all.

Mr. McGEER: How can it be the debt of the central bank? It is not redeemable in gold. When that money is paid out of the central bank in Canada, what debt is there of the bank on any piece of currency or on any bill it issues?

Mr. ILSLEY: Our bonds are not redeemable in gold either.

Mr. McGEER: Of course not, but they are redeemable in taxpayer's money, which is as good as gold.

Mr. ILSLEY: No difference in quality.

Mr. SLAGHT: A difference in burden, though.

Mr. ILSLEY: There is no difference in burden either.

Mr. McGEER: Let us look further at page 6 of the governor's report. Here we are told that the dominion and provincial government securities held by the chartered banks rose by $626 million during the year, and most of this increase was accounted for by special short-term issues which were sold to the banks, and then he goes on to say that the cash reserves of the chartered banks rose $82 million during the year, as shown in the table on page 10. That is to say, $82 million of cash came from the Bank of Canada to the chartered banks and the chartered banks increased that to $748 million of bank deposit money which they used to purchase interest-bearing securities. Now analyse that transaction for a moment.

The CHAIRMAN: Order. The hon. gentleman has spoken for forty minutes. If I may be allowed to do so at this point, I know that under the proposed amendment it is difficult for hon. members to focus attention on any single question, but I would point out that standing order 40, at page 89 of volume 2 of Beauchesne's, refers to repetitions. I do not think it is in order for hon. members to repeat the same thing over and over again. I am not making any allusion to any particular speakers, but I wish to urge that point upon hon. members as sincerely and as strongly as I can.

Mr. MOORE: The hon. member for Vancouver-Burrard (Mr. McGeer) was generous enough, and indeed generous, when he stated that there were two sides to this matter. I shall try in a few words—a very few words—to present, shall I say, the other side to that to which we have been listening. I think there is need, Mr. Chairman, for just a little bit of sober thought about the nature of money. What is money? Well, it may be anything in form, but in essence, I suggest, it is a claim on goods. We want money only because of what it will buy.

Now we have several conditions of life. Unfortunately we have learned that there is such a thing as crisis. There is such a thing as war need, and money for war need. And what is that? A need for claims on goods. Our government has not been peculiar in the matter of war finance; it has followed, as I see it, a rather common pattern of financing war, and it has done so in three ways, first of all by the usual method of taxation, which in effect is a conscription of claims upon goods. War needs were insatiable. The government went on to borrow future claims on goods and as I gathered from the Minister of Finance last night in his very able speech, it borrowed in several ways, first directly by way of loans from the people, from individuals and from voluntary associations. And then it borrowed from institutions such as the banks —and the banks were only one of several institutions. It borrowed from them claims on goods, or moneys, if you like, that had been deposited with them as trustees.

But the government went a step further, and all governments practically have done the same thing. It went on to write out claims for itself by way of the issue of money through the central bank, and of course that may be done in various ways.

Mr. McGEER: Not all governments.

Mr. MOORE: Not all governments. I am saying this government did.

Mr. McGEER: You said all governments.

Some hon. MEMBERS: Order.

Mr. MOORE: I have no objection to anybody asking questions or intervening in what I have to say, because the matter is a controversial one and it is most important that we get at the truth of it. The government, I say, proceeded in three ways. First they taxed and taxed and taxed, and then they borrowed and borrowed, and then they issued what is commonly called fiat money. I take it that the objection from my hon. friends who have spoken so strongly on the subject is that they did not issue enough of the fiat money. But there is a further objection. They look forward, as we all do, with apprehension into the future.

Again we have a difference of opinion and I wish to be perfectly frank in stating my opinion. My trouble is not with the money of the future. I may be accused of being orthodox in my views, and sometimes orthodoxy in these days is not regarded as a virtue, but I contend that all marketable production can be financed. My trouble is to foresee production. I have no trouble about finance, because I realize that it will follow naturally.

A Scandinavian economist, whose name I believe was Pierson, likened money to a shunting engine. It went up the tracks and pulled down cars and put them on the main highway and away they went. Now, you will never solve this problem by multiplying the number of shunting engines. What counts is the load in the cars.

I want to come right down to the issue in this thing. I hear a great deal about monetary reform. I never used the word "crackpot", never in my life, and I have never used the words "funny money", but I do object somewhat when people tell me they have a new idea, that there is something new in the idea that the state should finance itself by issuing its own money, fiat money.

The hon. member for Victoria, Ont. (Mr. McNevin) spoke yesterday about greenbacks. Well, we might go back to the war of 1812. We might go back still farther, as the Minister of Justice will recall, to France in the revolutionary days when that theory swept the people. I am not going back that far, for history does repeat itself. I have listened and listened to the suggestion that we should serve ourselves and our future by issuing money, and I think of the words that were written by an eminent monetary economist. The name may be familiar to some hon. members—Ludwig von Mises. During the critical days after the last war he was professor of economics in the university of Vienna. He is in this country now. He has written a book recently, and was somewhat surprised to hear us—I do not mean in this house—in this country saying the very things that were said after the last war in Europe. This is one of the things they said: Why should not people issue fiat money; why not more money and more money? He said then that it was regarded as a wicked thing to think that the state could not build railways, could not build anything and everything that it wanted to build because it had to borrow from capitalists and the money interests. I am giving his statement in digest form. I have it here, and if the committee wishes I shall read it later on in detail. What I am interested in is the result of that policy; what was the result of issuing fiat money as it was issued then? In 1923 there came chaos to Europe and particularly to Germany. Why did it come in the form in which it came? Remember; go back a little, if you do not mind my adopting the school-teacher attitude. Money is a claim on goods. At the time fiat money was regarded as a species of taxation. Fiat money is a species of taxation, but it is a bad species. It is a disguised absolutism, because when the Minister of Finance brings down a taxing bill we in this house ask ourselves, upon whom is the burden going to fall? And our constituents judge us by our answer. We in this house have adopted the policy and the principle—and it has been adopted in democracy generally—that the burden should fall according to the ability to pay, the capacity to pay.

What happens when the state issues fiat money of the sort we are discussing? Nobody really knows where the burden is going to fall. The impact of it nobody can see, but we are certain of this. We are certain it is going to fall hardest of all on the people with fixed incomes. It falls hardest of all on the wage-earner. I am going to give the committee some figures as to what happened in Germany. It is very easy to know what brought about the collapse in Germany in 1923. I maintain that it was not the increase of debt; it was the increase in the amount of state money issued, fiat money. This is what happened. The number of unemployed in Germany was relatively small in 1923. Real wages were falling lower and lower between April and October. In October of that terrible year the wages of trained and skilled worker for one week were just about sufficient to buy a hundred pounds of potatoes; nine or ten hours of work were necessary to pay for a pound, not of butter, but of margarine; to buy a pound of butter a man would have to work hours longer. A hundred pounds of fuel

briquettes took the pay of twelve hours' work; a pair of ordinary boots took six weeks and a suit of clothes twenty weeks.

In commenting on that state, Professor Bruck, who was then on the staff of University college in Wales, said:

> We have to bear these facts in mind as a background for the fearful convulsions in which Germany was involved at this time. She was shaken by the fear of revolutions by both communists and national extremists. At this time mass-psychology and ideology were shaping themselves into the antagonistic ideas which clashed during the next period and came to a head in January, 1933.

Mr. McGEER: Will the hon. member permit a question?

Mr. MOORE: Yes.

Mr. McGEER: It it not a fact that as a result of that action Germany did liquidate her entire internal debts?

Mr. MOORE: Yes, repudiated them.

Mr. McGEER: Is it not a fact that following that she proceeded with the same kind of currency to build a war machine with which she attacked the world?

Mr. MOORE: We will just follow that with you. We have heard that the thing can be done by price control. If we wanted to liquidate our foreign debt as has been suggested, repudiate our foreign obligations, we might do it. I would not vote for the measure.

Mr. McGEER: Who suggested it?

Mr. MOORE: I would not vote for the measure.

Mr. McGEER: Who suggested that?

Mr. MOORE: Inferentially the hon. member for Vancouver-Burrard, by his question.

Mr. McGEER: Mr. Chairman—

Some hon. MEMBERS: Order.

Mr. MOORE: I want to be fair. That is all right.

Mr. McGEER: I am not worried about the brute majority.

Mr. MOORE: I am not either.

Mr. McGEER: You have it behind you; I have not.

Mr. MOORE: I do not know whether I shall or not when I get through. The hon. member for Vancouver-Burrard asked if it was not true that by these measures Germany repudiated its internal debt. I say I am not in favour of repudiating our internal or external debt by that kind of measure. I believe it was last night that either the hon. member for Vancouver-Burrard or the hon. member for Parry Sound—I am not sure which—said that we did not need to fear anything of the sort, that inflation was a bogey, now that we had learned how to have price control. Well, let us look at that for a moment. We have price control. We have it as a war measure, and for more than one purpose. I would assume that one purpose is to divert the earnings or claims of the people, as far as can be done, to war services. The other is to keep prices down. We are used to the word "ceiling", although some people are not used to that word when it is applied to wages. On the whole however we take it, and take it well. We do so because we think of those boys overseas who have much heavier burdens than we have. But there is a different outlook when peace comes; you have a different problem of control. We must remember that we can have price control, and that they can have it in Russia much easier than we can have it in Canada. Whatever else we may be, we are an almost maturely developed country. There are something like a million articles in modern commerce, and they cannot be controlled by a central authority, no matter what the capacity and capabilities of the price control board may be.

I have quoted from von Mises. I want to give the committee his considered opinion, for I have the highest respect for him, and I know everyone who is interested in international economics holds him in highest opinion. This is his conclusion:

> A government that sets out to abolish market prices is inevitably driven toward the abolition of private property. It has to recognize that there is no middle way betwen the system of private property in the means of production combined with free contracts, and the system of common ownership of the means of production. It is gradually forced toward compulsory production, universal obligation to labour, rationing of consumption and, finally, official regulation of the whole of production and consumption.
>
> This is the road that was taken by economic policy during the war. The etatist, who had jubilantly proclaimed the state's ability to do everything it wanted to do, discovered that the economists had nevertheless been quite right, and that it was not possible to manage with price regulation alone. Since they wished to eliminate the play of the market, they had to go farther than they had originally intended. The first step was the rationing of the most important necessaries; but soon compulsory labour had to be resorted to and eventually the subordination of the whole of production and consumption to the direction of the state. Private property existed in name only; in fact, it had been abolished.

And when that had been done the form of government had to be changed. Because,

after all, even forms of government must be altered, changed and adapted to the functions they are called upon to perform. And in that way Europe generally, and Germany especially fell into the condition which we are trying in this war to overthrow, and which we will never permit to come into this world again.

Mr. BLACKMORE: Mr. Chairman, may I interrupt the process of debate to reply to the hon. member for Ontario. I appreciate that this good man is highly trained. Nevertheless I believe it will be in the interests of this committee that several observations be made with respect to some of the things he says. I trust I may be able to continue in the calm and quiet way in which he spoke—and I believe I can.

The hon. member said that money is a claim on goods. That is exactly right. The more goods a nation has, the more claims it can have. Is that not so? Is that not common sense? If money is a claim on goods, then the goods in a country can be increased and the claims on those goods can also be increased, just as fast as the goods increase. That ought to be quite clear. And if a nation is producing the goods, can anyone conceive of any reason why it should have to borrow the claims?

That is the contention of the hon. members for Vancouver-Burrard and Parry Sound. We in Canada are increasing goods and are able to increase our goods indefinitely, because of the bountiful resources this country has, because of our highly-trained human material, and also because of our great industrial development. Why should we ever have to borrow the claims on those goods?

Just as an illustration: If the hon. member for Ontario owned a large theatre with a seating capacity of one thousand, he could create one thousand tickets or claims on the seats. Can anyone conceive any reason why he should have to borrow those tickets from somebody else to claim the seats in his own theatre? Why should the tickets be borrowed and owed to somebody, and interest paid on them? That is a question this committee must examine.

The hon. member for Ontario used the illustration of the little shunting engine, and I gathered from what he said that he questioned the need for increasing the number of engines. I would ask hon. members this simple question: If a shunting engine were able to handle one hundred cars successfully, and the number of cars increased to two hundred, I wonder if the hon. member for Ontario would still try to handle all those cars with one engine. Would he not increase the number of engines to meet the increased number of cars?

Mr. MOORE: Is the hon. member putting a question to me?

Mr. BLACKMORE: Yes.

Mr. MOORE: I just repeat what I said, that any marketable goods can always be financed.

Mr. McGEER: Then why were they not financed in 1936 and 1937?

Mr. MOORE: I am glad to reply to that. As a matter of fact I have some very interesting information here, if the hon. member would care to have it?

Mr. BLACKMORE: I should be glad to have the hon. member reply. I want to be perfectly fair to the good member. I have high respect for his knowledge and understanding, but I believe he is not yet too old to learn.

Mr. MOORE: I may say that I have been in a hard school these last two or three months.

Mr. BLACKMORE: I shall be very glad to have him answer because I want to be fair. But beyond the shadow of a doubt, if the number of cars that the shunting engine has to handle increases sufficiently, there will have to be another shunting engine.

Mr. MOORE: Quite.

Mr. BLACKMORE: So that the number of shunting engines is not fixed in any given economy, nor is the amount of money which a country can have to effect its exchanges. When a country has to have new money, the contention of the hon. member for Vancouver-Burrard, the hon. member for Parry Sound and a few others of us is that a number of tickets can be created by the state and the state does not need to owe anybody for the tickets.

May I say a word or two about the European situation. The Europeans were asking the question, "Why not create money to advance national projects?" after the last war. An all-important matter has to be raised and understood. As a whole the European countries are "have-not" countries. Germany was a narrowly restricted country with 66,000,000 people as compared with Canada, almost an empire in area, with but 11,000,000 people. Who can draw a parallel between the conditions in Germany and those in Canada?

First of all let us bear in mind that the European countries had large populations and relatively meagre resources as compared with Canada. Having that in mind let us turn to what happened in Germany. In the first place, Germany was a small country with a large

population and with relatively meagre resources. In the second place, Germany was exhausted as a result of a most disastrous war. In the third place, she had had fastened upon her the terms of the treaty of Versailles which were positively ruinous. They demanded the delivery of the very goods and services which would have supported the money that Germany could issue. They demanded railroad cars, railroad ties, coal and many other commodities to be delivered in almost impossible abundance. At the same time they demanded the delivery of a great deal of gold. How could you judge a country which was in the condition Germany was by ordinary monetary standards? Any one who attempts to compare what happened in tragic Germany in 1920 with what might happen in blessed Canada with her boundless resources and small population simply is not capable of forming a correct judgment. Germany's great lack was goods. In normal times Canada can produce more goods than her people can possibly use. Our problem is one of distribution.

May I turn to the taxation aspect of money? The hon. member for Ontario said that the creation of money was a form of taxation. Mr. Chairman, I emphatically challenge that statement. The creation of money will not constitute taxation unless that money causes a rise in prices. Money will not cause a rise in prices if there are already more goods on the markets than there is money in the economy. To create money to equal the goods on supply is not a form of taxation in any sense of the word because it does not cause a rise in prices. I challenge the hon. member to question that.

The question was raised as to price control. We realize fully that price control is not always easy. Let me draw this to the attention of the hon. member for Ontario. You can always bring down the price of a commodity by increasing the amount of that commodity beyond what the people can use. As a simple illustration, if we have a bumper crop of potatoes in Canada, the price of potatoes comes down. The same thing will happen with any other commodity you can name. If you want to bring down prices, you increase production and then your prices will not go up. The main difficulty then will be of putting floors under your prices.

I think this is one of the points the hon. member for Ontario made. By using a scientific method of price control prices can be completely controlled. First, let there be abundance of production of every kind the nation can produce to the point at which there is more of each kind of commodity than the people can use. Then prices will not rise because of demand. You will have no inflation. If you put floors under the prices you will keep them from falling too low. If there is a tendency for prices of manufactured goods to rise prices can be brought down by means of a government subsidy or by discounts with compensation. By the use of price floors and discounts with compensation the price levels of the community can be brought into alignment and thereby prices can be almost completely controlled.

I do not wish to go further in the debate at the present time. I will let it go on just as it was going, but I wanted to answer those remarks of the hon. member for Ontario. I think I have said enough just now.

Mr. SLAGHT: May I have just a word with reference to the scholarly and interesting contribution to this debate made by the hon. member for Ontario, for whom we all have the greatest respect. I listened closely to see whether he would discuss the amendment, and except that he would have the committee draw some inference from what he gave us, he did not in my view, and I say this with great respect, discuss the true point at issue.

Mr. MOORE: I was trying to follow the remarks of the mover of the amendment, and I confined myself to those remarks.

Mr. SLAGHT: That may be the reason why the hon. member did not discuss the true issue involved in the amendment as between it and the section we are seeking to alter. I accept his explanation. I want to say a word on his attempt to make an allegory or comparison between what those who support this amendment propose should be done in Canada and what he told us was done by the German gangsters after they incurred such enormous foreign debts after the last war.

Mr. MOORE: Not gangsters.

Mr. SLAGHT: The hon. member says "not gangsters?"

Mr. MOORE: In 1923-24, the period of which I was speaking, Germany was governed by a democracy.

Mr. McGEER: Schacht was in charge in 1923 as he was in 1932.

Mr. SLAGHT: Use any name you like, but they were the greatest monopolistic financial gangsters that ever ruled in any country. By any other name a rose would smell as sweet. That same crowd of financiers deliberately flooded and overflooded Germany with marks for the purpose of inflating her currency to

the point where no country could stand it. That is the same crowd that helped Hitler build that system of army and munitions which invaded the Ruhr and then passed along for six years to engage in the cruelest and greatest gangster war the world has ever seen.

Mr. CLEAVER: To what extent does the hon. member suggest that we should flood Canada with the same sort of dollars?

Mr. SLAGHT: Not at all. I am coming to that, if the hon. member will be patient, but I do not want to spend too much time on it because I have other things to deal with.

The financial chaos in Germany was deliberately created for the purpose of repudiating her debts, and it succeeded; it worked. There is no suggestion in anything that has been put forward by myself or my colleagues that we should adopt a fraudulent course of that kind in Canada. I have made it clear throughout, following the close analysis of my hon. friend the member for Ontario, with which I agree, that throughout the war this country has had recourse to three sources of getting money: taxation, borrowing all you can by victory bonds from the public, and then there has been a gap between those two sources and our necessary war expenditure which it has been necessary to fill. My complaint is with the method that the Department of Finance adopted to fill that gap. Is that a matter of flooding the country with money in order to repudiate debts? My hon. friend knows better than that. I have never advocated any such thing, and it is a poor answer to drag in the gangster fraudulent intent which worked in Germany as against the arguments presented against the monopoly which the Canadian banks enjoy.

Now, Mr. Chairman, I desire to emulate if I can the excellent and quiet delivery to the committee of the hon. member for Ontario. I recorded yesterday the original capital of the banks, $145½ million, and their well-earned and disclosed reserve of $136¾ million, making a total of approximately $282 million, which is employed in the business of Canadian private banking. That is the amount that went into that business. In addition to that we permitted the banks some years ago to print and create, for the mere cost of the paper and the printing, $140 million, amongst them, of their own bills. That is now reduced to some $40 million and will disappear in a few years. Somebody tried to tell us in the banking and commerce committee that that was not a privilege that we gave them, but a liability. I would not bother answering that, because the banks printed bills and lent them out at five and six and seven per cent interest.

Mr. CLEAVER: I think we should be fair. The statement was that it was both a privilege and a liability.

Mr. SLAGHT: It is not a liability at all. It is a monopolistic privilege added to the other one that they enjoy.

I come now to the runaway character of the government borrowing from the private banks, and will show you the figures. They are very important. In 1933 the total dominion government borrowing from the chartered banks was $578 million. We have increased that now to $2,700 million, an increase of approximately 450 per cent. Another interesting fact in connection with that monopoly is that this same government on December 31, 1943, although indebted to the chartered banks for $2,700 million, had to their credit on deposit with the banks the enormous sum of $750 million. It is true that you would need to keep some sort of liquid amount, but they had on deposit with these same banks $750 million of the $2,700 million on which they were paying interest to the private banks.

I am not going to spend any further time on the proposition that the banks do create money. A year ago people challenged that, but the Minister of Finance in the quotation the hon. member for Vancouver-Burrard gave a few minutes ago put that at rest, along with Mr. Towers and others, when he said that the banks lend eight, nine and ten times their cash reserves. I quoted yesterday from Mr. Eccles and various other authorities, and so I take it that the committee is satisfied on that point. But just let me give this one further reference, which is so recent. I was questioning Mr. Towers in the banking and commerce committee on May 19, 1944, at page 161 of the proceedings, as follows:

> Q. You told us yesterday that the banks create money. When the finance minister takes a bond for $1,000,000 to a chartered bank and they receive the bond and credit him with a mililon dollars, you told us that in doing so they were creating money; is that correct?
>
> A. That is true. The moment it is credited, however, it becomes a loan from the depositors of the bank.

No one has ever questioned that. It goes on.

> Q. I appreciate that—the reason being that instead of turning a crank and making billions of credit, they make it by a bookkeeping entry?
>
> A. Yes.

Now let me deal for a moment with the excuses and, if I may say so without disrespect, the smoke-screens that have been put up on behalf of the banks by their advocates as to why we should not retake from the banks and exercise ourselves the right that under the British North America Act was vested in the dominion government on behalf of the people of Canada.

The first one is this. They use the expression with reference to creating interest-free money through the Bank of Canada—it was used some weeks ago by a very distinguished gentleman in this house—"you cannot get something for nothing." He brought out that old platitude. There is a great tendency to whip up a saying of that kind and throw it out as though that ended the matter. But that quotation has nothing whatever to do with the situation. The Minister of Finance in the last four years has financed through the Bank of Canada practically one billion dollars, although a couple of years ago when I wanted him to finance through the Bank of Canada to the extent of one billion dollars he was shocked and he told me: If you do that you will blow the lid off.

Mr. ILSLEY: The hon. gentleman was advocating that we should do that at once. He made his suggestion in the spring of 1942. The billion dollars that we have borrowed from the Bank of Canada has been spread over the entire period of the war, and in that is something like seven or eight hundred million dollars of bank notes which are carried around by the people and have not gone into the chartered banks at all as cash reserves. That one billion dollars was gradually spread over a long period. That is quite different from the proposition of the hon. gentleman, put forward in the spring of 1942 here, that we should immediately issue $1,200 million of national currency.

Mr. SLAGHT: I was pointing out that this great bugaboo of inflation that is always raised in answer to the proposal to issue our own currency in terms of public need is a spectre that is waved before us to threaten us with every time that we propose to finance in that way.

Mr. BLACKMORE: Utterly contemptible!

Mr. SLAGHT: I am not saying that. I believe the gentlemen who put it forward are, if I may say so, absolutely sincere, but they have been educated in that fashion by the bankers for forty years. That was used ten years ago when there was a suggestion by the Liberal members of the banking and commerce committee, notably the Hon. C. G. Power, that we should do just what we have proposed to do at this time. The government of the day, under the able chairmanship of the hon. member for York-Sunbury, trotted out the same old bugaboo on behalf of the banks, that if you did that you would have inflation.

Mr. BLACKMORE: And the Liberals swallowed it.

Mr. ILSLEY: Mr. Power never made any such suggestion.

Mr. SLAGHT: The suggestion I refer to has no possible bearing on the point we make, and I will tell you why. We do not propose to get something for nothing. We propose to regain for the people something which was given away by our forefathers to these private banks, something which was of great value, and when we come to take back something which was given away to people who we think are not entitled to keep it any longer—something of great value—in order that it may be used on behalf of the people as the British North America Act intended it to be used, what possible application has it to that philosophy to say that we propose to try to get something for nothing?

The second excuse or, if I may so call it, smoke-screen set up on behalf of the bankers is usually the bugaboo of inflation. They suggest that if we create our new money without interest it will have a greater inflationary effect than if we borrow it into existence through the private banks. That has no foundation, and you do not need to take my word for it, because the Minister of Finance has admitted it at least twice to me, and published it in *Maclean's* magazine, that if you amend section 59 of the Bank Act, then, to borrow and issue our money with government notes into existence through the Bank of Canada has no more inflationary effect than to borrow it through the chartered banks. Let me put him on record. I quote from *Maclean's* magazine of October 15, page 52:

> When the banks lend large sums to the government, they create additional deposits in the process. In the first instance, the new deposits are turned over to the government by the banks when they make the loan. The government spends these deposits by drawing cheques against them—and they arrive in the hands of the public in exactly the same way as if the government had printed more dollar bills to pay its expenses.
>
> These bank deposits are the commonest and most important form of money these days and the increase in them produces the same inflationary effects, and must be subject to the same sort of limits, as the issue of money described in question 13.

Mr. FRASER (Northumberland): Mr. Chairman, on a point of order, I suggest that this is "Parry Sound money" that the hon. member is advocating.

Mr. SLAGHT: I did not catch what my hon. friend said.

Mr. McGEER: Northumberland wit.

Mr. SLAGHT: If there is anything there which is worthy of an answer I should like to hear it.

Mr. FRASER (Northumberland): Not an answer, a suggestion. I was saying it to your constituents.

Mr. SLAGHT: Well, you had better think of your own if you are going to oppose this amendment. I know what my constituents think.

At a later stage or on other occasions the Minister of Finance dealt with this matter, and another reference to the subject, under date of March 20, 1941, page 1717 of *Hansard*, where it is very neatly put, is as follows:

> This could be nullified or offset if we were to raise the reserve ratio.

By that he was referring to the possibility of inflation by using the Bank of Canada.

> The legal reserve ratio at the present time, as the hon. gentleman knows, is five per cent. If we were to make it 100 per cent, we would have no more inflationary effect if we borrowed from the Bank of Canada than if we borrowed from the banks. . . .

I think the minister is sufficient authority for me on that matter of the inflation bugaboo, and I am going to leave it there.

A third excuse put forward for the banks is the one given yesterday by the minister: "Oh, if you pass this amendment you will wreck the banks; they will not have enough profits." And in his able address when he introduced the Bank Act he went to some length to show us how modest the profits of the banks were.

Let me remind this committee of some factors which stand out. First, the profits of the chartered banks for the past twenty years and the dividends they have paid their shareholders have been rich, fat profits, and rich, fat dividends on their capital stock invested. The figures from the "Canada Year Book" for ten years up to 1941 show an average dividend payment of about ten per cent, and that is on top of the reserves which they have been tucking away and hiding and on which they are getting freedom from taxation in the current year, and which they will not tell us. If we had those, you have no idea what secret reserves would be added to the picture. By reference to exhibit 10, page 117 in the proceedings of the banking and commerce committee, it will be found what rates of dividends were being paid by the banks in the early thirties, when people were in dire distress and riding the rods, when numerous failures were occurring, and the stock market was in the depression of 1932. Here are the rates of dividend paid by the chartered banks in that year: 12 per cent, 14 per cent, 12, 12, 12, 12, 8 and 12.

Mr. CASSELMAN: That is on par value.

Mr. SLAGHT:: On par value, certainly. You never pay dividends on anything else.

Mr. CASSELMAN: But you may pay two and one-half times the par value, so that you would not get that return.

Mr. SLAGHT: I am looking at whether this is an industry as to which we should cry "wolf" the minute you desire to lessen their power to lend money which they have not got, or as has been put by the minister, ten times more than their cash reserves. The period I have mentioned includes the worst depression we have ever known, but the banks sailed merrily along so far as paying dividends was concerned. In the second place they built up their reserves over a long period to just about the original capital. In other words they have doubled their money. Mind you, that is only the disclosed reserves. If we had the other reserves brought into the daylight it might appear that they have trebled or quadrupled their money. The minister knows but, as the little boy says, he won't tell. He won't tell parliament. I discussed that yesterday. I am not blaming the banks for building up cash reserves equal to their capital by their thrift and business ability. I think it is a splendid thing to do. They have built three thousand buildings scattered all over Canada; excellent buildings, valued by themselves at $70 million and all paid for. The next item is that they have had for years and still have the use of some $40 million of their own bank bills, created by paper and printing ink and lent out at five and six per cent, and have added the profit on these bills to their annual intake. In addition to that let me point out that some fifteen or twenty years ago they were paying dividends as high as fourteen or sixteen per cent on their capital, and at the same time piling up the hidden reserves. Over a considerable period of time, on top of these figures, they were paying for many years income tax of their staff out of profits and deducting that from their profits before those profits were taxed. They have a substantial and satisfactory pension fund for their employees in which they have set aside out of profits, in the last fifteen years, $22½ million. I do not complain of that; I think it is a splendid thing. I only wish we could provide for our civil servants on the same basis. But I want to answer this question about wrecking the banks.

Mr. ILSLEY: Civil servants are provided for on a more generous basis.

Mr. SLAGHT: So my hon. friend says.

Mr. ILSLEY: It is true, too.

Mr. SLAGHT: That does not seem to be the opinion that is held. Let us not forget that out of 11½ million people there are 51,000 shareholders, and some of the shareholders are corporations, who in turn represent many shareholders who share at second hand in the rich dividends that the banks are able to declare.

They try to frighten us by saying that if you take away this privilege of lending to the government, they may stop paying to the savings depositors 1½ per cent, which is the nominal rate, but which Mr. Towers states works out at only slightly more than one per cent as representing what the savings depositor secures. It was suggested that this is a burden on the banks and that if we clipped their wings at all by taking this monopoly from them they would reduce the interest rate. I am not alarmed by that, and I again quote the Minister of Finance at page 2546 of *Hansard*:

> There can be no doubt about the competition for deposit accounts; even though the banks pay the same rate of interest on deposits there are other ways in which the keen competition manifests itself.

So that the banks are only too happy to get savings accounts deposits. If you have read, as I did in the last three months before the committee sat, the advertisements in the press of the chartered banks you will recall that they pointed out what great virtue there is in having competition among the banks, and they invite savings deposits. They invite you to accept their service. It must not be forgotten that we run a savings deposit account in our post office department. I was greatly intrigued by the alarm set up by the hon. member for Northumberland, Ont., who said that it would not be safe to deposit money with the post office savings department because the building might burn down or it would be an inducement for robbers to enter the post offices and steal the money. That is the type of argument that is being sought out and put forward on the floor of the House of Commons in opposition to the retaking of this monopoly privilege which in my view the banks should never have enjoyed.

Let me suggest this. The banks may have to reduce their dividends slightly for the first year if this amendment carries. They may have to stop piling up further hidden reserves at the rate they have been doing and the amount of which they refuse to tell us. They may have to drag out into the open some of these hidden reserves. But so far as other results are concerned there is nothing to interfere with the shareholders of the banks. There is nothing unfair to them or to the people of Canada, and such fears are purely imaginary and conjured up. They will not stand investigation.

Let me put to you in a word what rights the banks would still have left to themselves if this horrible calamity which is going to wreck them were put into effect. I will tell you in a nutshell what they could still do. We do not interfere in any way with the remunerative business the banks do in carrying on legitimate commercial banking by lending to industries and to the business men of the country, which we are told last year, with their loans abroad, as well as in Canada, produced a revenue, on loans and discounts, of $55 million on an original capital of $145,500,000; nor will this amendment interfere in any way with the excellent business they do in exchange commissions, service charges and other current operating earnings. That is an item they insert, and last year the ten banks had a revenue of $35 million from these sources, which would not be interfered with. The amendment we propose will however have the effect of forcing the banks to bestir themselves to lend their money to the general public in a greater degree instead of sitting back and locking up government securities in their vaults and folding their hands complacently with the knowledge that they cannot lose. That, I suggest, would have a healthy effect on Canadian industry and prospective borrowers. Let me give some figures which I think may startle hon. members although we are familiar with them in the committee.

What our amendment, if carried, still leaves the banks the right to do business on is this: $145,500,000 original capital, on which they would be allowed to lend, and $136 million of reserve, a total of $282 million. On April 30 last, as taken from the official figures, the private banks had savings deposits of $2,254 million, which with the two items mentioned makes a total of $2,536 million, or roughly speaking $2½ billion, which after our amendment carries they will be entitled to lend to the people of Canada but not to the government of Canada.

Let us see what their needs have been in lending to the public during the last ten years. First, it will interest you to know that their lendings in 1944, on April 30 of this year, their outstanding loans to the public, were in Canada $962 million only. That is a

bit low. I want to be fair about this. It is a bit low because the government itself has been financing industry to such a large extent that the needs of private borrowers have been less. But get these figures: $962 million is the total that the banks had out, lent to private persons or industry in Canada on April 30, a couple of months ago. They had lent abroad an extra $197 million, in Nassau and Cuba and in their foreign branches, making a total of money on loan of $1,159 million. I showed you that they would have $2,600 million under this plan. But, you may say, back through the years it may be they were lending the public a great deal more than that. Let me hurriedly give you the facts. In 1938 their total loans, Canada and abroad, were $1,191 million; in 1939, $1,236,000,000; in 1940, $1,317,000,000; in 1941, $1,497,000,000; in 1942, $1,367,000,000 and in 1943, $1,333,000,000. In each of these years they would still have only about one-half of the money left to lend to the public in future years if we do not wreck them by the amendment being put into effect.

A word about service charges; I think the hon. member for Vancouver-Burrard covered that sufficiently this afternoon. I entirely agree with him. What hon. member in this committee will say that the man who receives the benefit, the large corporation that gets the major benefit out of being serviced by the splendid banking system ought not to pay for it? Under the present system all the taxpayers of the country pay it in the interest they pay on the bonds that the government of Canada have lodged in the vaults. All the taxpayers of Canada pay the service charge regardless of who gets the most benefit. I should like to have an hon. member of this committee rise and defend the continuation of that system. Somebody says, why should they not pay it all, because the little fellows, the poor people, the under-dogs have not bank accounts anyway? They have not sufficient income to come within the lower brackets of the income tax. I say that there are 958,000 Canadians who are in the two lower brackets; that is, the unmarried man from $660 to $1,200 and the married man from $1,200 to $1,800. That group constitutes 958,000 taxpayers out of something over two million in Canada who pay a total of $882,000,000. The two groups I have mentioned paid $87,000,000, a small amount but it is big to them. Taxes bear more heavily on them. They are not based on such a heavy ratio on the little fellow as on the big fellow, but on top of that every man who has a little family pays an eight per cent sales tax on everything that he buys for his children, and he has to buy three outfits in a year. We are to-day taking a part of the salary of the little fellow to bonus, as the hon. member for Vancouver-Burrard said, to finance the private banks of Canada. I want to quit this sort of thing. I think it is time we quit it. It is not a good enough reason to refuse to vote for this amendment to say—

The CHAIRMAN: Order. The hon. member has now spoken for forty minutes.

Mr. McGEER: One or two statements made by the hon. member for Ontario should not, I think, be allowed to go unchallenged. He dragged out the old bugaboo of German inflation. "Germany's Master Plan," written by Joseph Borkin, who has been for many years economic adviser to the anti-trust division, department of justice of the United States, particularly with regard to foreign international cartels, and Charles A. Welsh, who is an authority on international trade and finance and is a cartel expert for the office of price administration, outlined how Germany had merged economic and air commands, and marshalled light metals and gas and everything else for the purpose of establishing world conquest. At page 9 they say:

> How perfectly these tactics interlocked in the design is evident in the sucession of manoeuvres which made up German policy during the 1920's. A planned inflation liquidated the cost of the first world war.

A planned inflation was carried out in 1920 as the first step toward liquidating the debts so that they could move with the same managed currency to build the greatest war machine in the world. It was the accumulation of debts that demanded the inflation which liquidated them, not the inflation that caused the collapse of the debts. I take it that those gentlemen are probably in a position to speak with even greater authority upon that particular issue than the hon. member for Ontario. He also referred to the fact that fiat currency is dangerous currency. We have had a fiat currency since 1928. Mr. C. E. Neill, vice-president of the Royal Bank of Canada, refutes the statement of the hon. member for Ontario with regard to his ideas of the supply of money in relation to the distribution of goods and with regard to his ideas about fiat currency. May I place on the record Mr. Neill's statement taken from the annual report of the Royal Bank of Canada in 1932. This is what he says:

> These wide fluctuations in the money value of output are clearly a monetary phenomenon which, if properly understood, could be prevented. Over-supply of individual commodities could explain the decline in the value of one commodity in relation to another. Over-production of agricultural products in relation to manufactured articles would justify a decline

in the price of farm products as compared with the products of industry, but when the average of all prices declines this can only be explained by an undersupply of that in which prices are expressed, i.e., money, and it would seem that if the effective supply of money is kept in the right relation to production of commodities the phenomenon of a declining average price level will not occur.

He then goes on to say:

If on the collapse of the stock market boom the principal central banks of the world had decided that drastic contraction of currency and credit was not to be permitted, a drastic fall in the price level could not have occurred. Thus the countries with fiat currencies, such as Argentina, Uruguay and Spain are not suffering anything like as acutely as the gold countries.

I take it that Mr. C. E. Neill, because of his position, is probably a better authority than the hon. member for Ontario. I wish to put one more quotation on the record in answer to the old wheeeze that you cannot get something for nothing. On April 24, 1939, Mr. M. S. Eccles, chairman of the federal reserve system, explaining how the $15,500,000,000 of gold was paid for by the treasury of the United States, made this statement:

The process by which the treasury acquires gold and puts it into use involves a number of technical steps, partly the result of custom, partly the result of law and regulation. Reduced to simple terms they are as follows:

1. The treasury receives the gold—usually at a United States assay office or mint—and issues a cheque in payment for it.
2. The cheque is deposited by the seller of the gold at his bank, which gives him credit in his deposit account.
3. The bank deposits the cheque in the federal reserve bank and receives credit in its reserve account.
4. The federal reserve bank charges the cheque to the balance which the treasury maintains with it.
5. The treasury replenishes this balance by crediting gold certificates to the federal reserve bank in exchange for deposit credit.

At the conclusion of these five steps the matter stands as follows: The treasury has possession of the gold; bank deposits and bank reserves have both been increased by the amount of the gold; and the treasury's checking balance at the federal reserve banks, reduced by the purchase of the gold, has been restored by credits based upon the gold.

The purchase of the gold has cost the treasury nothing.

If you can get $15,500,000,000 in gold into the treasury of the United States for nothing, by a sane management of the national currency power, you can do something of the same kind here.

Then, one word in regard to the argument that this amendment is inflationary. All this amendment proposes is to give the Minister of Finance, the governor of the Bank of Canada and the Prime Minister power to say to the banks, "You cannot inflate your bank deposit money, and you cannot issue money to the amount of eight, nine or ten times the amount you have." This is to prevent that kind of inflation which caused the last disastrous collapse. It is not to create an unlimited supply of money, but rather to place the government, in its intelligence and understanding, in a position to stop this pyramiding of debt, to use national currency in terms of private need, and to substitute that process for the one of allowing bankers to issue a fiction of money in terms of bankers' greed.

The CHAIRMAN: I must repeat that there has been considerable repetition. We shall have to do something about that, and must stay more closely to the section.

Mr. MOORE: May I be allowed in a few words to reply to the statements made by the hon. member for Vancouver-Burrard and the hon. member for Parry Sound. They have referred to the monetary cause of the depression. The hon. member for Vancouver-Burrard has put my word up against that of one of the bankers. Well, I propose to seek shelter in the word of an economist from the London school of economics, Professor F. A. Hayek.

We are marshalling our authority, and it is for the committee to decide, not which are the better authorities, but which carry the most conviction. Professor Hayek, writing in 1932, in the midst of the depression, said:

There is no reason to assume that the crisis was started by a deliberate deflationary action on the part of the monetary authorities, or that the deflation itself is anything but a secondary phenomenon, a process induced by maladjustments of industry.

Mr. SLAGHT: Is he speaking of a country?

Mr. MOORE: He is speaking of the world depression, and continues:

If the deflation is not the cause but an effect of the unprofitableness of industry, then it is surely vain to hope that by reversing the deflationary process we can regain lasting prosperity.

Mr. BLACKMORE: What is the meaning of the expression "maladjustments of industry" used by the professor?

Mr. MOORE: I cannot tell the hon. member in a word. I think it would take me more time than this committee is prepared to allow me to give the causes of that depression. As will be recalled, I quoted some of them in the banking and commerce committee, drawn from the economic committee of the League of Nations, and the hon. member was good

enough to say that they were a valuable contribution to the discussion. Professor Hayek went on to say:

> To combat the depression by a forced credit expansion is to attempt to cure the evil by the very means which brought it about; because we are suffering from a misdirection of production, we want to create further misdirection—a procedure which can only lead to a much more severe crisis as soon as the credit expansion comes to an end.

I wish now to refer to another matter. I am not satisfied with the statements of the hon. members for Vancouver-Burrard and Parry Sound. This word "inflation" is a bad word. It is something like the word "toadstool"—it has no scientific meaning. But I think in the way the term is now used I can use it to point out that the inflation in Germany was not brought about, solely at least, by a parcel of crooks. There were honest men in Germany—then, at any rate. And there were honest men who advocated the issue of state money to solve their problems.

I spoke of the opinion of von Mises. I have now before me an exact quotation of the arguments of honest men, such as we have here to-day in the house, as to the objective and the desirability of issuing more and more state money. He said that this was their argument:

> Let the state create money, and make the poor rich, and free them from the bonds of the capitalists! How foolish to forgo the opportunity of making everybody rich, and consequently happy, that the state's right to create money gives it! How wrong to forgo it simply because this would run counter to the interests of the rich! How wicked of the economists to assert that it is not within the power of the state to create wealth by means of the printing press!

And during this debate I have thought of these next words several times:

> You statesmen want to build railways, and complain of the low state of the exchequer? Well, then, do not beg loans from the capitalists and anxiously calculate whether your railways will bring in enough to enable you to pay interest and amortization on your debt. Create money, and help yourselves.

Those were the statements of men who at that time in that country honestly—quite honestly—believed that they were doing the best thing in the interests of the public.

I should like to say just a few words about the topic discussed by the hon. member for Parry Sound, namely that of hidden reserves—sometimes known as inner reserves, undisclosed reserves or secret reserves. If our banks are wrong in having them and if the Minister of Finance is wrong in permitting the banks to have them, certainly we in Canada are not alone, because they are the general practice wherever there is a good and efficient banking system. It is the general practice throughout the world.

Mr. SLAGHT: Will the hon. member say that in the other jurisdictions he has in mind the banks are abetted by the treasury department in a refusal to disclose to parliament the amounts of their secret reserves?

Mr. ILSLEY: Certainly.

Mr. MOORE: There are different organizations of banking laws and banking systems. They are quite different. It is well known, however, that the English banks have secret reserves; certainly there is no secrecy about the existence of those reserves. It is a well known fact that in Switzerland—and Swiss laws are very modern—they have secret reserves. Of what? Bankers are a little different from the corner grocer or most of the rest of us.

Mr. SLAGHT: Indeed they are.

Mr. MOORE: They are called upon to pay on demand. There must be no hesitation; they must pay over the counter. In normal times that is an easy thing to do. They have their disclosed reserves which are counted in millions and which are there for the protection of the public, of the man who wants his money paid over the counter. In normal times there is no trouble, but when those reserves begin to go down they are considered to be something like a barometer. People begin to fear that there is going to be trouble. I suppose members of parliament would not mind watching them go down. Some members would not, I suppose, but I wonder if they would. People begin to think they had better go to draw out their money. That would be generally true of the public mind. What is the reason? Inner reserves are difficult to deal with, statistically speaking, because of the fact that they are not disclosed. I admit that, but they seem to be a necessary thing as long as you are going to have published reserves.

Mr. McGEER: Is it not a fact that, according to the evidence before the banking and commerce committee, right in the depths of the depression in 1933 five banks disclosed $29,500,000 worth of losses and that this did not affect public confidence one bit? They said they had to make up their inner reserves to that extent.

Mr. MOORE: That is rather extraneous to what I was attempting to say. I was going to give an opinion as to why there are inner reserves as given by a man who I consider as probably the greatest authority in the world

as to modern banking systems, Sir Otto Niemeyer. The deputy minister of finance will remember that Sir Otto's last work dealt with the reorganization of the banking system in the Argentine. Here is what he said:

> I am sure there is a feeling in many parts of the world that if at any moment the cover goes down, something awful is going to happen. That is very prominent in many of the smaller countries of Europe. Anything which could induce the public to realize that a variation in the margin of cover following seasonal needs was a perfectly normal thing, and you ought to expect to see it, might offer a considerable alleviation of our difficulties. It is perhaps natural that the usual feeling should be the contrary after the currency disturbances which we have had. Public opinion in a great many cases is extraordinarily susceptible to the minor fluctuations of cover, not unnaturally, because they have lived through periods of heavy depreciation and heavy devaluation.

Mr. McGEER: He was director of the Bank of England, was he not?

Mr. MOORE: The taxation of those inner reserves is an entirely different matter and one which I think should be discussed and which has been discussed over and over again. Are those reserves to be subject to taxation? Under the old theory, no, because the very keeping of reserves meant a tax because the reserves were then kept in non-interest producing gold. Now they are kept very largely, as we know, and as Mr. Allen, secretary of the British Banking Institute, points out, by writing down the assets. That is largely the practice here; it is done by the conservative, the ultra-conservative or shall I say the progressive conservative devaluation of assets.

We had this difficulty. These inner reserves are disclosed to the inspector general of banks who in turn discloses them to the Minister of Finance. I assume that they did not go directly to the Minister of National Revenue, although I cannot tell what one minister says to another. But at any rate under the amendment to the bill the Minister of National Revenue is to have information of that condition. I have very little more to say.

Mr. SLAGHT: Let me correct the hon. member. The amendment does not say that he is to be informed of that condition. It says that the banks are to continue to disclose them to the Minister of Finance and if, and only if he in his judgment decides that they are excessive, then he shall inform the Minister of National Revenue.

Mr. ILSLEY: As I said last night, the Minister of National Revenue is entitled to the information from the banks as of his own right just as he is entitled to information from any other taxpayer.

Mr. SLAGHT: The evidence was that for fifteen years he never had it from the banks.

Mr. ILSLEY: Because he relied on the Minister of Finance.

Mr. SLAGHT: The rest of us do not rely on the Minister of Finance to evade taxation.

Mr. ILSLEY: No taxation has ever been evaded.

Mr. MOORE: I have just one more observation to make with regard to the matter of secrecy. Yesterday one hon. member said that he had asked one banker the amount of his inner reserves aud had been refused the information. He complained of that secrecy. Well, is our own house quite clean? We have insisted upon secrecy in the management of our moneys or the moneys we represent. I turn to the Exchange Fund Act, chapter 60, 1935, section 10 of which reads:

> (1) No person employed in the service of His Majesty or of the Bank of Canada shall communicate or allow to be communicated to any person not legally entitled thereto—

That includes members of parliament.

> —under the provisions of this act or by direction of the minister, any information with respect to the operation of the said special account, or allow any such person to inspect or have access to any written statement with respect to the said account.

I am dealing now only with the principle of secrecy and the necessity for it in the conduct of some matters, including this matter. This section continues:

> (2) Any person violating any of the provisions of this section shall be liable on summary conviction to a penalty not exceeding one thousand dollars, or to imprisonment for a period not exceeding six months or to both fine and imprisonment.

There is the principle of secrecy. I appreciate your permission, Mr. Chairman, to speak again and I shall try not to trespass again.

Mr. ILSLEY: I should like to say a few words about the amendment and about some of the remarks made to the committee in support of it. The hon. member for Parry Sound has made two speeches, one last night and one this afternoon, which have been dealt with to some extent by other speakers, but some of the points are still outstanding. The hon. gentleman, both in the banking and commerce committee and in his speech last night and again this afternoon, repeated with great emphasis the allegation that depositors or others using the chartered banks should pay for that privilege, and that if a system is established under which they do not pay the full services charges, that is unjust to the general body of depositors and discriminates

against them in favour of what are called the wealthy corporations. An argument is built up on that and members are virtually being challenged to rise in their places and say that there is no justice in the present system.

Just consider the situation. A depositor establishes a deposit in a bank. That is money. It may be argued by Social Crediters and others that it had fountain-pen origin or something of that kind. But when a depositor is in a position to make a deposit in a bank, that is money. It is as exactly good as legal tender. He is entitled to legal tender for it and he is in a position to get it.

Why does he deposit that money in a bank? Ordinarily if he deposits it in a current account he expects bank services in connection with the deposit. He expects to be able to draw cheques upon the account, to get his money out when he wants it, to put other money in to add to the account, and so on. These services cost something. They cannot be rendered unless the bank has the necessary equipment, the buildings, the staff that knows its business, and so conducts its business that it is in a position to be able to discharge its obligations in reference to the deposit at any time. Almost anyone would think, if he were depositing his money in a bank and getting these services, the bank should be able to make use of the money deposited and get what benefit it could from the use of that money before a charge against the person making the deposit is made. I think almost anyone would say that that was fair. If the government were to step in, as is suggested here, and take the total amount of that deposit away from the bank, move it to the Bank of Canada and hold it there without paying any interest on it, that would be depriving the bank of any opportunity of earning anything by using that money and thereby depriving the depositor of the benefit of the use of his money. It would be taking that away from the depositor. I submit that that is unfair, and in the only jurisdiction in which this system has been adopted, in Australia, the unfairness of it was recognized and the government paid the service charge. It was not sought to throw the service charge on the person using the bank. To do that would be equivalent, as I said in the speech in which I introduced the Bank Act, to putting into effect a compulsory loan without interest from the depositor or from the bank or from both.

But in another aspect it is imposi g a tax upon those using the banking facilities. When I say it would fall wholly upon the depositor, the banks might, of course, pass the burden on to other classes, to their savings depositors or to their shareholders or to their employees, but the natural body upon whom the burden would fall would be those using the facilities of the bank; that is the depositors.

In the amendment before us it is proposed that steps be taken by which dominion government securities, amounting to about $2,700 million, now owned by the banks would be taken from the banks, and the banks would be deprived of their interest charges which amount to about $39 or $40 million, with the result that the banks would be heavily in deficit and would have to pass on a large part of that to those using their facilities. Is that a good tax? Is it a better or a worse tax than the kind of taxes out of which the interest is paid?

The hon. member for Parry Sound says that it is a better tax. He says it is a better tax than the sales tax. I think it is generally appreciated that the great bulk of our revenue of $2,750 million is raised from income tax and from excess profits tax. But the hon. member for Parry Sound picks out the $305 million that is raised from the sales tax, a very substantial part of which is fictitious because it is on government purchases. But he picks out the sales tax and says: We are making the humble purchaser, the man who buys boots and shoes and clothing for his children pay, through the sales tax, on the things he has to buy, for what the big corporations using the banks ought to pay. But it is not only the big corporations that use the banks. There are five million bank accounts in Canada, a large number of them savings accounts, and some of them current accounts. To put a gigantic service charge, such as this would be, upon those using the facilities of the banks would be to impose the most unsound of all taxes. It would be what is called a regressive tax. It would have no reference whatever to the ability of the person to pay it. It would bear most heavily on small persons and businesses. It would be a tax that would be pyramided in the normal course of events and it would make its appearance in the price. If it did not make its appearance in the price, it would be at the expense of the government. A large part of the service charge would fall upon the government itself. It is one of the greatest users of banking facilities in Canada at the present time. Judged by any standards that apply to sound taxation, it would in my judgment be a very bad tax.

I am glad, however, that the issue has been driven to that point because that is the point where it ought to have been from the beginning. We have been discussing this matter for the last two or three years. First those who were advocating this system of borrowing

from the Bank of Canada thought it would be just money saved; there would be no expense to anybody in borrowing from the Bank of Canada; it did not cost the Bank of Canada anything because they did not have to service deposit; therefore it did not cost anybody anything. That was just too good to be true. It was just reached for and brought down out of the air. But when the proposition is analysed it is found that somebody has to bear a burden substantially equivalent to the very moderate interest that we pay on these loans. Somebody has to bear the burden and it is a question whether that burden should be shifted or not. The issue becomes clarified when members argue on that instead of basing their arguments on other considerations. If the hon. gentleman could establish by anything in the evidence anywhere that the banks are making excessive profits, he might very well argue that the banks should bear a portion of that burden. But there is no such evidence whatever. We knew the importance of that and that is why we had the table compiled which appears on page 2550 of *Hansard* of May 2, 1944. The figures in that table are concrete. They show the average of the years from 1929 to 1943. They show that for the past fifteen years between 1929 and 1943, including some bad years and a great number of good years, the ratio of shareholders' net income to the total published shareholders' equity was 5·09 per cent, and if inner reserves were regarded as unpublished shareholders' equity it would be less than 5·09 per cent. It would not be that much. Nobody, I think, can argue that a 5·09 per cent return over a fifteen year period on shareholders' equity justifies any contention that the banks of this country are making excessive returns. In 1943 the return was a little higher than that; it was 6·03 per cent, and that was a year of admittedly heavy earnings. But these figures are certainly no justification whatever for the contention made this afternoon that the bankers have been profiteering at the expense of the Canadian people.

There have been many errors of statement in the speeches which have been made. For instance, the hon. gentleman talks about "their well-earned published reserves". It has been repeatedly pointed out to the hon. gentleman that about one-half of these published returns were not earned; they were subscribed. They were premiums on stock. Why, then, refer to these reserves as "well-earned"? "I do not begrudge it to them", he said, "these well-earned published reserves". As a matter of fact something over $60 million of that was subscribed.

Then we have this reference to the "smoke-screen" of the banks put on by their "advocates". Those of us who have views about what ought to be done with reference to the banks of this country are not advocates of the banks; we are simply expressing what we consider to be in the public interest. As to this reference to inflation as a "bugaboo" and a "spectre", there is nothing of the bugaboo and the spectre about inflation. Inflation is one of the greatest dangers which can confront any country in time of war, and many countries have been utterly unable to cope with it. And if we were to take the steps which were advocated two or three years ago, namely, a large borrowing from the Bank of Canada, section 59 being as it was, we would have been taking a course which inevitably would have led to a very serious degree of inflation.

May I now refer to inner reserves, which have been dealt with by a number of speakers. I was confronted with a very great and very grave responsibility when the hon. member for Parry Sound in the banking and commerce committee called upon me to do what had never been done by any other finance minister in the history of this country, and what no banking and commerce committee which had considered the matter—and several of them had—would ever take the responsibility of doing; that is, to say that there should be no system of inner or undisclosed reserves in the banking system of the Dominion of Canada. I had to take a very great responsibility when the hon. member started out by wanting the inner reserves of the Canadian Bank of Commerce disclosed. The general manager of the Canadian Bank of Commerce said that he did not know whether it would be proper for him to disclose them or not. Thereupon the hon. member turned to me and asked me to take the matter under consideration. I took the matter under consideration, made inquiry as to what was done in other countries and the reasons for the practice which had been adopted in this country, and came to the conclusion, as I had every right to do, that it was not in the public interest to disclose the reserves of the Canadian chartered banks. I came to that conclusion for, I believe, very good reasons, indeed, for the same reasons by which finance ministers everywhere have come to the same conclusion when the question came before them for consideration. I have had an opportunity of discussing these matters with the

finance ministers of two other countries, and with a very highly placed treasury official of another country who, for a purpose of this kind, would be practically the same as a finance minister; and they all have the same story. They say they get the information; they watch the situation very carefully, but they do not publish those reserves, and they do not publish those reserves for two or three reasons.

In the first place, publication is bound to give rise to serious misinterpretations and misconceptions. One need only listen to the debate in this house to realize how intricate and difficult the matter is and the misunderstandings which are bound to arise as to what is there. After all, there is nothing there except a write-down of the assets to a conservative valuation. There is no shareholders' equity there at all. If the inner reserves are correctly appraised they will all be required to meet bad debts and losses on securities on realization.

Mr. FRASER (Northumberland): There is no pot of gold.

Mr. ILSLEY: As the hon. member for Northumberland, Ontario, says, there is no pot of gold. But once you call them "inner reserves", and particularly if you add adjectives such as "secret", "hidden" and so on, it is regarded and would be regarded by a good many persons as a sort of treasure trove which could be drawn upon by the public, especially when times were good, when it did not look as if the reserves were needed, and when there was not any apparent danger of decline in the value of loans and securities. But far more important than that is the danger of fluctuations in reserves, that they might go down and down and eventually disappear, and then the published reserves would have to be resorted to, as they were once in the history of this country, in 1933. And when hon. gentlemen say that that did not do anything to impair confidence in the banks concerned—for all of them were not concerned—they are not making a statement in accordance with the evidence before the banking and commerce committee or with the facts. The evidence there indicated that the banks concerned suffered to some extent from lack of confidence and withdrawal of deposits. But whether they did or not, nobody in his senses would want a repetition of that experience. Nobody would want successive or repeated resorts to published reserves, or publication of the lowering of the level of the inner reserves. These are reasons for my coming to the conclusion I did.

The hon. gentleman talks about the banks having been "caught" in an attempt to evade taxation. The hon. member for Northumberland, Ont., dealt last night with that part effectively and very truly. This year it was late—after the banking and commerce committee met—when I went over this matter with the inspector general of banks; and I came to the conclusion, after conferences with the deputy minister of finance and the governor of the Bank of Canada, that I did not agree with the valuations placed upon securities in certain of the banks—in two, perhaps three. That does not justify language such as the hon. member for Parry Sound used about the banks having been "caught", and I think in other places he talked about their being obliged to "disgorge". It merely means that the judgment of their auditors, who are quasi public officials, and of their directors, who I think exercised their responsibility, differed somewhat from the judgment of the governor of the Bank of Canada, the deputy minister and myself. But there has been no evasion of taxation responsibility by the banks, nor will there be as long as I have anything to do with the matter. These inner reserves are reported every year, like the other affairs of the banks, to the inspector general and are discussed with the finance minister.

The hon. gentleman said, "Very well, but we are proposing a remedy. What is your remedy? It is admitted that there will be great problems during the next few years. At least we have a remedy."

I want to state my agreement with the hon. member for Ontario when he says that monetary remedies are not the most important. The monetary policy is not the most important policy of a country. The most important policies are those which result in the stimulation and maintenance of production, the raising of the national income and a fair and equitable distribution of the national income. If I were to outline what I should like to see in this country in the post-war years—I do not think I have the time to do it fully this afternoon—I would say that we must make sure that we take steps for the stimulation and expansion of export trade, and there are a great many ways in which it can be done; we must make sure that we take steps to ensure the maximum volume of private investment, and there are a great many ways in which that can be done; steps for the stimulation of domestic consumption, and there are a great many ways in which that can be done; and for a programme of public expenditure if it is necessary; that is,

if private investment and private expenditure fall down so that a programme of public expenditure is necessary.

Mr. BLACKMORE: Would the minister permit a question?

Mr. ILSLEY: Yes.

Mr. BLACKMORE: I should be glad if he would specify some of the ways in which consumption can be stimulated. He says that there are several ways. It would be a real contribution to the discussion if he would do that.

Mr. ILSLEY: By family allowances and certain other social security measures, by veterans' reestablishment measures, by the encouragement of improved nutritional standards, by credit facilities for the purchase of amenities for farm homes, by maintaining a proper balance between various sectors of the economy, for example by the support of farm purchasing power, and so on. These are some of the ways.

Mr. BLACKMORE: The money for that would be derived from the consolidated revenue fund?

Mr. ILSLEY: I would hope that if we could get a sufficiently large volume of private investments and expenditure we could maintain full employment and possibly finance without borrowing at all. But if we did borrow we would borrow from the public before borrowing from the banks, and if it came to borrowing from the banking system we would have to use our judgment as to whether and in what proportions we would borrow from the Bank of Canada and from the chartered banks. But—

Mr. SLAGHT: Hear, hear.

Mr. ILSLEY: I beg your pardon?

Mr. SLAGHT: Hear, hear.

Mr. ILSLEY: That is exactly what we are doing now. I see no advantage whatever in borrowing from the Bank of Canada rather than from the chartered banks and none has been established.

With regard to the amendment, it proposes that a board be set up consisting of the Prime Minister, the Minister of Finance and the governor of the Bank of Canada, to pass upon, control and regulate loans, investments and securities made by the banks—at least those that would result in the creation of deposits. That, I gather, is the proposal, and it applies to each bank. As regards the wording of the amendment, I do not think it is good. I think it is in language of monetary economics rather than in the language of legislation. But if that is what the amendment means, that this board is to pass upon all loans, upon the limit of the loans that may be made by any bank, the limit of securities that may be bought by any bank, it seems to me it places a virtually impossible task upon a government board. I cannot imagine the Prime Minister, the Minister of Finance and the governor of the Bank of Canada being able to do that intelligently or effectively. It would mean a quota for each bank. The bank of Montreal could make loans and buy securities up to a certain amount; the bank of Commerce could do likewise. But there would be no limit upon their calling in loans. There would be no limit upon the restriction but there would be upon the expansion. It is based upon the theory that our present control, the control of the volume of cash reserve by the Bank of Canada, is ineffective, and it certainly has not been proved that that control is ineffective. I could not imagine that kind of interference with the management of the banks on the part of the Prime Minister, the Minister of Finance and the governor of the Bank of Canada. I submit to the committee that no case has been made for it and I shall have to decline to accept it.

Mr. SLAGHT: May I say one word arising out of what the minister has said. I will not detain the committee. On the last point he said that monetary policy is not the most important policy in a country. I wish to read what his leader said in that regard:

> Once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws. Usury, once in control, will wreck any nation. Until the control of the issue of currency and credit shall be restored to government and recognized as its most conspicuous and sacred responsibility, all talk of sovereignty of parliament and of democracy is idle and futile.

I leave the two opinions to the judgment of the committee.

Mr. COLDWELL: I shall take only a few minutes. I did not wish to intervene during the discussion that was going on with regard to monetary theory between certain hon. members and the minister. In my view the amendment now before the committee is an attempt to place under the control of parliament, to some degree at least, monetary policy and particularly the policy of making loans and creating deposits, and to that extent I am in agreement with the proposal. We have heard a very great deal in the last two or three months about money and monetary systems. In my opinion the whole discussion before the banking and commerce committee and in this

house drives us more and more to the inescapable conclusion that there is no satisfactory way of bringing our monetary system under the control of this parliament except by the national ownership and control of our banking and financial system. The alternatives that are presented to us are pretty much those of continuing as we are, on the one hand, and on the other, of bringing the monetary and financial system under the control of parliament through the socializing of the banking system. That, of course, has been our view throughout. I have before me a copy of the Regina manifesto, which we approved in 1933, calling for the socialization of finance. I quote:

> Planning by itself will be of little use if the public authority has not the power to carry its plans into effect. Such power will require the control of finance and of all those vital industries and services which, if they remain in private hands, can be used to thwart or corrupt the will of the public authority. Control of finance is the first step to the control of the whole economy. The chartered banks must be socialized and removed from the control of private profit-seeking interests.

That is from the Regina manifesto of the Cooperative Commonwealth Federation. That was our view in 1933 and is our view now, and the more this discussion has gone on the more we have been driven to the inescapable conclusion that if we are to deal with this power which is called financial, the only way to do so is to take the control out of private hands.

With regard to some of the other points in the discussion, mentioned in connection with this amendment, I merely want to say this. It is almost impossible to compare monetary policy under different systems within different nations with the system which we have in our country. We have heard some discussion to-day about what happened in Germany. Well, the men who brought about inflation in Germany may have been honest, but the effect was to destroy the equities of many people in physical property and to transfer, in effect, properties from one group of people to another in that country, with the result that they were free of debt and able to start all over again and build up their war machine, as has been pointed out here several times.

Mr. McGEER: They did it deliberately.

Mr. COLDWELL: I will not say whether they did it deliberately or not. We have not access to their minds and therefore I am going to leave that an open question.

The Russian monetary policy was mentioned yesterday and the rates of interest in Russia have been mentioned from time to time. But again let me say that it is almost impossible to compare the monetary system in Russia with the monetary system in this country. After all, in that country the value of money was deliberately destroyed. Money as a commodity ceased to exist and the money in the pockets of the people meant very little indeed in our terms. The financing of this country is done in an entirely different way. When we make comparisons I think we make an understanding of our own system a little more difficult. We cannot compare things that are unlike. The purpose of money in the Russian economy is money of account and, to only a small degree, money of exchange. Certainly money is not a commodity to be bought and sold and lent at interest as it is with us.

Perhaps the governor of the Bank of Canada placed before the banking and commerce committee a point of view that we should keep in our minds. He said:

> The real cost of government expenditures is the use of labour and equipment required to carry out projects. When the question is asked if we can finance a certain government expenditure, the fundamental problem is whether we can afford to devote a certain amount of our productive resources to the projects in question. The problem of how the government can obtain the money which will give it title to the labour and equipment . . . is not the fundamental question.

Mr. McGEER: How are you to get it if you have not the money?

Mr. COLDWELL: The fundamental problem is the problem of the resources, of the equipment and of labour under a proper plan. If you have these things there is no reason in the world why money cannot be found to move the goods and services from the producer to the consumer.

Mr. McGEER: Where and how is it to be found?

Mr. COLDWELL: If you own your resources and if you can plan your production and control your goods, then through your financial system the money can be found.

Mr. McGEER: Where?

Mr. COLDWELL: It will arise and be distributed through the process of production. It is intimately connected with this. I presume that one of the reasons why we are so much interested to-day in this question of money and of financing is our experience during the years of depression and the fear of the future. I had intended to place this thought before the banking and commerce committee at the appropriate time, but I am going to put it before this committee now. From time to time some of us are accused of being unduly pessimistic about the future; that we are promoting the psychology of fear

and all the rest of it. That is not true. I do not believe there is any reason why we should be afraid of the future in this country if we have a proper economic system and a proper monetary system to move the goods and services around. I do not think there is any need for fear, but I point out that that fear arises in the minds of people who are intimately acquainted with the present economic system. For example, a short time ago Mr. Roger Babson issued a report, as he frequently does, and that report as most hon. members know is regarded by a good many business men in this country as a guide and almost as a sacred document. His weekly report for May 1, 1944, must have come as something of a shock to his well-to-do subscribers. It contained a supplement entitled "Mr. Babson's Personal Message to Parents with Boys in the Service". This is what he had to say. Remember, when I read it, that Mr. Babson is a supporter of the Republican party, and consequently the injection of the Republican party into this opinion is only of significance because of Mr. Babson's association with that party.

> Within a reasonable time after world war II, the United States should have a few years of good business, stimulated by a complete Republican victory in 1948. But sometime after 1950, we will again be in a violent business depression accompanied by great unemployment. This could result surely in another new deal victory in 1952, if not in a bloodless revolution of some kind. Much depends upon the then existing economic conditions in Russia. If Russia's collective system with her planned economy has failed, we have little then to fear here. Otherwise, we are destined to suffer from violent United States inflation and the unwise legislation which may make stocks, bonds, mortgages, and bank accounts of little value.

These are not my words. They are the warning words of Mr. Roger Babson. In discussing the Bank Act it seems to me that we ought to see to it that as much authority as possible is preserved to this parliament. That is why I am going to support the amendment. I support it because I believe it is an attempt to put the responsible ministers, the Prime Minister and the Minister of Finance, together with the governor of the Bank of Canada, in a position where they can influence monetary policy in this country in the post-war years. I do not wish to delay the committee, but there are two or three other things that I should have liked to have said. However, I see it is six o'clock.

The CHAIRMAN: Before the committee rises may I say that after eight o'clock I am going to try to keep the discussion within the orbit of the amendment now before the committee. Most of the discussion this afternoon has been absolutely outside the amendment now before the committee.

Mr. COLDWELL: If you wish to call the question I will not say any more on it since the discussion has been prolonged.

Mr. BLACKMORE: I do not think it is in the interest of the committee to call the question.

Some hon. MEMBERS: Question.

Amendment negatived.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BLACKMORE: Mr. Chairman, I believe it would be in the interests of all concerned if I were to spend a few moments in reviewing this whole question of the validity of the claim that money can be created. There are some opinions of men who ought to be regarded as authorities, or at least opinions which are worthy of consideration, which it would be well to place before the committee before we leave the discussion of the matter.

I believe it has been fairly well recognized by a great number of those taking part in the debate during the last two or three days, and by many who were in the banking and commerce committee, that it is thoroughly feasible to create debt-free money. I think the minister has not questioned that. He has merely set before the committee the idea that under present circumstances it seems it would be just about as expensive to the government to finance with debt-free money as it is to finance with money borrowed from the banks. That seems to be the argument.

The CHAIRMAN: Order. I would call the hon. member's attention to the fact that section 59 deals with cash reserves in Bank of Canada notes and deposits, and I do not think it would be in order at this time to reopen the discussion with respect to debt-free money. I leave this in the hands of the committee, but I do not think it is in the mood to accept that discussion again. In my view at this time we should keep to the section before the committee.

Mr. BLACKMORE: The committee was particularly desirous of disposing of the amendment before six o'clock. I realized that fully, and because of that I surrendered my right to

discuss the matter on that occasion. Technically, I believe I could be ruled out of order at the present time and, Mr. Chairman, if you persist in doing so, in the light of circumstances as they now stand I must bow to your ruling. I believe, however, that without any great effort you could stretch the rules of the house to allow me to make this speech.

The CHAIRMAN: I am in the hands of the committee and the minister. Many hon. members have been brought to order in the discussion of section 59. However, if it will shorten the discussion or make it more direct to the clause before the committee I would be in favour of the hon. member's proceeding.

Mr. BLACKMORE: I believe that all I have to say, or all I think I should say at this time, can be said in about thirty minutes, and I believe it would be well worth while for me to do so. However, Mr. Chairman, if you feel I should not proceed I shall bow to your ruling.

As I was proceeding to say, the general argument of the Minister of Finance before the banking and commerce committee, and in this committee of the whole, has appeared to be that it is just as expensive to finance with debt-free money as it is to finance with borrowed money. I am not going to argue that aspect of the question, except in a general way.

Let us suppose that we are on an island where gold is to be used as money, and let us suppose further that the rulers of that island have found a gold mine which has yielded choice nuggets. I wonder if they would find it impossible to finance their affairs with the nuggets they could get without any debt at all. I wonder if it would cost as much to finance their affairs with solid gold nuggets as it would with money they would have to borrow from the banks. It just does not make any sense, does it?

I think in the light of the situation, as this illustration presents it, it must appear reasonable to the minister and to members of the committee that where money can be obtained by the simple process of printing it, and when we know so much to-day about financial controls, what causes inflation, and various other things which pertain to sound money, it must surely be more economical, and it must be possible to organize so that it will be more economical to finance with money we can obtain without a debt.

I do not propose to argue that matter. The minister has presented his case, and it is a clash of opinion. What I would like to lay before the committee in the few minutes at my disposal is a general statement as to the feasibility of having debt-free money. May I read for the information of the committee a statement found in a book I hold in my hand entitled, "The Canadian Banking System," by James Holladay. This book was published in 1938. At page 140 I find a passage which, I believe, sets forth some truths for the Canadian people. It states:

> The Bank Act of 1934, however, sets up a specific quantitative reserve which the chartered banks are required to hold against their deposit liabilities. In form, this reserve must consist of a deposit in and notes of the Bank of Canada. In amount, it must be equal to five per cent of the deposit liabilities in Canada. As a result the chartered banks, as a group, can legally create deposits amounting to $20 on the basis of a one-dollar reserve. A much larger secondary expansion is made possible, however, for the Bank of Canada is required to hold only a twenty-five per cent reserve against its liabilities, which in turn constitute the reserves of the chartered banks.
>
> Consequently the Bank of Canada can expand a dollar into four dollars of liabilities which, if borrowed by the chartered banks, will enable them to lend an aggregate of $80 against a primary deposit of one dollar. This compares with a possible legal expansion of $28.50 under the federal reserve system in vogue in the United States.

Briefly put, this simply means that the Bank of Canada can take paper and ink and print a one-dollar bill for whatever it costs to print a one-dollar bill. And when it prints that dollar bill it has a dollar which belongs to the Bank of Canada. Nobody owes it to anybody. This one-dollar bill can be expanded into four dollars by the Bank of Canada, and the four dollars can be expanded by a chartered bank—the bank of Montreal, for instance—into $80. This means that on a basis of a one-dollar bill which the Bank of Canada creates we can erect a structure of $80 in money, in the Dominion of Canada. And every dollar of that has been created in Canada and belongs to the people who created it. In the light of that fact surely there is a tremendous reservoir of financial resources available to the government of the Dominion of Canada. The contention of the monetary reformers is simply that by some mechanism the capacity to create money should be exercised by the state, for the state, and used for the benefit of the people as a whole. The great problem which confronts us nowadays is that of distribution. Surely the money which could be obtained by this method of money creation and credit expansion can be used to distribute the goods which Canadian people are able to produce. That would seem to be just pure common sense, would it not?

I have referred once or twice in this house to the experiment which was conducted in the last war. If hon. members will take the report of the royal commission on banking and currency which was published in 1933 and turn to page 22, paragraph 47, they will find an account of the creation of $26,000,000 of bills by the dominion government during the last war. That $26,000,000 belonged to the dominion government; it was created by the treasury department; it constituted no debt and Canadians have never paid a cent of interest on it and do not now. That money was spent into circulation for various governmental purposes and was just as good money as any which was taxed from the people or which was borrowed from any lending institution. That is a striking illustration of the power to create money and the power to use it safely. On the same page, paragraph 51, there is a statement which I think is valuable to us at the present time. I read:

> But extensive use continued to be made of the power to issue dominion notes to the banks against approved securities with the result that it was decided in 1923 to make this part of the Finance Act mechanism a feature of the normal Canadian financial system. In introducing the new legislation, Mr. Fielding, the Minister of Finance, made the following brief explanation of its purpose:
>
> "The act (Finance Act) was adopted as a war measure, and no doubt was exceedingly useful in the financial operations during the war. It may be said that the war being over we no longer have any need for the act, but experience has shown that the act is still required; indeed, I am inclined to think that something of the kind will have to become almost a permanent part of our financial system."

A former Minister of Finance of this government of Canada, realizing the value of the mechanism of creating dominion notes, recommends that device in 1923 for use in peace time. His recommendation has not been accepted or acted upon. I submit that that recommendation ought to be reviewed with the idea of finding out what benefit there is in the recommendation. May I refer to the work of a man who, I believe, is worthy of some respect, Paul H. Douglas, Professor of Economics at Chicago university. In a book entitled, "Controlling Depressions", published in 1935, he refers to what should be done in order to keep the economy in sound condition, and on page 278 he makes these recommendations:

> (3) A nationally managed system of currency and credit until such time as an international system may be perfected.
>
> (5) The creation of credit by this socialized agency should follow two main principles; (a) to provide, so far as possible, employment or useful work for those thrown out of their jobs by business depressions, and (b) to stabilize in a rough manner the general price level.
>
> (11) The use of a social dividend to consumers or an increased expenditure upon cultural services if the amounts distributed to the purchasers of mass production goods are not sufficient to consume at a profit to industry and under competitive prices the mass production goods and services which are turned out by industry.

Hon. members will recognize that what Professor Douglas is recommending is in fact a form of Social Credit system. He is recommending that money should be created and used to stabilize prices, to increase the consumption power of the people, and generally to improve economic conditions by the employment of men and so on. When one recalls the remarks of Liberal members such as the hon. member for Queens-Lunenburg and the hon. member for Northumberland, Ontario, apparently designed to ridicule the idea of debt-free money, one cannot escape the thought that these members really ought to inform themselves a little more before they set themselves up as authorities on this whole matter. Here is a man worthy of consideration, as the hon. member for Vancouver-Burrard indicated this afternoon.

May I turn to another man who, I think, is worthy of a good deal of thought and consideration. I refer to Vincent C. Vickers, of Armstrong Limited of Great Britain. This man wrote a book which he finished almost on his deathbed entitled, "Economic Tribulation". I should like to read some passages which I consider worthy of real attention on the part of hon. members of this committee and others throughout the country. First of all, let me read who Mr. Vickers was:

> Vincent Cartwright Vickers was born on 16th January, 1879, and educated at Eton and Magdalen college, Oxford. He was a deputy lieutenant of the city of London, a director of Vickers, Limited, for twenty-two years, and a director of the London Assurance from which he resigned in January, 1939. In 1910 he was made a governor of the Bank of England, and resigned this appointment in 1919. Later, he became president of the economic reform club and institute.
>
> He died on 3rd November, 1939, after a long illness during which, against time and with failing strength, he was working and writing on economics. A few days before his death he wrote: "My keen desire to help up to the end has been the sole incentive which still enabled me to carry on perhaps a few weeks longer."

That indicates that this man had been well trained, well educated and had a wealth of experience in affairs, apparently with a great deal of success because he had been promoted to high positions. This should have given him the opportunity to know a great deal about

finance and industry and business generally. In the light of that fact, let me read from the foreword as follows:

Ever since that day in 1926, when, not in arrogance but with humility, I felt it my duty to explain to the governor of the Bank of England, Mr. Montagu Norman, that "henceforth I was going to fight him and the gold standard and the Bank of England policy until I died"—(and well I remember the words of his reply!)—I have been an ardent money reformer. Some few years afterwards I resigned my long directorship of Vickers, Limited; since when I have spent much time and money in advocating the necessity for a reform of the monetary system.

Further, on the same page I read as follows:

I bear no ill-feeling towards my own class or any other class. I seek neither notoriety nor kudos. If someone can change my convictions I shall be only too ready to alter them. But in fifteen years nothing whatever has occurred to make me alter my views. I still believe that the existing system is actively harmful to the state, creates poverty and unemployment, and is the root cause of war.

This personal confession is merely to demonstrate that I have seen both sides of the picture. My opinions are based upon my own experience and knowledge. I am to-day in the unique position of being absolutely and entirely devoid of animosity and wholly disinterested. I feel myself no longer under any restrictions whatsoever, except to guard against doing harm to my country or giving offence to anyone.

Vincent C. Vickers.

I think the words of a man who has had experience of this sort and who approaches his subject with such humility and earnestness ought to be of some value to us in this critical time.

May I read now from page 70 of "Economic Tribulation", to show some of the things which he has to say to bankers as a class. He is speaking to the bankers:

1. I ask you to remember that you are dealing to-day with a general public of a far greater education and of a more thorough knowledge of affairs, of foreign policy and of financial policy, than they have had in previous times; and that the majority of these are conscious that, in some way or another, the key that locks them out from the enjoyment of the good things in the world's shop window is money.

2. That, because the public come into contact with the monetary system mainly through the medium of banks, they naturally tend to blame the banks for the difficulty; not realizing that they are, in large measure, tied houses—tied, that is, to the monetary system, and that, however great or small the faults of banks, it is in reality the system which is at fault.

3. That banking is an industry working for profit, just as a gas company or any other utility company works for profit. And the people, realizing this—erroneously, perhaps—do not believe that any essential supply company should, at one and the same time, have control of the volume of its output and control of the price of its output, when the supply of its product is essential to the lives and welfare of those masses of the people who are dependent upon that product.

4. That, whilst it may be possible, having regard to the immense power of money, artificially to maintain and uphold the present position for some months or for some years to come, against the rising revolt engendered by the present system, yet the time must eventually arrive (as it did in Russia, as it has in Spain, and as it may do in France) when the mass of the people will insist upon their right to possess a much larger share of the country's available wealth, and when they will insist also upon a much nearer approach of to-day's poverty to to-day's wealth. With all earnestness and honesty I implore them to think of this possibility and to take warning in time; to recognize what is inevitable, and to decide: Whether it is best to continue the present regime and, with the power of the press and with the power of money, to continue to fight for its supremacy; or, alternatively, whether it may be best to recognize that, for the good of the country, the maintenance of the empire, the benefit of the British world community, and for their own benefit, they should immediately take steps to associate themselves with those who are demanding reform of the monetary system. This refers more especially to the controllers of the system, embracing the whole of that particular section of the community which deals in, manages, and controls money, credit, and finance, and whose business mainly depends upon the indebtedness of others.

There are two other recommendations, Nos. 5 and 6, which in the interest of brevity I shall not read at this time but which I would recommend hon. members to read at their convenience. The whole of this appeal to the bankers strikes me as being so sensible, so humble and earnest and so sound that I think this House of Commons should be advised as well as the bankers themselves as to the matter under discussion when Mr. Vickers speaks.

I turn now to page 74 and read some of his suggestions for future policy:

1. State control and state issue of currency and credit through a central organization managed and controlled by the state.

2. Stabilization of the wholesale price level of commodities. That is to say, a fixed and constant internal purchasing power of money; so that a pound will buy to-morrow what it bought yesterday; an honest pound, not a fluctuating pound. And this can be done by so issuing and regulating the volume of available credit and currency that it shall at all times be adequate to permit of the purchasing power of the consumer being equated with the volume of production; not by limiting the purchasing power, but by firstly increasing purchasing power more in proportion to the productive capacity of industry.

May I pause there to point out that the attitude taken there is exactly the attitude taken by the Social Credit movement? Our contention has been from the beginning that the cause of our trouble was that there was

too little purchasing power in the hands of the people and that measures should be taken to put purchasing power into their hands to enable them to purchase the goods that were available. I go on:

3. Fixation of foreign exchanges by foreign exchange equalization funds, and agreement with empire countries and all other countries willing to fall into line; and, once this was accomplished, the removal or diminution of trade barriers which to-day protect the countries from the results of a bad monetary system.

4. Any additional supply of money—

Debt-free money. I interpolate that.

4. —should be issued as a clear asset to the state; so that money will be spent into existence, and not lent into existence.

The minister will recognize that as being exactly the contention of the hon. member for Vancouver-Burrard, the hon. member for Parry Sound, Social Crediters and the various others in this house. I go on:

5. The fluctuating quantity of gold lying in the vaults of the banking system should never be permitted to govern the volume of credit and currency needed by the country.

6. The elimination of slumps and booms; and more direct procedure for eliminating unnecessary poverty.

7. The abolition of the debt system where all credit is created by the banks and hired out at interest to the country.

May I point out there that that is exactly the contention of the monetary reformers in this house, that debts should be eliminated from our economy, and our contention is that they can be, just as this man indicates, by the right sort of management of our financial system. I go on:

8. Absolute state control over all foreign lending; and the adoption of the general principle that our foreign trade should be so conducted as to preserve—

(a) the interests of the home market,

(b) the interests of the empire countries and the English-speaking nations,

(c) the interests of foreign nations,

and that this principle should particularly apply in the case of home production and foodstuffs.

There is the advice of an eminent man of great experience, Vincent Cartwright Vickers. If I might impose on the committee to read just a few more extracts from another publication I shall have an end to speaking on this particular subject for this year.

Some hon. MEMBERS: Hear, hear.

Mr. BLACKMORE: I can realize how glad members are to hear that, but they would have four times as much cause for rejoicing if they saw through the meaning of all this and therefore were in a position to enable this country to face the future with a measure of confidence which it certainly does not have now as it faces the future.

The next publication from which I propose to read excerpts is a report of the London chamber of commerce on "General Principles of a Post-war Economy". Whatever may be said regarding the London chamber of commerce I think almost everyone will recognize it as an organization which is worthy of a measure of respect and of consideration. On page 3 of a little pamphlet which they issued I read as follows:

The chamber submits that constantly raised tariffs, the imposition of quotas and prohibitions, and other signs of growing economic belligerency between the nations in the inter-war period, were not the result of stupidity nor ill will but were, on the contrary, imposed for most compelling reasons. They represented attempts by the nations to defend themselves against very real and pressing dangers. The chamber is convinced that until those dangers are recognized and removed, a direct attack upon trade barriers can serve no useful purpose but will, on the contrary, merely increase fear. In short, trade barriers are not themselves the disease but merely the symptoms of the disease.

May I interrupt there to comment thus? We read a great deal in the newspapers nowadays as to the desirability of lowering tariffs. The London chamber of commerce points out that to lower the tariffs without removing the causes of the tariffs would simply spell disaster. May I read again from the report, as follows:

It is widely admitted that there was something radically wrong with our economic system. It was palpably absurd that nations should be desperately anxious to export more of their real wealth to other nations than they received in return. It was equally absurd that men in want of the necessaries of life should be denied the money with which to buy them because there was a superabundance of those necessaries and therefore their services were not required to make more. There has not, however, been the same readiness to recognize that there must be a serious error in our economic thinking in order to produce, in action, absurd results.

May I comment again, that the thing which astounds me in this house is that there seems an indisposition on the part of so many hon. members to recognize that there must be something radically wrong with our system? There seems to be no desire to try to find out what that something is which is wrong, or what the remedy should be. Monetary reformers may be quite wrong in their analysis and their diagnosis of the disease, and they may be quite wrong with respect to the remedy which they prescribe; but it certainly would be a comfort to hear someone in the house offer an alternative remedy which would have as good reason for being considered as our proposal has. Strangely enough, neither in the banking and commerce committee nor in

this house have I heard any recommendation which seemed to offer any hope of solving the problem.

May I now turn to page 9 of this excellent little booklet and read as follows:

When, however, it is remembered that even wealthy nations have a large percentage of their population underfed, ill-clothed and ill-housed, it is clear that these would be the best recipients of this alleged surplus wealth. What is necessary is to improve the technique for the internal provision of money, so as to convert this human demand into effective demand.

May I interpolate here that this is exactly the contention of the Social Credit movement, exactly the contention of monetary reformists? What is needed, may I repeat, is "to improve the technique for the internal provision of money, so as to convert this human demand into effective demand." But may I recall now what was brought out in the quotation which I placed on *Hansard* from the "Canadian Banking System", which indicated how easily this country could obtain money to provide the internal purchasing power, and then ask hon. members to put those facts along with this statement and consider the whole question in the light of those facts? May I go on to read:

The chamber considers that it is a perversion of export trade to employ it for the purpose of exporting domestic unemployment and dumping it on other nations which already have their own problem to solve. These surplus exports might confer a benefit on some countries if they were sent as a gift; and the recipient country had an internal financial mechanism capable of distributing enough purchasing power to its people to enable them to buy excess imports of consumers' goods in addition to, instead of in competition with, the goods already there. They are, on the contrary, used for the purpose of getting other nations into unpayable debt; and moreover, the recipient nations have not the mechanism for distributing additional purchasing power to buy them so that they do, in fact, displace goods already in the market, and cause distress selling and a slump in prices.

There is a passage which contains profound wisdom. I make no further comment; I merely commend that to the most earnest attention of all members of the committee. May I now read further, on page 10:

Instead of trying to equate supply with effective demand, the chamber advocates that, in future, effective demand should be equated with supply. There can be no such thing as general over-production, of which complaint was made after the last war, although of course there can be over-production of a particular commodity in relation to others. The real trouble is under-consumption.

The fundamental problems then, which a satisfactory system must be designed to solve are:

(1) The elimination of the fear and hostility resulting from the struggle of all nations to obtain an "active favourable balance of payments", the penalty of the vanquished being economic servitude to the victor. This struggle has resulted in attempts by all the nations to restrict imports by barriers to trade, and to increase exports by subsidies and other artificial means, and by the use of political and economic pressure.

(2) The distribution internally of the purchasing power necessary to enable the nations to consume the whole of their own production: if this were done they could equally consume the goods of other nations which they might exchange for their own production. This problem is closely connected with (1) because an excess of exports over imports furnishes an excuse for increasing effective demand within a country (through the distribution of wages) without increasing the number of goods awaiting consumption in the domestic market.

I will burden the committee no further with quotations.

The CHAIRMAN: I beg to inform the hon. member that he has now spoken for forty minutes. Shall the section carry?

Mr. McIVOR: I was just thinking of the length of time that the Minister of Finance has sat in his seat this session listening to debates on the budget and all kinds of legislation which come before his department; and it seems to me that, out of common courtesy, no man should rise in his place in this chamber unless he has new material. There are champion sitters in this house who sit here, and have to, to make the house look decent. There are champion speakers in this house, who do not listen to very many speeches, and I suggest that, in common courtesy to the rest of the membership and to the Minister of Finance we should say, "Thus far . . . and no further".

Mr. BLACKMORE: May I suggest that out of "common courtesy" to the future generation the hon. member should bring his economic thinking up to date.

Section agreed to.

Section 75 agreed to.

Bill reported.

Mr. ILSLEY moved the third reading of the bill.

Mr. SPEAKER: Is it the pleasure of the house that the bill be now read a third time?

Mr. BLACKMORE: No.

Mr. SPEAKER: On division?

Mr. BLACKMORE: Would it not be advisable to have the third reading to-morrow?

Mr. ILSLEY: No.

Some hon. MEMBERS: On division.

Mr. SPEAKER: Does the hon. member wish to have a vote?

Mr. CRERAR: Do you want a vote on it?

Mr. ILSLEY: Let us have the division, then.

The house divided on the motion (Mr. Ilsley) which was agreed to on the following division:

YEAS

Messrs:

Abbott	Macdonald (Kingston City)
Adamson	McDonald (Pontiac)
Aylesworth	McGregor
Bence	McIlraith
Bertrand (Prescott)	McIvor
Black (Chateauguay-Huntingdon)	Mackenzie (Vancouver Centre)
Bonnier	MacKinnon (Edmonton West)
Bradette	MacKinnon (Kootenay East)
Bruce	McLarty
Casselman, Mrs. (Edmonton East)	MacLean (Cape Breton North-Victoria)
Church	McLean (Simcoe East)
Cleaver	McNevin (Victoria, Ont.)
Cloutier	MacNicol
Coté	Marier
Crerar	Martin
Dechene	Maybank
Donnelly	Michaud
Edwards	Mitchell
Esling	Moore
Fauteux	Mutch
Ferland	Neill
Ferron	Nixon
Fulford	O'Neill
Furniss	Picard
Gibson	Purdy
Gladstone	Ralston
Golding	Rennie
Grant	Rhéaume
Gray	Rickard
Graydon	Roebuck
Hazen	Ross (Calgary East)
Henderson	Ryan
Howden	St. Laurent
Ilsley	Sanderson
Isnor	Sissons
Jean	Soper
Kirk	Stirling
LaFlèche	Taylor
Lockhart	Ward
McCann	Warren—84.
McCuaig	
McCubbin	
McCulloch	
Macdonald (Halifax)	

NAYS

Messrs:

Blackmore	Castleden
Bryce	Coldwell
Burton	Knowles—6.

Motion agreed to and bill read the third time and passed.

FARM CREDIT

LIMITED GUARANTEE OF BANK LOANS FOR IMPROVEMENT AND DEVELOPMENT OF FARMS

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee on bill No. 134, to encourage the provision of intermediate term and short term credit to farmers for the improvement and development of farms, and for the improvement of living conditions thereon.

Motion agreed to and the house went into committee, Mr. Bradette in the chair.

Section 1 agreed to.

On section 2—Definitions.

Mr. STIRLING: On the resolution stage I asked the minister whether works for the purpose of irrigation were included in the definition of general farming.

Mr. ILSLEY: Yes, they are.

Section agreed to.

On section 3—Payment of bank losses.

Mr. ILSLEY: There is a slight amendment to paragraph (d) of section 3, subsection 1. The motion will be that paragraph (d) of subsection 1 of section 3 be amended by inserting the word "guarantee" before the words "farm improvement loans" in line 15 on page 3 thereof.

Mr. MACKENZIE (Vancouver Centre): I move accordingly.

Amendment agreed to.

Mr. CASTLEDEN: Would the minister inform the committee as to whether or not any lending institutions other than banks will be granted this privilege of the guarantee? I have in mind cooperatives and lending institutions such as credit unions.

Mr. ILSLEY: No; only banks are covered. We have no control over the other lending institutions mentioned by the hon. member. We have no system of inspection of them. They are not under dominion jurisdiction.

Mr. CASTLEDEN: This removes practically any risk from the loan?

Mr. ILSLEY: It does not remove all risks; it lessens the risk.

Mr. CASTLEDEN: Under paragraph (f) the rate of interest is five per cent.

Mr. ILSLEY: That is the maximum, yes.

Mr. CASTLEDEN: The guarantee exists only on loans on which five per cent is charged?

Mr. ILSLEY: That is correct.

Mr. CASTLEDEN: If there were loans made at more or less than that then there is no guarantee.

Mr. ILSLEY: They may be made for less than that, but they cannot be made for more.

Section as amended agreed to.

Sections 4 to 13 inclusive agreed to.

On section 14—Coming into force.

Mr. GRAYDON: Is the minister in a position to indicate when the proclamation will be made by the governor in council? Is it expected that the measure will come into operation very soon?

Mr. ILSLEY: That question was asked me in the banking and commerce committee, and I said it was reasonable to expect that it would before very long. That is as far as I could go.

Mr. GRAYDON: Would that statement mean before the end of the year?

Mr. ILSLEY: I would expect much before that.

Section agreed to.

Bill reported, read the third time and passed.

HOUSING

PROVISION FOR LOANS FOR CONSTRUCTION, REPAIR, ALTERATION, ETC.

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of bill No. 183, to promote the construction of new houses, the repair and modernization of existing houses, the improvement of housing and living conditions, and the expansion of employment in the post-war period.

Mr. S. H. KNOWLES (Winnipeg North Centre): I imagine that one reason why the last bill, bill No. 134, with reference to credit to farmers, went through so quickly was that it was given a thorough study in the banking and commerce committee. The first comment that I should like to make at this stage of bill No. 183 is that it is so voluminous and so important that I feel it, too, should have been referred to a committee for thorough study. However, since that was not done there are two or three comments I should like to make.

First of all I may say that because this legislation will result in the building of some houses in Canada and because housing is sorely needed in this country we shall support the measure when the vote is called. However, a number of features about it are very disappointing to us. To me the feature that is most disappointing of all is found in section 12, subsection 2, paragraph (b). By that provision the government insists that no assistance will be given to municipal public housing authorities to undertake on their own behalf the construction of low-rental or other housing projects. This matter was discussed when we were in committee on the resolution preceding the bill. At that time the minister said that he did not believe the municipalities could handle such projects with the efficiency that he ascribes to limited dividend housing corporations and to life insurance companies.

We take sharp issue with the minister on that point. In fact, I feel the stand he has taken is in the nature of an insult to municipal government in this country; and as a former alderman of the city of Winnipeg I resent the suggestion that municipal governments are not competent to undertake projects of this kind.

In addition to that, it seems to me that this provision of the bill is flying in the face of the whole tendency of this day in the matter of housing problems. I need only mention municipal housing projects in Great Britain, and in other places, to which I shall refer more fully when we are in committee, as outstanding examples of what can be done by municipal public housing authorities.

Further, as I said when the measure was at the resolution stage, I am satisfied there is a growing conviction among members of our city councils and municipal bodies that this is a social problem of the first magnitude which they should be tackling. They are the ones who should be encouraged to go in for the construction of housing projects. In my view they are the ones who can be counted upon to get the job done. They are closest to the people who require housing, and I still hope that the government will see fit to reconsider this part of the bill.

In Winnipeg at the present time a sum of $70,000 has been allocated from a housing fund left over from some years ago, and as a result the municipal authorities in that city are building a small number of houses. A short time ago in Winnipeg, during one of the moving periods when the housing shortage was particularly acute, the council renovated an old building, making it into suites of which we were not too proud but which were at least

clean and fit for decent habitation. The city is renting those suites to people in need of accommodatoin, and the managing of the project has been quite satisfactory. I am satisfied that Winnipeg is competent to carry out a municipal housing project, and I feel sure that is true of other municipalities as well.

When one looks at this provision in section 12 he realizes at once that it is in line with the underlying principle of the entire bill. Hon. members in this group contend that the problem of housing should be approached directly through the medium of public housing authorities. The stand taken by the government is that private lending institutions and private life insurance companies should have some of their risk underwritten, and that they should be encouraged to enter into housing projects. If, then, even on a limited basis any profit is made out of this very serious situation, that profit is to go to private interests. That, we consider, is in direct contradiction to the trend of the times. We feel, further, that that is not the way to get the job done.

When faced with the demands of war this government went directly at the problems facing it. When it decided to bring in a piece of social legislation to assist the children of the country, the government went at it in a direct fashion, by providing family allowances which, after next July, are to be paid directly to families in which there are children. But in facing this problem, that involving the need for housing accommodation in Canada, the decision has been to go at it in an indirect fashion.

Thus, apart from my dislike for the fact that some profit will be made out of this extremity in our country, and apart from the fact that the risk is being lessened if not effectively removed—a condition which seems to question the supposed virtue of private enterprise—there is the fact that, in my opinion, this legislation will not result in getting the job done in the way it ought to be done.

The other outstanding disappointment in the legislation is the lack of any comprehensive plan, either in the bill or in the comments thus far from the minister. We feel that this matter of housing, both from the point of view for its need in the country and from the point of view of providing a large measure of employment in the post-war period, is one of the most important matters facing us at the present time. In our view what we should be doing is planning the rebuilding of our cities, and the revamping of the kind of homes in which our people in rural Canada must live. In other words, we should be getting a vision of a new kind of life for our people, one which will express itself in the very best kind of homes modern technologists can devise, and also in providing adequate employment for our people after the war.

Committees have studied the problem. In particular I draw attention to subcommittee No. 4 of the James reconstruction committee, which was headed by Professor Curtis of Queen's university. That committee presented some of the basic considerations which should be faced, and went so far as to indicate the number of homes required in Canada in the next ten years, if we are to face up to the housing problem. The figure given in the Curtis report is 700,000. That report indicates that it can be determined where, in what cities and in what parts of the country houses should be built.

This legislation not only falls far short of providing 700,000 homes, but does not approach the problem of building those homes, with any plan as to where they should be built to meet the most pressing needs of our people. I have not the Curtis report before me, but one quotation I placed on record the other day is to the effect that the very first thing which should be done in approaching Canada's housing problem is to plan our towns and our country so that the construction of houses will be rational and will help to meet the needs of our people.

These, then, are the features about this bill that disappoint us. First of all, the municipalities have been snubbed by the provisions of section 12, which suggests that something is to be done about slum clearance, but which turns out to be only a bagatelle. Worse than that, the municipalities are to be assisted to buy land in slum areas for clearance only on the condition that they resell the land to a limited dividend housing corporation or a life insurance company. That feature is bitterly disappointing to us, and I say that after some little experience in the municipal field. We are also disappointed that the government has not seen fit to go at the housing problem directly, but has gone at it in a roundabout way by underwriting part of the risks of private companies. Perhaps worst of all is the failure of the government to bring down a definite plan for the remaking of our cities and towns and the building of houses on the basis of a programme designed to meet the needs of our people. Apparently houses are to be built only on the decision of private lenders and private insurance companies where the risks are the least and where profits, even on the limited basis provided, can best be made.

We suggest that that is not good enough for a generation of Canadians who dare to believe

that after the sacrifices they have borne during the past four or five years the time has come to rebuild Canada and shape a good life for our people. We shall vote for the measure because it will result in the building of some homes and Canada needs homes badly, but we hope that the time is not far distant when a government of the day will bring down much better housing legislation than we have before us in bill No. 183.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, this is the most important bill that has come before this parliament this session. A general housing scheme is of national importance to our urban, suburban and rural communities. I wish to support the principle of the bill because I think if it is given a fair trial it will prove to be of great advantage after the war to those who are without homes. In the city from which I come nearly 100,000 people have had to leave their small homes and move into apartments, and we are becoming somewhat of an apartment city. The bill goes much farther than I had expected it would, and I am glad.

In 1935 I moved a resolution in the house on housing and reconstruction and an elaborate report was made. The government of the day was defeated, but the present government came in and in 1937 and 1938 the National Housing Act was introduced. The present minister has done a great deal of good work. About $83,000,000 has beeen spent by the banks with the government providing up to fifteen per cent, and this has done a great deal of good, not only in the outskirts of the city but in the city itself.

At the present time there is a great scarcity of houses in our urban, suburban and rural communities and I am glad that this bill has broadened out considerably. It is intended to promote the construction of new houses, the repair and modernization of existing houses, the improvement of housing and living conditions, and the expansion of employment in the post-war period. That last is a very important part of our reconstruction work.

The plan is quite elaborate. On August 5 the minister gave a detailed and excellent description of the wide features of this bill. The old National Housing Act of 1938 has been broadened out and made more effective. A man may own a small lot. He goes to a loan company, and in conjunction with the government they lend him money after an inspection of the property is made and specifications of the proposed house drawn up. That money is lent jointly by the government and the lending agency. The applicant repays in monthly instalments which cover interest, fixed charges and taxes on the property. If there is any loss it is borne jointly by the government and the lending agency.

There is nothing that would create better health and happiness for the people than the provision of up-to-date housing. One of the main causes of ill health is poor housing conditions. I am glad to see the improvements that have been made in the bill. I am glad to know we are to have a modern system adapted to future needs, something that will improve public health. I have received many letters from men who are overseas. I received a letter recently from a soldier now in Normandy who formerly resided in Eglinton riding. His wife has been living in a small home for four years, and he complains to me that she has received an order to move out by September 1 and cannot find another home.

This condition was explained to the government last Friday to the Prime Minister, the Minister of Finance, the Postmaster General and the Minister of Munitions and Supply. I do hope that there will be some way to get the necessary materials and labour for this work. This is a most urgent piece of work; in fact it is a war work. It is needed to provide homes after the war for the large number of soldiers who will be returning to Canada. In the city from which I come there is only ·062 per cent of vacant houses. Five hundred soldiers have received orders to move out and applications are being heard by the county judge under the overholding tenants' act of the province. These people have no place to go. Last week the government came along and agreed to build five hundred houses for soldiers.

We should have had this bill years ago. As hon. members know, every country in the world is suffering from a lack of houses and there has been a lack of employment for those in the construction industry. On May 12 Mr. Churchill brought down a programme for the construction of 500,000 prefabricated houses in the old country. I hope that something will be done this session or after the session to see that Canadian industry gets its share of that business. I hope that the construction industry of this country will be greatly helped. I say again that this is the most important bill that we have had and I hope that there will be no delay in putting it into effect.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, at this late hour of the session we have before us this bill, one of the most important that has come before this house this session. I am going to be brief because it is too late to discuss a bill of this magnitude and it would not be fair to take up much time

in doing so. But I do want to place myself behind the proposal of the government to go on with this large scheme of rehousing and reconstruction. If I had any fault to find with the measure it is that the government is late in bringing it in.

Last fall, on November 25, a very large group of housing men came to Ottawa and presented a brief to the reconstruction committee, recommending the construction of some 300,000 houses in a five-year programme. I would have thought this bill would have been brought down much earlier in the session because the government was thoroughly conversant with the programme that had been presented, and if that had been done I believe that we could have had the programme under way now. Certainly we can do very little under this legislation to satisfy the demands for housing this year. The minister is familiar with the different presentations that have been made for housing construction during the last year and prior to that by the city of Toronto through the mayor and various members of the board of control who have been here on quite a number of occasions, one of them being last week. I wish to thank the minister for his kindly and courteous reception of that delegation from Toronto last week, when I believe that he undertook to provide money for the construction of five or six hundred houses. I believe that it had been previously agreed to build one hundred houses and the programme was changed or added to so that five or six hundred houses will now be built. The minister was exceptionally kind and courteous to the delegation, and apparently they went away quite satisfied. It is only right that the minister should have been as kindly and courteous and generous as he was to the delegation because the housing problem in Toronto is one of very great magnitude. I am not going to detail it here to-night because that has been done on many occasions. I will merely say that the demand for houses is very great.

The hon. member for Broadview (Mr. Church) spoke of receiving several letters to-day. I received three letters myself to-day from returned soldiers. One of these soldiers belonged to that famous Toronto family which was widely pictured in the Toronto *Telegram* and the Toronto *Star* only a few days ago. I refer to the Seggie family on Harvie avenue, who have seven sons serving in this war. One of them returned from overseas just a few days ago and he was one from whom I received a letter to-day asking by what means he would be able to obtain assistance, from whatever organization I presume is to be set up under this bill, to proceed with the erection of a cottage. He has a wife and small family, and is at present housed in two or three small rooms. That only serves to emphasize that the demand for housing accommodation in Toronto is very great indeed.

I would like to say a great deal on this subject because I have made an exhaustive study of it. But it is too late to say much now. I made my own survey of the housing programmes of many of the large cities of the United States: Richmond, Virginia; Memphis, Tennessee; Cleveland, Detroit, Washington and a score of other cities. I went carefully into their programmes and went out to see the various sites where they are building their houses, and I had prepared myself to give to the house what I had hoped would be a constructive address advocating housing.

But the minister has brought down his bill, and every minute that I take up I feel would only be delaying the actual starting of work under this bill. I do not want to do that. I am afraid that if I got started on the subject I would take too long because I have studied the matter exhaustively, and so I feel that I should simply urge the minister to proceed as rapidly as he can and in every way possible to get along with the actual construction of housing under this legislation.

When the hon. member for Winnipeg North Centre (Mr. Knowles) was speaking he presented a request similar to what we have been asking for in Toronto, namely, that the federal government supply a sum of money to the municipality to assist them in providing housing. But that may not be in order. In any event I do not think it is provided for in the bill. But I can tell the minister this, from what I have seen in travelling around Ontario and other parts of Canada, that the demand for housing is far greater than I have heard anyone express here. Perhaps the minister knows. I feel sure that he must know that under the circumstances there is not a minute to lose.

Without taking up further time, Mr. Speaker, having said what I have said, I urge the speedy passing of this bill.

Mr. HUGHES CLEAVER (Halton): Mr. Speaker, I have no desire to hold up the passing of the bill, but I should like to take a few moments to answer the criticisms made of the bill by the hon. member for Winnipeg North Centre (Mr. Knowles), and also to make one or two suggestions which I think will be helpful.

I have felt for many years that one of the most important things we can do to help build

a strong virile nation is to see that our people are properly housed. Quite recently, and many times before that, I have urged that just as soon as this war is over and we are able to do it, active steps should be taken to improve housing conditions in Canada.

The lowest reliable estimate that I have heard as to our present housing shortage is 300,000 homes. I entirely agree with the policy which the government felt it had to follow during war time. It was felt that on account of the demands of war the people should double up and get along as best they could with our present housing accommodation until the war was over so that we would not be using vitally needed war materials and labour in the building of new homes during the war. But now that we can see the end of the war in sight it is gratifying to me that the government has seen fit to bring down such a comprehensive and all-inclusive housing bill as we have now before us. I do not see how it could have safely been brought down a day sooner. In fact, it may be that even this year, under the present housing act we may run into acute shortages of material and labour. With this new enabling legislation put on the statute books many people will want to get started at once to build homes, but I am afraid that they will find acute shortages of both materials and labour this year.

The criticism of the hon. member for Winnipeg North Centre, as I understand it, is twofold. In the first place he says that the present measure is one to add profits to lending companies rather than to supply homes to Canadians. I do not think I need to answer that argument. If my hon. friend will take the time to read the bill I think he will convince himself that no lending company is going to get wealthy out of lending its money and servicing its loans at 4½ per cent.

As to his other criticism I believe I can speak with a little personal knowledge. He has in effect said that the government has practically insulted the municipalities by more or less by-passing them in this scheme. My first answer to that is this. To my way of thinking, the major part of any housing scheme is one that will supply homes to owner occupants. That is one suggestion I make to the government. As soon as this war is over I should like to see an all-out publicity campaign across Canada for every man to own his own home. The major part of the scheme is to supply homes to owner occupants; the tenant part of the scheme is a very small part. I believe that we have in Canada a type of citizen who wants to and should own his own home; we should have as few tenants as possible.

I well remember that in Ontario we had a housing scheme after the last war. At that time I was mayor of my home town, and pressure was put on me to have a rental scheme under which the homes would be owned by the municipality. To that I was strongly opposed, for this reason: a municipal landlord is the worst type of landlord you can have. In the first place, maintenance and repair costs are much higher when the landlord is the government or a municipality. Tenants do not take the same care of the property.

Mr. MacNICOL: And it costs twice as much.

Mr. CLEAVER: Yes. The second point is that when a municipality or a government attempts to do anything it always costs more than when the project is built either by owners who are going to occupy the homes or by privately owned corporations. There is another point which I hesitate to bring up, but it is incontestably true. Tenants do not pay their rent to a municipality or a government as they do to a private landlord. After the experience of municipal housing in Ontario after the last war, I congratulate the minister upon the fact that he has not embarked upon the kind of scheme which was such a failure in that province.

It may be that in the city of Winnipeg and one or two other municipalities they were fortunate enough to have as chairman of their local board someone who was more than ordinarily clever, who spent all his time on the work, and made a success of a such a scheme. But looking at the whole picture, I can tell the hon. member for Winnipeg North Centre of dozens of municipalities in Ontario which have sustained losses and are thoroughly disillusioned with their venture into municipal housing for rental purposes.

As to the criticism regarding slum clearance, I believe it was two-fold. In the first place the amount was not large enough to suit my hon. friend; I believe he called it a mere bagatelle. Well, to me it seems quite an amount to be provided in the first year of the coming into force of the measure. His other complaint was that where a slum clearance scheme is entered upon, the land must be cleared of the slums and new homes built which must be resold to a limited-dividend corporation. Am I right?

Mr. KNOWLES: No: if the hon. member wants to be fair, that is not quite what I said. I quoted the wording of section 12, subsection

2 (b), which is to the effect that after the land has been bought and cleared it must then be sold to a limited-dividend housing corporation or a life insurance company so that they and not the municipality, may construct the project.

Mr. CLEAVER: In order that I may have that clear, what is my hon. friend's complaint in regard to the dividends being limited with respect to a project of this kind?

Mr. KNOWLES: I was not objecting to the dividends being limited; I was objecting to corporations being set up with the privilege of making dividends at all out of our housing extremity, instead of having it tackled directly by a public authority.

Mr. CLEAVER: Well, as I understand the proposal in the bill, the services are to be supplied at cost; the reason why the dividend is limited is to restrict it to actual cost; and I do not believe that you would find any municipality willing to supply these services and put up the interest, for the carrying charges.

I have some rather decided views on slum clearance, and I should like to take a moment to express them. I think it is a most futile thing to spend millions of dollars in clearing a slum and then allow another slum to build up in the very same city. The way to clear a slum is to remove the cause. Obviously no tenant lives in a slum as a matter of choice; he lives there only as a matter of necessity because he cannot afford decent housing accommodation. Therefore I say that the physical clearance of a slum has very little appeal to me. I think we should make housing accommodation available to the extent necessary to supply it at less than an economic rental to those unfortunate groups in our society who cannot afford to pay an economic rent; I refer to old age pensioners, mothers on widows' allowance, part-time war pensioners, war veterans with a fifty per cent pension who cannot get employment; and I would restrict the utilization of any low rental scheme to these limited groups.

Generally as to slum clearance, once you remove the cause of the slum; once you supply decent housing accommodation for the people who are now living in slums, neither governments nor municipalities will have to clear those slums; they will become depopulated because people will move out of them and the owners will have to tear them down at their own expense. I repeat that it is futile to tear down slums without removing the cause and then allow other slums to develop in the same municipality.

In this connection may I say I am very glad that the municipality is tied into this scheme, for this reason. Many slums in our large cities are located in an area midway between the business section and the residential section, on land which is being held for speculative purposes, the owners hoping that it will grow in value and eventually be in demand for business uses. That is no place to build more homes; such areas should not have people living in them at all. Once you provide decent housing accommodation in an attractive part of the city at a rent which these unfortunate people can pay, your slums will become depopulated and the owners themselves will pull them down.

With regard to this bill, I compliment the minister and his advisers upon drafting what, in my opinion, is one of the finest housing acts that I have ever read or that has been passed by any country to this day. Ever since 1936, when I first came to this house, I have taken a great deal of interest in housing. I am free to admit that housing was one of the things which motivated me in seeking election in 1935. At that time we had 60,000 of the building trade in idleness on relief, and a serious shortage of homes. I felt that something should be done about it, and I was willing to try to do my part.

The National Housing Act of 1937 has done a wonderful job. Under that act we have built something like 20,000 homes which are practically all owner-occupied. And while the government participated in the cost of those homes, the losses to date are less than ten cents a house. I am very glad indeed that the minister and his advisers have chosen to build the new act on the firm foundation of the National Housing Act and to simply expand that project.

The reduction in interest rate is very gratifying and will pull down substantially the monthly payments. The increase in the amortization period is very gratifying and will also tend to that end. When you check the figures you find that a man to-day under this bill can build a house costing $4,000 and puts up only $400 of his own money; and do you know what the monthly payments are? They are $18.04, and at the end of thirty years he owns that home which under normal conditions would rent from $35 to $40 a month. Yet this man, on the payment of $400 as a down payment, plus $18 a month, in thirty years, instead of having a collection of thirty years' rent receipts owns his own home.

Another feature about the bill that pleases me immensely, and one that I have been urging for some time, is that provision is to

be made whereby the unpaid balance of the loan is to be taken care of in the event of the death of the bread-winner. Term insurance will be made possible so that if the bread-winner is taken away, the widow will own the home without encumbrance. That is a decided advance. Think of the sense of security and independence a man will have who has bought a home under this legislation and knows that if anything happens to him his wife and family will have a home clear of encumbrance.

Another feature I like is the extension of the list of lending companies. Under the old act the lending companies were restricted to insurance companies, loan companies and trust companies. Now the list has been very much broadened; trustees and trust funds may come under the measure, as well as building societies, credit unions and cooperative credit societies. Then there is provision for the owner who wishes to do part of the work on his own home. He can do that and be allowed for it in the cost of the home.

There is another provision whereby men may group together, so that a group of individuals collectively may build homes for each other. There was such a cooperative arrangement in the town of Oakville in my riding, where men working at the basket factory wanted to build a number of homes for themselves, and they all chipped in and helped in taking out the foundations and doing labouring and carpenter work and painting. That sort of thing was cumbersome under the old act, but now provision is made whereby such things can be done.

The next feature is the one which to me is the most important in the bill. The down payment has been reduced to a point where everyone in this country who wishes to do so can start to buy a home for himself. In the case of a home costing $2,000 a man has to make a down payment of only $100 and he is on the way to become the owner of his own home. In the next group, from $2,000 to $4,000, the down payment is fifteen per cent on the second $2,000, and over $4,000 the down payment on the excess of $4,000 is thirty per cent. This is only as it should be because, if a home costs seven or eight or ten thousand dollars, there should be a substantial down payment before work is started.

I like the measure also because it recognizes the fact that we need a good many new homes on farms, whereas the old act has no such provision.

I have taken a good deal more time than I had planned and I apologize for doing so. I wish to close with two suggestions. I should like to see a nation-wide campaign put on for every man in this country to own his own home, and in furtherance of that campaign I should like to see a provision made whereby a man can buy a second-hand house, a house already built, and finance it together with improvements to it in the same way exactly as he finances a new home. Obviously there are a good many homes in the country which are tenant-occupied. I suggest that it would make for a happier people if every man owned his own home and I do not think second-hand houses should go into the discard. We should make provision for these tenants to buy the houses in which they now live, and make the necessary improvements and repay the cost of the house and of the improvements on a monthly payment basis in the same way as new homes are paid for.

My other suggestion is this. I fear that we shall run into a great scarcity of material. Already scarcity has caused a distinct stiffening in the price of lumber and other building materials, and I would urge upon the minister and his department that steps be taken to organize for and make available building materials in large quantities in the immediate post-war period.

Hon. H. A. BRUCE (Parkdale): At this late hour I do not intend to delay the house for more than a few minutes. I have already spoken on the resolution stage and said some of the things I wished to say. I then expressed approval of the bill and congratulated the minister upon the great improvement over the bill introduced in 1938. As I said before, much that we have in this bill should have formed a part of the 1938 measure, because of the recommendation in the Purvis report in 1937 that provision be made for the unfortunate individuals in the lowest income group who cannot afford to pay an economic rent. However, there is no use now in complaining of that omission.

I am glad even at this late date that we have such a comprehensive bill, but I should like to make one or two suggestions with reference to it. First of all, this measure, which after all is a very important health measure, should receive careful consideration and support. I do not think there is any single factor which contributes more to the sound health of our people than good housing. We all know that overcrowding is a source of ill health and danger from infectious diseases and produces many social evils that we should like to avoid.

This housing measure is to be administered by the Department of Finance. We all know how hard the Minister of Finance (Mr.

Ilsley) has to work. I suggest that we relieve him of this part of his work by placing the housing act and the administration of it where it properly belongs, namely, in the Department of National Health and Welfare. It is not in any sense of the word a financial measure and hard-headed financial men should not be responsible for its administration. We want a humanitarian such as we hope will be in charge of the Department of National Health and Welfare. Therefore, I am suggesting that the Minister of Finance be relieved of some of his onerous duties.

Mr. ILSLEY: What about the Minister of Reconstruction, would he not be the man?

Mr. BRUCE: No; I prefer to have it under health as it is in England, because, after all, it is a health measure. In considering all the items that go to make up good health, I believe that this is the most important of all. In the consideration of the national health act in the special committee on social security a good deal was said about the importance of decent housing in promoting good health.

I am glad to know that the minister has made provision for a central bureau for technical research and many other matters connected with the promotion of good housing and community planning. That is undoubtedly very important. I do not intend to attempt to go into the details of the bill, but I should like to comment upon the interest rate charged on money to be used in the construction of those low rental houses. May I congratulate the minister upon reducing the rate to three per cent. In so doing I think he has done a very great service to the community. As I said before, he might take a leaf out of the book of the United States housing administration and reduce the interest still lower to two per cent, and further to arrange to purchase bonds of those housing companies which would enable them to carry on their work more satisfactorily in their effort to meet the needs of a large portion of our population. In my opinion, the amount set aside for this purpose is not sufficient, and should be increased to $100,000,000, instead of $50,000,000.

Now I should like to say a word about slums. I entirely approve the proposal of a grant for the clearance of slums. It is much more far-reaching than the hon. member for Halton (Mr. Cleaver) seems to indicate. My chief criticism is that a sufficient amount has not been allowed, and that it should be $50,000,000 instead of $20,000,000. There are slums in every large city in Canada. They are the breeding place of infection, immorality and criminal tendencies. I believe that all these places should be cleared out as speedily as possible and replaced by suitable, adequate, decent houses for these unfortunate people. The municipalities have not the money to undertake this work. Unless they are assisted by the federal government I am afraid this work will not be done.

The hon. member for Halton spoke about this measure as being the most advanced measure in the world. Although I heartily approve what the minister is doing, I am afraid I cannot be as extravagant as that in my praise. Great Britain has built many houses over a long period of years. Since the last war she has built some three or four million houses. She has under contemplation, following this war, the building of from four to five million more houses. Continental countries, such as Sweden, Austria and some of our enemy countries have been building houses for twenty or twenty-five years. The method that was suggested here a few days ago of prefabricated houses had its origin in Europe and has been carried out successfully there for a number of years. Therefore we are by no means the most advanced country in the world in so far as providing housing for our people is concerned. We are making progress; we are a young country and we cannot do everything at once. I think great commendation should be given to the minister for bringing forward as good a bill as this. I hope that it is only a beginning, and that in time all our people will have decent houses in which to live. I do not know that I need delay the house longer to-night. My views on the housing problem were published in a report ten years ago, and all I need say in conclusion, Mr. Speaker, is that this measure has my hearty approval.

Mr. NORMAN J. M. LOCKHART (Lincoln): I wish to ask the minister a question. I do not desire to retard the progress of the bill—

Mr. ILSLEY: We are not in committee.

Mr. LOCKHART: I will put my remarks in the form of an interrogation and perhaps the minister will answer them later. I do not suppose there is anyone in the house who is not in full accord with the bill. I should like the minister or someone to make definitely clear just what the permit system is to be when it is invoked in order to get these houses built. I shall not hold up the progress of the bill by asking many questions at this time. But there is another point that the minister might perhaps be in a position to give a little information on when the bill is being considered in committee, namely, how he is going to proceed to organize for this work. I think a

clear statement should be made with respect to the organization and the amount of staff that will be required. There have been some criticisms in the past and I think the minister should be prepared to answer that question.

I cannot say that I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) in his remarks on the attitude toward municipalities engaging in this type of work. Those of us who have had municipal experience, and had responsibilities under the old housing schemes of many years ago, will agree that they became rather serious headaches to those charged with the responsibility of looking after the affairs of municipalities. I refer particularly to the difficulties that were experienced when we tried to straighten matters out when people fell into arrears. The system that was introduced for building houses under former housing schemes many years ago was so tremendously cumbersome that in many instances it proved to be a detriment to home owners rather than a help.

I can only add my word of commendation and, as I say, there are some other comments I shall make as the bill goes through. I trust that the minister will be prepared to deal with the permit feature, and one or two other features I have mentioned. I shall do all I can to help the minister, and to see that the bill is put into full operation in my locality.

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, in view of the publicity through both press and radio, in connection with the housing situation in Halifax I could, without the slightest effort, talk for forty minutes on this bill. But if I were to do so I know I would be about as popular as that little animal which is not welcomed at garden parties.

I do not propose to take up any considerable time—in fact I propose to make the shortest speech made by any hon. member during the session. On several occasions delegations from Halifax have appeared before the Minister of Finance (Mr. Ilsley) in connection with assistance for housing. We are very happy to see this measure now before the house. There is no question that it will be welcomed not only in Halifax but throughout Canada. We approve in full the measure, and welcome it because it will be the means of providing to a larger number of people the possibility of building homes, and thereby becoming better citizens of this great dominion.

Mr. A. R. ADAMSON (York West): Mr. Speaker, I wish to go on record as entirely supporting the bill. My only criticism is that it does not go far enough. It has, however, one defect which I think should be pointed out to the minister at this early stage of the discussion. The defect is that sufficient recognition is not taken of the three governing bodies, namely municipal, provincial and federal.

This is a bill to assist in the construction of houses. Section 12 provides remedial assistance to do away with slum areas and congested conditions which have developed as a result of our industrialized civilization. In my view, insufficient attention has been given in the bill to having proper town plans prepared. Town planning is just as important for a man who builds a $4,000 or a $5,000 house as it is in connection with a definite scheme of slum clearance.

Section 12 (2) (a) gives slight reference to the necessity for having a plan. Slums in many of our cities to-day are not composed of cheap houses. Rather they are composed of areas which years ago were residential sections. But because those residential sections have been improperly or unscientifically constructed they have deteriorated to slum conditions. Hon. members will know of cities right across the dominion where this condition has developed. Older residential areas have become blighted areas because they were not properly planned. They were constructed without consideration for transportation, for access to arterial highways, for schools, or for industrial planning. The consequence is that we have a destruction of investment.

This bill proposes the expenditure of a certain amount of money. Whether that amount is adequate or not I shall not now discuss. I am of opinion that a great deal more will have to be spent to do a real job, but I shall not discuss that feature at the present time. However, when we spend these sums of money we must be sure that we are making a good investment. We cannot be sure of that until we have secured the cooperation of the provinces and municipalities, so that the houses built will be houses which will not deteriorate through industrial blight.

The city of Toronto has made a master plan. They took several years to do so, with the result that the plan is in my opinion an excellent one, and demonstrates just how alive and awake municipalities are to this pressing need for housing.

The city of Montreal has quite recently gone into the business of making a town plan. The recent issue of the *Journal* of the Royal Architectural Institute of Canada, in connection with a survey and replanning of Montreal, has four significant things to say in this matter.

I shall read them, because I believe they are of importance to every municipality in the country:

> Montreal, like all other cities which grew during the development of industry and trade in the nineteenth and twentieth centuries, is characterized by four typical deficiencies:
>
> (1) There is no planned relationship between working districts and residential areas from the standpoint of easy communication. The transportation system is consequently unduly large and complex.
>
> (2) The prevailing west wind was not considered in the location of industrial and residential areas, hence industrial smoke and fumes pollute the air over most of the city with ill effects to the health of the community and obvious aesthetic undesirability.
>
> (3) Houses in the residential areas are built too densely and are oriented without regard to sunlight, and are, therefore, predestined to become slums.
>
> (4) Recreational areas are lacking where they are most needed.
>
> The correction of such deficiencies must begin with the separation of city elements according to functions and the coordination of these elements by a transportation system.

While I think this bill is a step in the right direction, we must see that the houses we are going to build will be permanent investments. Let us see that they will be the dwelling houses for numbers of years of those people for whom they are built, and let us build them so that we may not find in a number of years that, because of an undesirable change in industry or in transportation or for other reasons, the areas in which we have built houses and in which we have made investments have become blighted areas. That is very important. We must in every instance insist that wherever these new homes are built there must be a proper and coordinated town plan so that the investment will be a permanent one.

A proposed draft bill has been offered by the province of Quebec architectural association and this can be found in the July issue of the *Journal* of the Royal Architectural Institute of Canada. I do not intend to go into it in detail because it is much too long. It sets out all the salient facts with regard to the necessity of having our investment made in a properly planned way. In the reconstruction period there will be no more important industry than the building industry. The building industry probably more than any other can solve the problem of unemployment. We must see to it that the building industry has a plan prepared for it now, so that when demobilization takes place there will be year round work for all. I wish to emphasize again that before we go ahead and commit ourselves we should act in a scientific manner and not build houses haphazardly all over the countryside without seeing that they will maintain their value and usefulness as dwellings.

Mr. DOUGLAS G. ROSS (St. Paul's): Mr. Speaker, for many years I have been connected with the Toronto Housing company, a semi-philanthropic institution in Toronto. This is a limited-dividend company which was set up in 1913 by some public-spirited citizens. The dividend was limited to six per cent and the capital stock was about $100,000. The city guaranteed the bonds of the corporation to the extent of eighty-five per cent, which meant that there was roughly $800,000 of bonds and $100,000 of stock. The company went along very nicely until the depression of 1931-32. The bonds were floated in New York.

Two developments were carried on, and the rentals of the units ran from $20 for a one or two-roomed unit to about $40 for a six-roomed unit. The idea was to have accommodation for various sized families. But the depression came along in 1932 and vacancies increased. Also the exchange rate was against us. Dividends had to be discontinued. Many families in Toronto were doubling up; vacancies increased; the company finally got into difficulties, and at the present time it owes the city of Toronto quite a lot of money.

Some provision should be made in this bill to refinance companies like this and put them on a proper basis. This company has had the experience of running these projects and I really think it would be a good idea to put it on a proper basis. The ten per cent exchange works against us in paying the interest and also the principal in the United States. If the company could be reorganized to take advantage of this three per cent provision it could get out of its difficulties. I am sure it would be quite willing to reduce its capital.

One clause in the bill provides for the ratio as between rentals to be charged and the family income, and states that it shall be such rate as the minister may deem to be fair and reasonable. In any housing projects that are carried on, provision should be made for different sized families. There are many low income families with two or three children and provision should be made for them. I do not think we should have all units the same size.

Ever since I have been in this house I have advocated slum clearance. There are slums in my constituency, as the hon. member for Parkdale (Mr. Bruce) knows. A large part of the survey referred to in his book

was carried on in that area. We have not been able to do anything about these slum areas and they are becoming worse and spreading. I am glad to see provision made here for this work, but I do not know whether the $20,000,000 provided will be sufficient.

There must be cooperation between the federal, provincial and municipal authorities. Those three bodies must enter into this whole project. After all, the municipality is controlled to a large extent by the provincial government. I have no more to say except that I endorse this bill which has been a long time overdue.

Motion (Mr. Ilsley) agreed to, bill read the second time and the house went into committee thereon, Mr. Golding in the chair.

On section 1—Short title.

Mr. LOCKHART: How is the permit system going to work under this legislation as compared with the old act? Will permits be required for the construction of all housing units under this legislation?

Mr. ILSLEY: If we are in committee tomorrow on this, which I hope we shall not be, I shall get the Minister of Munitions and Supply to make any statement that he can about the probable developments of the permit system. I presume the hon. gentleman is referring to the permits which have to be obtained from the controller of construction before a house can be built?

Mr. LOCKHART: Yes.

Mr. ILSLEY: Those permits are required under war-time conditions for the prevention of extravagant building and unnecessary building of all kinds, and they are very necessary restrictions, but they are not the kind of restrictions that should remain as a permanent part of our governmental system; at least I have never heard it suggested that they should. I do not really think the Minister of Munitions and Supply could say anything except that the restrictions will have to stay on so long as there are severe shortages of materials, as there are at the present time.

Mr. LOCKHART: That is the very point. If there is some reason why we cannot build houses; if it is because of a shortage of materials, how do we ever expect to build under this legislation? I am speaking of a permit to build a $4,000 cottage. You cannot get a permit to-day for that. It is held up. Is building to be held up under this legislation too through the permit system?

Mr. ILSLEY: I was not in the house when the Minister of Munitions and Supply made his statement about the shortage of building materials.

Mr. LOCKHART: I was.

Mr. ILSLEY: It is just too bad that there is a shortage; it is too bad that there is such a terrible war in progress. We cannot do the two things together. We cannot have everything perfect here at home and at the same time carry on the war. There is nothing that can be done about it. This housing legislation is to cover the post-war period and the intervening period as well, but we cannot for the sake of making a success of our housing legislation stop supplying materials for the war.

Mr. LOCKHART: Does the minister anticipate that this measure will come into operation in the near future, because there is a real need of it?

Mr. ILSLEY: That is correct.

Mr. LOCKHART: Even to-day I have a request for a very moderate six-room cottage costing about four thousand dollars. I have tried to get a permit, but it is held up, and it is an urgent case. I have explained the circumstances to the controller of construction and asked him for a little speed, if possible. I am bringing the matter now to the attention of the minister and pointing out that this legislation cannot possibly become operative and houses be built if this extreme shortage continues. I am quite aware of the fact that we are fighting a war, and I am simply giving my ideas to the minister in the hope of being of some assistance in getting this housing under construction. I should like a little more information on the permit system and what is to be done about it.

Mr. ILSLEY: We want to get ahead with the actual building just as soon as we can. I think I would be safe in saying that the restrictions will be removed as soon as they can be.

Mr. ROSS (St. Paul's): Perhaps the minister would say something about the point I raised, the refinancing of limited-dividend corporations.

Mr. ILSLEY: A limited-dividend corporation such as the one that the hon. gentleman mentioned cannot be assisted under this measure. This bill is to promote the building of houses, to provide an addition to the

housing facilities of the country, not to help out in its financing an already established limited-dividend corporation.

Mr. ROSS (St. Paul's): But this corporation would come under this bill for future building.

Mr. ILSLEY: For future building, yes, and put up some more money themselves, and limit their dividends to a greater extent than they already have.

Mr. ROSS (St. Paul's): Is there any reason why they could not be refinanced and used to a far greater extent than they are now being used? The question that enters into the picture is not the amount of money but the interest rate which they have to pay on outstanding obligations. It seems to me that the logical thing to do would be to make some rearrangement so that the services could be utilized of an already going concern which understands this business. That might be done by refinancing their outstanding obligations. I am not suggesting the doing away with their obligations or anything like that, of course, but I say that they should be put on a basis where they would not be losing money every year. Right at the present time they are under the thumb of the rent controller. I have tried time and again to get an increase in the rents, but in spite of the fact that they are losing money every year they cannot raise the rents. They are going on because they are a public-spirited corporation. I hope the minister's attitude is not going to be that the city of Toronto will take the blame. If some refinancing of outstanding obligations were done it would put them on easy street. It is just a question of the interest rate.

Mr. ILSLEY: That is not what the bill is for.

Mr. ROSS (St. Paul's): The bill is to provide housing and to utilize the best instruments we have for the production of housing, and one of the best instruments we have is the Toronto Housing company. It is a well managed firm, and had it not been for the rent freezing they would have been out of the woods, but unfortunately rents were frozen just about the day before they were going to raise the rents to where they could make a little money. Now they cannot do so because the rents are frozen.

Section agreed to.

On section 2—Definitions.

Mr. ILSLEY: A slight amendment to correct an error in wording is necessary.

Mr. McLARTY: I move:

That subsection 33 of section 2 be amended by striking out the word "rental" appearing between the words "means a" and the word "housing" in line 22 on page 4.

[Mr. Ilsley.]

Mr. STIRLING: I was going to ask the minister on the committee stage a question to which the hon. member for York West referred. Does the minister retain any supervision over location of building, description of building, design of building, or anything to do with how the matter shall be dealt with? Public attention is being paid a great deal more to town planning as the years go by, and if this bill catches on with the public I can imagine many instances where none too desirable buildings will be erected in places where, possibly, town planners do not want them erected. Does the minister exercise any supervision over the plans which a lending institution is ready to accept?

Mr. ILSLEY: Yes. The director of housing certainly does. The housing administration must approve the location, the design and the plans.

Mr. STIRLING: Is that covered in some clause here?

Mr. ILSLEY: I think so.

Mr. STIRLING: I cannot find it, except a sort of left-hand reference, through regulations.

Mr. LOCKHART: Yes, that is all there is.

Mr. ILSLEY: Section 4, subsection 2 (b) is one clause. There are others, I believe.

Mr. STIRLING: In other words, the lending institution has not a completely free hand to accept any scheme?

Mr. ILSLEY: No.

Mr. STIRLING: The minister retains supervision?

Mr. ILSLEY: Yes.

Mr. KNOWLES: There is a question which I have been asked a number of times and to which I have already given an answer which I think is correct, but because the question has been asked quite often I think it might be well if the minister would make a statement on it. The question is this: when a person applies for a loan he is told that he may get a loan up to a certain percentage of the lending value of the property. Does that lending value include cost of the land which the prospective borrower may already own? I have given the answer, "yes," but because of the interest in this question, if the minister would clarify the point it would be appreciated.

Mr. ILSLEY: It includes the value of the land; not necessarily the cost of the land if he already owns it.

Mr. KNOWLES: The reason why I asked the question at this time is that I believe it is covered by subsection 6 of this section, where as far as the land is concerned it is either the cost or the appraised value, whichever is the lesser. But what bothers some people is this: if the computation results in the necessity, we will say, of borrowing $1,900 to build a house, and he already owns a lot worth $100, it will not be necessary for the applicant to put up an additional amount of money; the $100 he has in that lot will be his five per cent of the $2,000?

Mr. ILSLEY: Yes.

Mr. KNOWLES: The figures are purely hypothetical.

Mr. ILSLEY: That is right. But do not forget that it is not the original cost which counts in that case; it is the value.

Mr. KNOWLES: The value or the cost, whichever is the lesser.

Mr. ILSLEY: Yes.

Mr. ROSS (St. Paul's): Subsection 34 states:

"Semi-detached dwelling" means a family housing unit joined by a common or party wall to one or more family housing units;

Does that mean houses in a row?

Mr. MacNICOL: Like a terrace.

Mr. STIRLING: Then it is not semi-detached.

Mr. ILSLEY: If I understand the question the answer is yes. There might be a number of family units joined by a common or party wall. "One or more family housing units"; I think they could be separated by party walls.

Mr. ROSS (St. Paul's): The one in the centre would be fully attached if there were three.

Mr. ILSLEY: They are called "semi-detached". This is a definition of what "semi-detached" means.

Amendment agreed to.

Section as amended agreed to.

On section 3—Powers of approved lending institutions to loan on first mortgage.

Mr. ILSLEY: I am sorry that an amendment must be moved to this as well.

Mr. McLARTY: I move:

That section 3 be amended by striking out the words "this part" in line 32 and substituting therefore the words "parts I and II of this act", and by adding the following words at the end of the said clause, "or of the lending value of a rental housing project specified in paragraph (b) of subsection (2) of section 8 of this act".

Mr. MacNICOL: May I ask what the minister means in the amendment by "lending value"? The same words appear later on.

Mr. ILSLEY: The addition of the words gives the lending institution the power to make the loans which are required under part II as well as under part I. Part II of the bill relates to housing for rental purposes. Apparently the section was drafted in such a way as to apply only to part I of the bill, namely home ownership houses—that is perhaps the correct phrase—the case where a person applies for money and builds a house and owns it. But it is also contemplated that there will be some lending under part II of the bill, which provides for rental. This makes it clear that lending institutions can lend under part II as well as under part I

Amendment agreed to.

Section as amended agreed to.

On section 4—Minister may enter into contracts.

Mr. ROSS (St. Paul's): What is the minimum amount that will be lent?

Mr. ILSLEY: Fifty per cent.

Mr. ROSS (St. Paul's): In dollars?

Mr. ILSLEY: There is a limit in percentage but not in dollars.

Mr. HAZEN: I would refer the minister to subsection 2 (c):

a joint loan shall not be less than fifty per centum of the lending value of the house. . . .

"House" is defined as a building intended for human habitation. No reference is made to land there. There is a definition of lending values and cost of construction, but there is no reference to land there. As I read the section, in conjunction with the definitions, it appears to me that it could be interpreted to mean cost of construction of the house or cost of improvements, and I am wondering whether it is the house without the land.

Mr. ILSLEY: The hon. gentleman sounds as if he is right. If there is an error there it has always been there. Perhaps the definition of cost of construction cures it. I should like to look at it, because this is the way it has always been done. It is I think, a little subtle. We have to interpret what the phrase "lending value" is. We start with that. That phrase raises a difficulty, and it will be found on page 5, line 6, of the bill. Now what do we

mean by "the lending value of the house"? We thought we meant the lending value of the house and land.

Mr. HAZEN: There is a definition of "house" on page 3, section 2, subsection (19).

Mr. ILSLEY: That is right, and the definition of "house" does not include land.

Mr. HAZEN: No.

Mr. ILSLEY: That adds still further to our difficulties. Then we go to subsection (23) on page 3 and we find that "'lending value' means the estimated cost of construction or cost of conversion, or the appraised value, whichever is less, of a house or housing project". Then we go to cost of construction which undoubtedly brings in the land. What the combined effect of all that is I do not know off the bat.

Mr. STIRLING: Surely subsection (23) must include the value of the land.

Mr. ILSLEY: Yes. This was passed by the Department of Justice and carries the wording of the old act. Certainly I do not want to have a mistake about it.

Mr. LOCKHART: Cost of construction does not usually include the land value.

Mr. HAZEN: We shall hardly get through the bill to-night.

Mr. ILSLEY: I think the section had better stand.

Section stands.

On section 5—Orders and regulations by governor in council.

Mr. HAZEN: With regard to section 4 I would refer the minister to subsection 2, paragraph (j):

> a joint loan shall be made on such terms as to payment of principal, interest and taxes by monthly instalments as may be prescribed by regulation or as the minister may determine.

Is there any provision about insurance? I suppose the owner of the house would have to keep it insured, or will that be provided for in the regulations? Perhaps it is in the mortgage.

Mr. ILSLEY: Yes. The mortgage requires the house to be insured, always.

Mr. STIRLING: The minister a few minutes ago, in reply to a question of mine, referred to the supervision which the director of housing would exercise. Is there any link in this bill to the director of housing, showing where he enters into this matter and has any jurisdiction over it.

[Mr. Ilsley.]

Mr. ILSLEY: It is the minister, and "minister" includes the person to be designated.

Mr. STIRLING: I see. That is the way in which the director of housing comes in.

Mr. ILSLEY: Yes.

Mr. KNOWLES: If the minister is going to check on the wording with reference to lending value and cost of construction, perhaps he should creck up on section 5 (1) (a) as well, because there you run into similar wording again:

> The governor in council may, on the recommendation of the minister, by regulation, (a) prescribe the manner in which the cost of construction of a house or of a housing project shall be estimated. . . .

You have it defined in one place and now you put it in the hands of the governor in council. I did not think there was any difficulty in the wording under the previous legislation. I thought the intention was quite clear. But maybe it should be checked.

Mr. ILSLEY: The section that needs to stand is the one containing the definition of "house" rather than this section.

Mr. KNOWLES: That would be section 2. It was section 4 that was made to stand, but not section 2.

Mr. ILSLEY: That is right.

The CHAIRMAN: Shall section 5 carry?

Mr. ILSLEY: Perhaps it should stand, in view of the comment.

Section stands.

Sections 6 to 8 inclusive agreed to.

On section 9—Loans to limited-dividend housing corporations.

Mr. ILSLEY: I have an amendment to suggest to this section. It is that paragraph (g) of subsection 3 of section 9 be amended by striking out the word "or" at the end of line 24 and substituting therefor the word "and". It seems to be a minor drafting change.

Mr. McLARTY: I so move.

Amendment agreed to.

Mr. MacNICOL: May I ask one question with reference to paragraph (g) of subsection 4 of section 9? Will the department have in large centres such as Toronto, Montreal, Vancouver or elsewhere an agent to look after the department's interest?

Mr. ILSLEY: Yes, undoubtedly we shall have to have officials in those cities.

Mr. ROSS (St. Paul's): Subsection 3 of section 9 reads:

A loan may be made under this section only to a limited-dividend housing corporation which has entered into a contract with His Majesty on the terms set out in the next succeeding subsection, to construct a low-rental housing project or to convert existing buildings into a low-rental housing project. . . .

And so on. Is there any reason why the company I was talking about a while ago could not convert these into low-rental projects by refinancing their proposition?

Mr. ILSLEY: They are low-rental units now, are they not?

Mr. ROSS (St. Paul's): Yes, but they could be lower and they would serve a very much more useful purpose. I think something ought to be done about the matter. I do not think it makes very much difference to anybody except that these things could be converted. There is a lot of money in the trust company and there is a sinking fund of two or three thousand dollars there as well. I may be wrong in the amount, but interest at five per cent is paid on that money into the trust company every year, and a portion of the sinking fund has to be paid as well. Even that would be all right if the five per cent bonds were exchanged for three per cent bonds. The dominion government would not be out anything. The money would be lent in the same way. That money and other money would come back and would save two per cent. It would make a lot of difference to a company of that kind. This company is just aching to get busy on low-rental housing. Men who are interested in it are all public spirited men. The director of the corporation is L. M. Wood of Toronto. He does some work in connection with the blind. Many of these fellows have been interested in this work for a long time. Here is an opportunity to use an organization that is a going concern. They have had experience in this country on projects of this kind and know what it is about. It seems to me that some clause should be inserted there to help out a situation like that. They are always getting kicked around by the board of control in the city of Toronto because they do not understand the situation. It is not because it has not been well financed; it is because of the circumstances. There is the high interest rate and the ten per cent exchange rate which they have to pay. These bonds are at five per cent plus the exchange. Any portion of the capital that is paid off is paid off at a ten per cent premium. What I ask could be easily done. There may be other organizations in Canada that could be helped out in the same way.

Mr. ABBOTT: Get the hon. member for Rosedale to refinance it.

Mr. GRAYDON: Or perhaps St. Antoine-Westmount.

Mr. ABBOTT: No, I am not in that business.

Mr. ROSS (St. Paul's): I have taken this matter up with the parliamentary assistant to the Minister of Finance many times in connection with rentals on these places. The rentals are frozen and they were frozen at an unfair rate. They were frozen the day before the corporation had intended to raise its rents. We did not want to raise the rent because we are a philanthropic institution, but you have to face costs. Take the increased cost of coal alone. We all know what has happened to coal in this country. The place has to be heated; hot water has to be supplied and all the other upkeep has to be taken care of.

Section agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, August 10, 1944

The house met at eleven o'clock.

HOUSE OF COMMONS

RECOMMENDATIONS OF CIVIL SERVICE COMMISSION WITH RESPECT TO CLASSIFICATIONS, ETC.

Mr. SPEAKER: I wish to lay before the house reports and recommendations of the Civil Service Commission with respect to the permanent appointment of a secretary to the Speaker of the House of Commons; a change in classification of the Clerk of Orders and Notices, and an increase in compensation to the Debates Reporting branch.

REPORTS OF COMMITTEES

Sixth report of standing committee on miscellaneous private bills.—Mr. Picard.

Tenth report of standing committee on banking and commerce.—Mr. Moore.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

LONDON SCREENING COMMITTEE

Mr. FULFORD:

1. Has Canada a representative on "the joint committee of non-munitions committee and the London food committee", commonly referred to as "the London screening committee"?

2. If not, how are Canadian products allocated to other parts of the British commonwealth, including the middle east supply mission at Cairo and the India mission?

Mr. MACKENZIE KING:

1. Canada has an observer on the joint committee of non-munitions committee and the London food committee.

2. Canada is a full member of the combined production and resources board and of the combined food board which deal with the allocation of industrial and agricultural products amongst the united nations. On UNRRA, the agency dealing with relief and rehabilitation requirements, Canada holds the chairmanship of the supplies committee. On other committees operating in more limited fields, Canadian interests are protected in some cases by full membership, in others by an observer and in others by working arrangements with operating subcommittees.

Arrangements have been made with the middle east supply centre, Cairo, for Canada to receive programmes of the requirements of middle east countries as soon as they are made available to the United Kingdom and the United States. Arrangements have also been made for the inclusion of Canada as a source of supply on the middle east commodity index. Close contact is maintained between officials of the centre and the Canadian trade commissioner in Cairo. These provisions enable Canada to be specified as a source of supply for any commodities or materials in the supply of which Canada is interested.

The Indian supply mission has a representative in Ottawa working closely with the Department of Trade and Commerce and the Department of Munitions and Supply.

INCOME TAX—$10,000 PER ANNUM AND OVER

Mr. DIEFENBAKER:

1. How many persons in Canada had a personal income of over $10,000 per annum in each of the years 1940 to 1943 inclusive?

2. (a) What was the total income of said group in each of the said years; (b) what was the total amount of income tax paid by said group in each of the said years?

Mr. GIBSON: Income tax statistics have been compiled on a government fiscal year basis from the returns assessed within a given fiscal year. Such statistics therefore represent the income assessed and the tax assessed and do not reflect the income actually earned or the tax actually paid in the period covered. Steps are now being taken to prepare statistics on a calendar year basis. The following table is based on assessments made in fiscal years ending March 31.

Fiscal Year	No. of taxpayers assessed having incomes over $10,000	Total income assessed	Total tax assessed
1940 ...	11,816	$240,822,309	$38,643,690
1941 ...	10,956	225,776,323	38,745,329
1942 ...	6,910	141,769,758	31,611,008
1943 ...	8,038	164,190,051	51,134,479

MUNITIONS AND SUPPLY—TEXTILE PRODUCTION

Mr. BRUCE:

1. Has the Minister of Munitions and Supply set up a textile production branch or a new department of textile production?

2. If so, who is the director of this department and what are his qualifications and salary?

3. What are the names of the others constituting the personnel of this directorate and what are the qualifications and salaries in each case?

Mr. CHEVRIER:

1. Yes.

2. S. H. Pettitt, director general, salary, $6,600 per annum.

Mr. Pettitt in civil life was a textile consultant and production and cost expert, and is a registered member of the Industrial Cost Accountants and Industrial Engineers Society of Ontario.

Since 1909 Mr. Pettitt has had wide experience in the textile industry in Australia, United States and Canada. Immediately preceding the war he conducted his own business as consultant in the production of textiles. During his business career he has conducted surveys for the governments of the dominions of Australia and New Zealand.

He has been an officer of the cost accounting section of the treasury and the Department of Munitions and Supply since September, 1940, dealing solely with textiles, and has done extremely valuable work.

3. Inasmuch as this branch was created recently the personnel of the branch has not yet been appointed.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CIVIL SERVICE—ADDITIONAL SERVICES AND REMUNERATION

Mr. BLACKMORE:

1. Are there any permanent civil servants who have been paid, in addition to their regular salaries, for performing, together with their official work, additional duties assigned to them, (a) by reason of the organization of the new war services; (b) as a result of the absence of other civil servants who have joined the army, navy and air force?

2. If so, what are their names and what additional remuneration was paid to each of these permanent civil servants?

TRANSFERS FROM NOVA SCOTIA FOR EMPLOYMENT IN OTHER PROVINCES

Mr. BLACK (Cumberland):

1. How many persons in Nova Scotia have obtained employment and been instructed or authorized to report for work in another province?
2. What has been the total transportation, living and other expenses paid on account of such persons?
3. Have any persons, who have been instructed or authorized to report for work outside of the province, refused to take such employment, and if so, how many?

PRIVILEGE

MR. CHURCH—REFERENCE TO REMARKS OF MR. ROEBUCK IN DEBATE ON AUGUST 4

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I rise to a question of privilege. I wish to call the attention of the house to page 5950 of *Hansard* of last Friday, August 4, where the hon. member for Trinity (Mr. Roebuck) says:

In that attitude I believe we are far stronger than in that advocated from across the aisle; that is to say, an adult nationhood but in some way subservient to some other nation.

Let me say that such remarks were never made by me at any time.

The hon. member went on:

If I understand the English language aright he (Mr. Church) desires some sort of centralization of power across the ocean.

That is ridiculous; I never suggested that. He went on:

I heard the hon. member say that the strength of the empire is in unity, and of course with that statement I thoroughly agree. The strength of the empire is in unity; but if that unity is to be brought about by subservience on the part of Canada to any other people—

I wish to say, Mr. Speaker, that I never made any remarks like that here or at any other place at any time.

BUSINESS OF THE HOUSE

PROCEDURE IN INTRODUCTION OF MEASURE FOR WAR SERVICE GRATUITIES

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, hon. members will doubtless have noticed that in to-day's *Votes and Proceedings* there appears notice of a motion in my name relating to war service gratuities to be paid to members of His Majesty's Canadian forces who served on active service during the war and to assist them in their reestablishment, having regard to the length, sphere and terms of their service. I should like to have the bill presented to hon. members at as early a moment as possible. If we followed the ordinary procedure it would be necessary to wait until to-morrow to advise the house that His Excellency has been informed of the subject matter of the resolution, and it would not be possible to proceed in committee of the whole with the resolution until later. Unless there is an objection to my so doing, I would ask leave of the house to introduce a motion which would enable the house to take up the resolution in committee to-day, with the understanding that if the resolution carries the bill itself will later be distributed so as to be available for hon. members for second reading and discussion of its provisions at another sitting of the house. If this course meets with the approval of hon. members I would ask the permission of the house to introduce the following motion:

That notice of the resolution standing in *Votes and Proceedings* with respect to payment of war service gratuities be deemed sufficient, and that the said resolution be considered in committee of the whole during to-day's sitting of the house.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I can see no objection to meeting the Prime Minister's suggestion with respect to having the resolution advanced this stage so that we can discuss the resolution to-day. I would like, however, to point out that it is one hundred and twenty days since on January 27 this measure was mentioned for the first time in the speech from the throne. While it may be quite a good argument to say that legislation which is perhaps not properly classed as a war measure should be left to the end of the session and that war measures should be given preference, this proposal is definitely both a war and peace-time measure and one which in all propriety should have been before us long ago. It is six and a half months since it was first envisaged in the speech from the throne; and as I understand from the Prime Minister's suggestion to-day, and in this I think he is quite right, it is doubtful whether the bill even yet is printed and ready for distribution.

I am not anxious to have to make the observations which I am making this morning. Few people in the house are more weary than I am or more anxious to see the house come to a conclusion reasonably soon; and I suppose most hon. members who understand the strain which members generally, and those who are leaders in the house particularly, are under during this time of rush and pressure of legislation, will recognize the significance of the remarks I now make. At the risk of being unpopular with some hon. members, since the pressure is so great to have the house rise at the end of the week I do not relish

the idea of suggesting, but I do suggest, that we shall have to give this proposal the full measure of consideration to which it is entitled, no matter how long we have to sit. More than that, I cannot see how we can very well give this bill full consideration and still end our session on Saturday night. No matter what the personal inconvenience to members of this house or to any of us, it is pretty small compared to the inconvenience that the men this measure is designed to help have to endure for us while they are serving overseas and in other places. Parliament should give this measure the fullest consideration to the end that it will be the best measure we can possibly present to these men and women when they come back. If it is possible to do that before the end of this week, by all means let us do it. But let us not hurry this legislation; let us not be accused of hastening it just for purposes of speed. Rather let us make sure that whatever time and whatever money are necessary shall be allotted to a measure which is so very important that I regard it as perhaps the most important to come before this house at the present session.

I do not think we would ever forgive ourselves if we were inconsiderately to push this bill through or give undue signs of haste. After all, it has to do with the lives and the future of men and women who are our No. 1 citizens. Definitely we owe this to them. I know the government will be in thorough agreement with what I have said, but I thought it only fair to point out to the public and to the house generally that, whatever happens, this measure must have the fullest consideration regardless of the inconvenience to members. Whatever responsibility there may be, in all fairness the government must share it, because this measure should certainly have been before the house for consideration long before this.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I think it is a great pity that this measure is coming before us in the manner in which it is to-day. I have not yet seen it. I do not know what the resolution is. I know it is purely formal, but I hear rumours that it involves the expenditure of about $730 million, or fifty per cent more than the pre-war budget. If that is so we should certainly have had much more time and warning than we have. The Prime Minister says that the resolution is on to-days *Votes and Proceedings*. So far I have not been able to get a copy of yesterday's *Votes and Proceedings,* although I sent out for one a few minutes ago.

[Mr. Graydon.]

Mr. MACKENZIE KING: It is to-day's *Votes and Proceedings* which record yesterday's notices and proceedings.

Mr. COLDWELL: I have not received it yet.

Mrs. CASSELMAN: May I send mine across?

Mr. COLDWELL: I know it is not in my box, because I just got my mail.

Mr. MACKENZIE KING: I regret that to-day's *Votes and Proceedings* have not reached him, but that must be due to some oversight or mishap. It could not be intentional.

May I say at once to the leader of the opposition that I greatly appreciate what he has said by way of accommodation to enable us to bring in this resolution immediately. I hope that hon. members of the house are in agreement with the leader of the opposition to have the resolution introduced at once and the bill brought in later. With regard to the bill being printed may I say to my hon. friend that I have a copy of it in my hand. It has been printed but there are one or two clauses which the government would like to look over before having the bill distributed. There will be no delay in having the bill distributed.

With my hon. friend, I wish it might have been possible to have this important measure brought down earlier in the session. It is a war measure, but as my hon. friend will see, its provisions relate more particularly to the post-war period. I mention that only by way of explanation. The session has been a very heavy one. Some ten weeks or more were occupied in discussing the war appropriations and that accounts in part for there having been some delay in the introduction of this measure.

The measure is one that affects five departments of the government. As hon. members are well aware, the ministers of defence, the Minister of Finance and the Minister of Pensions and National Health, all of whose departments are affected by the measure, have had exceptional duties to perform during this latter part of the session and along with their officials have been giving every moment of their time to the immediate questions that are before us. I mention that as one of the reasons why it has been impossible to bring this measure before the house sooner.

May I say to the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) that when a similar measure was enacted after the last war it was not brought before parliament at all, it was enacted by order in council,

and that not until after the war was over. The present administration took the view emphatically that we should not attempt to enact a measure of such importance by order in council even if its introduction involved lengthy discussion here. We felt that hon. members of both houses had a supreme right to consider and to be immediately associated with the enactment of a measure of as great importance as this. For that reason we have brought it in as part of the programme announced in the speech from the throne.

Let me say further to my hon. friend, the leader of the opposition, that I agree with every word he has said about the time that should be devoted to the consideration of this measure. No one in the house is more anxious to see the session ended than myself, and I am sure there are some members of the administration who are even more anxious than I am because in many directions they have carried heavier loads than I have. But that should not cause us to fail to give the measure every consideration that this House of Commons should give to what I think, along with my hon. friend, is perhaps as important as any measure introduced, not only during this session but during this parliament and I might say during any parliament of Canada.

I believe that the measure is one that will commend itself to all members in this house. I think the view of the House of Commons generally with regard to the recognition to be given to the men who have offered their services at the risk of their lives is a view that is held in common, namely that there is nothing that we can do, having regard always to what the public interest makes possible, that could be too much in the way of recognition for the services that they have rendered and are rendering.

Apparently the house is agreeable to proceeding with the resolution, so that I shall move, seconded by the Minister of Mines and Resources:

> That notice of the resolution standing in *Votes and Proceedings* with respect to payment of war service gratuities be deemed sufficient and that the said resolution be considered in committee of the whole during to-day's sitting of the house.

If the motion carries, I would suggest that we proceed at once to the consideration of the resolution.

Mr. SPEAKER: Before putting that motion the resolution should be before the house with the Governor General's approval.

Mr. MACKENZIE KING: I intended to mention formally—I thought I had—that His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Mr. SPEAKER: The motion will be that the house go into committee of the whole this day. I would point out that there is an error in the second line of paragraph 1 of the resolution where it states that the war commenced on the 3rd day of September; that should be the 10th day of September. Also in the second line of paragraph 2 the date 3rd day of September is mentioned; this should be the 10th day of September.

Mr. CHURCH: I should like to ask the Prime Minister if the urgency of this resolution is not greater than its form of discussion here. It looks to me as if the grants will not buy clothing for these men let alone houses; they are too small. Will it come up later to-day

Mr. MACKENZIE KING: Yes.

Motion agreed to.

CANADIAN FORCES

REPORT AS TO PROPORTION OF CANADIAN DIVISIONS IN CANADIAN ARMY IN NORMANDY

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I wish to direct a question to the Minister of National Defence. In view of the misconception which exists about our Canadian Army—the report being that it includes powerful units of British troops—will the minister clarify the situation by telling the house if it is made up mainly of Canadian divisions, or if not, in what proportion?

Hon. J. L. RALSTON (Minister of National Defence): No, I cannot make a statement, but I can say to my hon. friend that the Canadian Army is composed just as I forecast it would be composed when I addressed the house in connection with my estimates in February of this year. My hon. friend and the house will realize, I believe, that I am not in a position to make and should not make a statement regarding the composition of the Canadian Army. That will be disclosed in due course.

AVAILABILITY OF N.R.M.A. MEN FOR SERVICE ANYWHERE

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, I should like to direct a question to the Prime Minister. Will the government, before this session closes, pass the order in

council necessary to make all those drafted under the National Resources Mobilization Act available for service anywhere?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member will be fully aware of the government's attitude as soon as any change is made, before or after the session is concluded.

Mr. BRUCE: I should like to ask a supplementary question. When the European war is terminated will the government ask those who have won that war to fight another war on the Pacific without in the meantime making the home defence army available for that task?

Mr. MACKENZIE KING: It would be utterly improper for the government to make any announcement with respect to matters that relate to the strategy of the war and which are part of the general plans for the war. The hon. member I am sure on reflection will realize that it would be most unwise to inform the enemy of anything that we are going to do.

PACIFIC AIR LINE

REFERENCE TO STATEMENT OF PRIME MINISTER OF NEW ZEALAND

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Munitions and Supply in connection with a statement made by the Prime Minister of New Zealand in the New Zealand parliament some two days ago wherein he advised that the New Zealand government had taken up with the United States the question of landing rights for the establishment of an empire air line. It is indicated from the press dispatch that there is a possibility of Canada participating therein as well as the United Kingdom. Is the minister in a position to give information in regard to the projected Pacific air line referred to?

Hon. C. D. HOWE (Minister of Munitions and Supply): I have stated before in the house that the Canadian government is carrying on active negotiations leading to a service across the Pacific. New Zealand and Australia are also interested in the negotiations covering the same territory. The negotiations are not at this moment at the stage that warrants a statement from me, but the house will be advised as soon as definite conclusions have been reached.

MONETARY CONFERENCE

RECOMMENDATIONS OF BRETTON WOODS MEETING

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I wish to direct two questions to the Prime Minister. I have not previously given him any notice. First, what provisions if any have been made or are being made by the government for rendering available to members copies of the white paper setting forth the recommendations of the Bretton Woods conference on international monetary organization? Second, when is the house to be given an opportunity to discuss these recommendations?

Right Hon. W. L. MACKENZIE KING (Prime Minister): It would be possible to have the report printed and, I hope, distributed at once. Just when it may receive consideration I am not in a position at the moment to say.

Mr. BLACKMORE: Did I understand the Prime Minister to say that the report is now being published so that copies may be available to members?

Mr. MACKENZIE KING: I said I thought it would be possible to get the report printed at once, and I shall seek to have that done so that hon. members may have it.

OIL

AGREEMENT BETWEEN GREAT BRITAIN AND THE UNITED STATES

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): In connection with the agreement entered into at Washington, between Great Britain and the United States in reference to oil, is Canada a party to that agreement, and is there to be a restriction or an increase in production of oil in Canada?

Hon. C. D. HOWE (Minister of Munitions and Supply): Canada is familiar in a general way with the terms of the agreement. Canada is not a party to the agreement, but the agreement will have no effect on the production of oil in Canada, either in there being more oil production or less oil production.

HEALTH INSURANCE

PROBABLE DATE OF DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I wish to direct a question to the Prime Minister. In view of the fact that the proposed national health insurance measure is awaiting consideration by a dominion-provincial conference, before being introduced in this house, will the Prime Minister inform the house when such conference will be held, or whether it has yet been arranged?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I regret that I am not in a position to tell the hon. member just when the conference will be held. There are many circumstances to be taken into account in connection with the arrangement of the time.

AIR RAID PRECAUTIONS

QUESTION AS TO DISBANDING OR MAINTENANCE OF ORGANIZATION

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I wish to direct a question to the Minister of Pensions and National Health. Since the danger of invasion has now passed, will the minister tell the house whether he has disbanded the A.R.P. organization and stopped all expenditures in connection therewith?

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): In the first place, my hon. friend bases his question upon an allegation of fact, which is contrary to the rules of the house, and is of somewhat doubtful purport. In the second place, it is not the intention, so long as there is any possibility of insecurity in Canada, to disband the civil defence organization.

INCOME TAX

POSSIBILITY OF EXEMPTING MERCHANT SEAMEN FROM OPERATION OF ACT

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): I wish to ask the Minister of Finance a question. I was surprised to read this morning an article in which it is stated that merchant seamen who are on active service are not exempt from income tax. Will the Minister of Finance inform the house whether it is the intention of the government to give relief to merchant seamen in connection with income tax?

Hon. J. L. ILSLEY (Minister of Finance): The question, I suggest, is not in order. The matter has been discussed repeatedly in this house, both last year and this year, and the policy of the government is well known, I think.

GASOLINE

SUGGESTED EXEMPTION OF SOLDIERS' CARS FROM RATIONING

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I wish to ask the Minister of Munitions and Supply a question. Will he consider extending the provisions of the gasoline regulation, which applies to war workers using cars, to soldiers who have cars and who use them going to and from camps? Outside the camps, coming along the road, they pick up privates and give them a lift into the city. I see no reason why the provision should not be extended to include soldiers as well as war workers.

Hon. C. D. HOWE (Minister of Munitions and Supply): I shall be glad to bring to the attention of the oil controller the suggestion which my hon. friend has made.

Mr. CHURCH: I do not see why soldiers' cars should be discriminated against.

WAR SERVICE GRATUITIES

CANADIAN ARMED FORCES ACTIVE SERVICE PERSONNEL—PAYMENTS ON RETIREMENT OR DISCHARGE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee to consider the following resolution:

That in order to recognize the service of members of His Majesty's forces who have served on active service during the present war and to assist them in their reestablishment having regard to the length, sphere and terms of their service, it is expedient to introduce a measure to provide:

1. That to every member of the naval, military or air forces in Canada, who, during the war which commenced on the tenth day of September, one thousand nine hundred and thirty-nine, has enlisted for general service in such forces or who, pursuant to the National Resources Mobilization Act, 1940, may have been at any time obligated to serve without territorial limitation, or who has served in the Aleutian islands, there be paid, subsequent to the retirement or discharge from the forces of such member:

(a) the following as a war service gratuity in respect of the period during which such member was enlisted or obligated for general services or served in the Aleutian islands:

(i) for every 30 days of service in the western hemisphere, excluding the Aleutian islands, $7.50;

(ii) for every 30 days of service overseas, or in the Aleutian islands, $15;

(b) for each six months of service overseas, or in the Aleutian islands—7 days' pay and allowances;

(c) subject to certain conditions, a re-establishment credit, to be available for specified rehabilitative purposes, equal to the total amount of the gratuity payable under clause (a) of this paragraph.

2. That a similar gratuity and credit be payable to persons domiciled in Canada on or after the tenth day of September, 1939, who subsequent to that date served on active service in any of the naval, military or air forces of His Majesty other than those raised in Canada who resume residence in Canada within one year of the date of retirement or discharge from any of such forces; subject to there being deducted from any such gratuity or grant any

benefit of a similar nature which any such person has received or to which he is entitled from any government other than Canada in respect of his service.

3. That the said gratuity and credit shall not be payable to any person who has been retired or discharged from the forces by reason of misconduct.

4. That payment of the said war services gratuity may be made under certain conditions to or on behalf of the dependents of members of the forces who have died either prior to or subsequent to retirement or discharge from the forces before receiving such gratuity in whole or in part.

5. That the said gratuity and credit shall not be subject to attachment, levy, seizure or assignment, or to taxation.

6. That the amounts required under the said measure be paid out of unappropriated moneys in the consolidated revenue fund.

7. That the expenses necessary for the administration of the proposed measure be paid out of moneys appropriated by parliament for such purpose.

8. That the governor in council may make regulations governing all matters relating to the payment of gratuities or the making of re-establishment credits available and the evidence to be required in support of applications therefor, to prescribe penalities for breaches of the said regulations and generally to give effect to carry out the objects of the measure.

He said: The proposed resolution implements the policy set forth in the speech from the throne, respecting war service gratuities and measures to supplement the existing rehabilitation programme. It is designed to give a token expression of the gratitude of our country, in so far as anything can begin to express the country's feelings, to all the men and women of Canada who in the present war have voluntarily offered their services at the risk of their lives. It is with a sense of deepest obligation to the fighting forces of Canada that, on behalf of the administration, I beg leave to introduce the resolution.

Gratuities represent an attempt to recognize a service upon which no price can ever be placed. Those whose services are involved have not thought of their duty as something which would entail a monetary reward, but as I shall seek to explain, the proposed war service gratuities will be both an acknowledgment and an encouragement: an acknowledgment of burdens borne and sacrifices endured; and an encouragement to the men and women who, having voluntarily given their services, have survived the vicissitudes of this the most terrible of wars in the world's history and may soon wish to resume those civilian occupations which were laid aside by them by the onset of war, or to enter upon new callings as a means of providing a livelihood through the years to come.

I should like to make it clear that gratuities are not to be confused with rehabilitation and reestablishment, though they will contribute to these important ends. This measure is the crowning feature of a comprehensive rehabilitation programme which provides for several carefully considered forms of assistance. These include:

A. Maintenance allowances to veterans and their families in the form of

1. out of work benefits if employment is not immediately to be had, and unemployment insurance if employment is interrupted;
2. temporary incapacitation grants;
3. "awaiting returns" grants to farmers and fishermen;
4. vocational training grants;
5. university training grants;
6. post-graduate training grants;
7. unemployment insurance benefits.

B. In addition, under the Veteran's Land Act, assistance is given for land settlement and fishing.

C. Employment assistance is afforded through

1. compulsory reinstatement in previous employment;
2. preference in civil service competitions;
3. veterans' welfare officers.

D. The provisions of the National Housing Act are of benefit to veterans as well as civilians.

The provisions for pensions and medical treatment have been steadily broadened over the past five years. At this present session veterans' insurance legislation has been enacted.

The measure provides cash, and credit which may be converted into cash; for approved rehabilitative purposes. It is an advance over former gratuity and bonus legislation in that, while it gives to the veterans a nucleus of funds which they may use according to their own best judgment without official restraint, it also provides an equal amount to be used directly in rebabilitation. By way of illustration, I might mention: purchase of a home under the national housing act; purchase of a business; purchase of tools and implements of trade; any other purpose soundly recommended as practical and contributing to reestablishment may be approved by the minister.

I think it can be said, and with pride, that in so far as there can be such a thing as generosity towards those who have been prepared to risk their all in war, no country has been more generous in its recognition of the services of men and women in the armed

forces than Canada has been. The rehabilitation programme, set in motion in Canada while the war is still being fought, has been widely commended abroad; and some aspects of it have served as a model for certain of the allied powers. Beyond the question of acknowledgment altogether, there is the concern of the present administration that the already comprehensive provisions should be improved wherever possible. Only constant attention will ensure the sympathetic and efficient reestablishment of veterans in civil life.

Some of Canada's fighting men have been on active service for nearly five years. They deserve, as they will have, a first claim upon our resources for reestablishment. Throughout its various measures for reconstruction and social security, the government is seeking to ensure that there shall be for those who have thus served our country and the cause of world freedom abundant opportunity and security in body and mind.

This measure is the culmination of an earnest desire to provide for service men and women what we believe the nation will expect any government to provide. It is a rounding out of measures provided over nearly five years of war. In the many years I have been in parliament I can think of no measure which it has been my privilege to introduce which has afforded me as deep a feeling of pride and satisfaction to introduce as the present measure. It is one to which I believe the response of the parliament and people of Canada will be unanimous, whole-hearted and sincere.

I have already mentioned that the bill based on the resolution is the work of five departments, namely, the three defence departments, the finance department and the Department of Pensions and National Health. I should perhaps add the Department of External Affairs, as well. Explanation in detail will be given by the ministers of national defence and the Minister of Pensions and National Health.

The total cost of the gratuities and reestablishment credits is very difficult to estimate. Assuming that the service of the present members of the armed forces is extended to March 31, 1945, gratuities in an amount of something over $400,000,000 would be payable. I wish to pause here to say that by assuming that the services of the present members of the armed forces is extended to March 31, 1945, I do not wish to imply that the war will extent that long or that it may not extend considerably beyond that period. I only mention that date in order to enable hon. members to see the basis on which the estimate has been arrived at.

In estimating the cost of the reestablishment credits provided by this bill, which are in addition to the gratuities, it is necessary to take into account the present programme of benefits for discharged men under the Veterans' Land Act and under various orders in council providing for vocational training, university training and so forth.

The estimated amount of the reestablishment credits which will be set up under this bill for the benefit of discharged members of the forces will be approximately $350,000,000. Some veterans will, however, take up their credits, either in whole or in part, in benefits under the Veterans' Land Act or under various schemes of training. To the extent of these offsets, the $350,000,000 estimate which I have mentioned will be reduced.

Mr. GORDON GRAYDON (Leader of the Opposition): I take it from the language used by the Prime Minister when he introduced the resolution that the ministers of other departments would be prepared to make further statements with respect to this programme. Whether these will be formal statements is something which the house must of course leave to them.

I have no desire at this stage to go into any of the details of the resolution, because it has been in our hands only a few minutes. Because of that I do not think hon. members are in a position at this stage to make other than general observations. When the resolution reaches the committee stage we shall have an opportunity to ascertain the true picture and to learn the details of the proposal and the methods by which this laudable object which the government has in mind will be attained.

I wish to say that it can be echoed and reechoed that whatever material or financial compensation we give to the men and women in the armed forces we cannot fully discharge the obligation that rests upon this parliament, this government and the country. This measure I am sure is one of the items of legislation which will find a favourable response not only in the purses and in the minds of the people of Canada but in their hearts as well. The sacrifices that men and women make in their service on the fighting fronts cannot be measured by the yardsticks ordinarily employed.

In addition to making sure that our men and women are given a hearty welcome when they come back, the question of jobs, the question of the rehabilitation programme, the question of cash gratuities such as are sug-

gested here, and the rehabilitation credits, are the least that we as a country must provide at this time.

Hon. members will recall that during past sessions while the war has been in progress and before I became leader of the opposition in the house I suggested that from the beginning of the war there should be set aside a nest egg to be put beside the service pay and allowances of the men in the armed forces so that at the end of hostilities they would have something that they could call their own, something on which they could lay their hands that would be more tangible than educational advantages and many of the other things that go toward helping the men when they come back. It is very important to them. If that suggestion had been carried out they would be assured of some cash in their hands to do the things that they will find it necessary to do when they come back.

Then there is this other thought. While these men and women have been away, opportunity has been afforded to the civilian section of our population to put away something for a rainy day through the medium of victory bonds and the high level of our national income. That has not been possible for the men and women in the armed forces. A measure such as this, which envisages the placing of cash in the hands of men and women when they come back, will be a step forward in equalizing the positions of the men and women in the armed forces and the civilian population. Actually there can never be an equalization of their positions, but this, I say, is a step in that direction. The men and women in the forces will at least feel that as a nation we are trying to take up the slack that they lost in the opportunity for earning which might have been theirs had they stayed at home. Because they made it possible for those who remained here to live in security and safety, let us by this measure try to do something by way of compensation for them. Let us try to equalize their financial position, although actually we cannot equalize it no matter what we give them in dollars and cents. I am confident that the resolution will have the general support of the members of the house.

Of course close study will have to be given to the details of the measure, but from the broad general point of view of helping these men with cash gratuities it will be only the question of the distance and the degree to which the government will go that may bring out any issue as far as members of parliament are concerned. We may find that the government have not gone far enough. We may find that by certain changes in the bill, when it is brought down, we may be able to do something even better in behalf of these men than is called for in this measure. But this will be a signal occasion, I think, and one time when this House of Commons will try to do its best, each member in his own way and in his own right, to see that this measure does what is proper, not just in relation to what this nation can afford but in relation to what these people deserve when they come back. I believe that must be the sole consideration.

During the difficult period of stress and strain of this war, particularly when this nation, the empire and the united nations were in such danger, there was not a member of this house or a citizen of Canada who would not have been willing to throw aside every bit of his material resources, every hope for the future, every business possibility, in order that these men who were serving in the areas of danger in our behalf should have everything they required and more. So that while in connection with other legislation we may have to apply other yardsticks it seems to me that the true yardstick by which we must measure this legislation is what these men and women require and deserve when they return. When we have established that, we will find the money; we will find the materials and the resources, or we shall have failed to live up to the pledges we have made and the requirements of the time in which we live.

This is our first obligation. It is too bad that it has come before us at this late stage of the session, but it remains our first duty. I hope hon. members will pardon me if on an occasion like this my emotions are perhaps more conspicuous than they might be. Looking back over the period between the last war and this war we realize that as a nation we cannot afford to have a single man or woman return to civil life in Canada dissatisfied with what we are prepared to do for those who have fought for us. It seems to me that is a cardinal principle, not only so that we may play fair with them but that we may have a future of which Canada can be proud. It seems to me this will be of major significance to our future, because we shall only have a Canada that is worth while if we have done our duty to the men and women who have made it possible for Canada to survive.

I want to close by repeating, with all the emphasis and conviction I can possibly summon, what I have said before in this house. I am quite sure most of us feel that during this war-time period we civilians have done little, no matter what may have been our station in life. It is all very well for people to say that the responsibilities of civilian life have been

heavy. Of course there have been great responsibilities, but they have been responsibilities without corresponding dangers. I think I can speak for every member of this house when I say we realize that we have done little while they have done so much. That fact, I think, will prompt the House of Commons to support this measure, not because we are satisfied that it has gone as far as it should but because we believe it is a step in the direction of discharging an obligation which is greater and more important than any other obligation resting upon the citizens of Canada to-day. Let us see that when parliament adjourns we shall be able to look back upon this session, whatever may have been its other achievements, and say that at least we, as citizens of Canada and representing other citizens of this dominion, have not hesitated to go as far as possible to meet the demands of this moment, to recognize the sacrifices that have been made by others in order that we might live and progress and still have a worthwhile Canada for ourselves and our children in the days to come.

Mr. M. J. COLDWELL (Rosetown-Biggar): I think we can all agree with the leader of the opposition (Mr. Graydon) that the house will give unanimous approval to this measure. As has been suggested, it is something that should be done, and I am glad the Prime Minister (Mr. Mackenzie King) has brought this measure before the house instead of adopting it by order in council. I believe this is the proper thing to do, and I believe it is also the courteous thing to do because it gives every hon. member of this house an opportunity of sharing in what is intended to be a tribute to the men and women who have served at great cost but which still must necessarily fall short of adequate recognition. I want to say, however, that while we are doing this we should not forget that it will only tide them over temporarily; that it is our duty as a parliament to see to it that conditions in this country are such that after this amount has been expended, or the other gratuities have been used up, men and women will have the opportunity to earn a decent living. That is the real obligation we owe to the men who have fought to preserve the democratic way of life in our own country.

I am not going to say very much more. The bill is not before us; this resolution foreshadows it. There is one omission, however, to which I should like to draw attention at this stage, in case it can be rectified before the bill is discussed. I notice that Canadian nationals who resume their residence in Canada after having served in the armed forces of Britain will be entitled to these benefits. That is good. But there is one group of men who I think deserve well at the hands of this country, and who are not included unde this legislation. I refer to the merchant seamen, who again and again have undertaken risks that are equivalent to those which have been undertaken so often by the men in the Royal Navy and on the field of battle; and those risks have been continuous. I suggest to the government that before this bill is discussed some further consideration be given that point. There are too, of course, the men in the ferry command, who are excluded from a great deal of our wartime legislation. The ferry command is a small group, and the merchant seamen as far as Canada is concerned is not a very large group. I think they should be given some consideration. May I say to the house without emotion and in the coolest of words I can muster that I think every individual in this country will support the government wholeheartedly in this rehabilitation measure.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I wish to say a few words regarding this particular resolution, coming as I do from a district which in the last war sent 55,000 soldiers overseas and which in this war has the largest representation of any city and county in Canada. During this session we have been dealing largely with material things. We passed a billion dollars for certain agencies. Only the other day, after all these years, we provided a small gratuity for the Fenian raid veterans. The men who came back from the Fenian raid and northwest rebellion were given a little grant of land which many of them never saw. Then we tried to take care of those who went overseas in the last war. When you consider the three sections of this resolution you cannot help thinking by way of comparison, of what has been provided for family allowances. All that a man can get under subparagraphs (a), (b) and (c) is $540 for three years' service. What is that as a gratuity to a soldier who has served in Sicily and Italy and Normandy under the intolerable conditions that exist, under what was simply a hell on earth?

I am disappointed in the amounts provided by this resolution. For the past few weeks we have been dealing with material things in many bills involving millions. I have been visiting the homes of many people who have lost their loved ones in this war. I represent, in part of my constituency, a poor man's district. Many of these men served in the Fenian raid, others have belonged to the militia down through the years, and their sons and grandchildren are now serving overseas.

Why should not this gratuity be large enough to put these people in the position they were in before the war? That should be the principle governing the payment of gratuities. They should be put back in civil life to a position where they can make a success of life and be able to send their children to high school. Just recently I received a letter from a soldier in Normandy who has since been killed in action. He told me that many of the young men overseas never expect to see their families again.

I have seen many of them go overseas and many do not return. This young soldier quoted what Saint Paul wrote from Rome in II Timothy as he was about to be brought before Nero a second time. Those were very troublesome times in the history of the Roman empire. Saint Paul wrote to Timothy:

> Thou therefore endure hardships as a good soldier of Jesus Christ.
> No man that warreth entangleth himself with the affairs of this life: that he may please him who hath chosen him to be a soldier.

This country did not have to choose these men. Many of these soldiers went with the first and other divisions as volunteers; in fact nearly all were volunteers. Is this all we have to offer them when they come home for what they went through?

I notice that this is a different scale from the one we used when we were dealing with war workers, and I wish to pay a tribute to what all war workers have done. At the same time a soldier cannot even get gasoline for his car when you see all these young people going home from camp over the week-end. Some of them will be killed before the war is over.

In my opinion these gratuities do not go far enough, they do not provide sufficient for reestablishment. They are much less than the gratuities provided in the civil estimates. Nothing has been done for the parents of those boys who have suffered the extreme barbarism of the axis powers, the prisoners of war who have been shot. We should pay the parents of these boys a gratuity of $5,000 or $10,000 for the brutalities that have been practised on their boys and then collect from Japan and Italy and Germany in reparations at the conclusion of the war.

There is no provision in this resolution for the young people who rushed to the colours in the early days of the war, who went over to join the Royal Air Force and all that kind of thing. They, and all Canadians in the imperials, should be included. Even the maximum amount that would be paid under sections (a), (b) and (c) will not exceed the sums that some of our soldiers' families have been paying in interest to shark loan companies at the rate of two and a half per cent per month. These families have had to give chattel mortgages and bills of sale on all they possess.

[Mr. Church.]

With these gratuities many of these soldiers when they come home will not be able to clothe themselves and send their children to high school. I started with the school board and I have been intimately in touch with the secondary school system since that time. I have been talking to high school principals and soldier families about this thing. One of them commanded one of the most distinguished regiments that went from the Toronto district in the last war and he is now the principal of the largest collegiate in Toronto. I was talking to him about it the other day and he told me that if something more is not done by way of gratuity than was done in the last war some of the youth of the schools whose parents were in the forces might not be able to attend secondary schools but would have to go to work.

I think some of the soldier widows of this war should be given homes which are to be provided by the Minister of Finance in addition to the total of this gratuity. I realize the government have a difficult problem on their hands and I believe in many ways they have done the best they can under the circumstances. I do not believe that these small allowances will commend themselves to the wisdom and judgment of the country especially when the people are expecting us to do our duty at a time like this.

I am disappointed in the resolution because it does not go far enough. It does not provide for a proper system of housing and for a high cost of living bonus to be paid to all dependents of soldiers and adjusted from time to time to include better allowances for their children and protection from unemployment after the war. That is what is covered by a resolution of mine that has been on the order paper since the war started. There should be some provision for a moratorium from foreclosure and eviction as well as more adequate and improved housing for soldiers and their families at low cost. This is only a start and not at all what I had hoped for. It is only pin money in any event.

Mrs. CORA T. CASSELMAN (Edmonton East): Mr. Speaker, as I read the resolution it applies to all members of His Majesty's forces and makes no distinction between men and women, and so I take it for granted that women are included at the same rates as the men, and I express my deep appreciation of that. I think it is only fair and just that the

women should be given this gratuity at the same rates as the men if they have given similar service.

Mr. RALSTON: That is right.

Mrs. CASSELMAN: Of course not many women will be on active service overseas, and there is a difference between those in Canada and those on overseas service. The women have been put on the same basis as the men for educational and other grants, and now again in connection with this gratuity. The hon. member who just took his seat (Mr. Church) did not mention that a number of benefits have already been established for those who have been engaged in this war. This gratuity will go a long way towards helping some of those in the armed forces provide themselves with a house under the provisions of the new housing legislation. I express my very warm appreciation of this measure. We can consider it in detail when it comes before the committee, but it looks now as if there is something here that women will be glad to see, in that they are being treated on the same basis as the men for this gratuity.

Mr. G. RUSSELL BOUCHER (Carleton): Mr. Speaker, just one word on the resolution. I think we should commend the principle behind it, but it occurred to me as the discussion proceeded that one form of service that has been rendered our country and which we should recognize has not been recognized in the bill. I refer to those who will not come back to receive any gratuity or token of our appreciation, to those who have paid the supreme sacrifice. I believe there are many cases right now, and there will be more, where the boy who has paid the supreme sacrifice has left dependents at home who I think should benefit from this gratuity as well as those who are more fortunate and come back. I do trust that the government will see to it that that gratuity shall go to the dependents of those boys who have paid the supreme sacrifice in this war.

Mr. RALSTON: Will my hon. friend look at section 4?

Mr. BOUCHER: I hope that will be done. I feel that we should have given more consideration to our soldiers in the family allowance scheme. Those benefits should have gone almost entirely to our soldiers and their families. I hope the government will consider this suggestion.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, section 1 (b) says:

> for each six months of service overseas, or in the Aleutian islands.

I would ask the minister whether Canadian forces were engaged in the Aleutian islands for a full six months period, and if not will the gratuity be adjusted proportionately? I think it should read: "for each six months of service or portion thereof".

Mr. MACKENZIE KING: We can answer questions better when we get into committee.

Motion agreed to and the house went into committee, Mr. Bradette in the chair.

Mr. GRAYDON: I should like to have some information as to the various categories of our soldiers, those under the N.R.M.A., for instance, and others in branches of the army, and how they will be affected by these provisions.

Mr. RALSTON: The bill will apply first to a man who has enlisted, whether he is in Canada or overseas.

Mr. GRAYDON: Who is a volunteer.

Mr. RALSTON: A volunteer. "Enlistment" is the word we use with respect to the volunteer, and "enrolment" with regard to the N.R.M.A. man. The word "enrolment" is not used in the bill. As I said, it applies first to men who have enlisted, whether they are in Canada or overseas, and different rates apply, as the resolution indicates, depending on where service may have been rendered. It applies also to men who have been obligated for service anywhere under N.R.M.A.; that is to say, if action is taken by order in council to make men available for service without territorial limitation, the gratuity applies to these men.

Mr. GRAYDON: Without the order in council they would not come under it?

Mr. RALSTON: Not until they are obligated under the order in council.

Mr. GRAYDON: Except those who have seen service in the Aleutian islands.

Mr. RALSTON: I am going to refer to that. It applies to men who have been obligated by order in council for service without territorial limitation, and different rates apply.

Mr. GRAYDON: Suppose within a few weeks of the end of the war an N.R.M.A. man decides to go active; would he be entitled to the gratuity?

Mr. RALSTON: He would get his gratuity for the time that he was an enlisted man.

Mr. GRAYDON: But not for the time he was under the N.R.M.A.?

Mr. RALSTON: That is right, and if an order in council were passed within one week

of the end of the war, the same thing would apply. It is only after a man is obligated either by enlistment or under N.R.M.A. to serve without territorial limitation that he is entitled to the gratuity.

Mr. GRAYDON: It only covers the period of universal service?

Mr. RALSTON: That is right. It does not apply to men unless or until they have enlisted for general service or the area of their service has been extended to include universal service, to use my hon. friend's expression.

Next it includes those who have served in the offensive operation in the Aleutian islands. In reply to the question asked by the hon. member for Yorkton, assuming that the service in the Aleutian islands did not last for six months would the gratuity be proportionate to the length of service there, the Minister of Justice has just advised me that in the draft bill the gratuity does apply proportionately.

Mrs. CASSELMAN: Every woman in the service has enlisted. They are all volunteers. Is that not right?

Mr. RALSTON: Certainly.

Mrs. CASSELMAN: Then they would come under this as volunteers.

Mr. GREEN: Is the gratuity payable to men who have already been discharged?

Mr. RALSTON: Yes.

Mr. GREEN: In other words, the provisions of the bill will be retroactive?

Mr. RALSTON: That is right.

Mr. GREEN: Then there seems to be no mention at all of the men who are serving in the merchant navy, or in the corps of fire fighters, or in the auxiliary services such as the Legion, the Knights of Columbus, the Salvation Army and the Y.M.C.A. Is it the intention that they should be entitled to the gratuity? I think these groups have not been treated fairly throughout, and I would urge upon the government that provision be made to pay them the gratuity.

One other question, which has to do with clothing allowance. As the Minister of National Defence knows, there has been a great deal of dissatisfaction over the smallness of the clothing allowance. I should like to know whether there is any intention of increasing that allowance to a reasonable amount, or whether this gratuity is to be taken as covering that expense also.

Mr. RALSTON: In connection with a short statement which I intended to make with respect to the bill, I had it in mind to mention the matter of clothing allowance, on behalf of my colleagues and myself of the defence services. The matter has been considered, and what is proposed to be done is to amend the regulations by increasing the clothing allowance to make it an allowance towards clothing of $100 flat for all ranks, that is including the officers. May I add that that is arrived at, not by any meticulous computation of the cost of a collar or a shirt or a pair of socks or boots or an overcoat or things like that, because some people require more and some require less. It is felt that the best that can be done is to arrive at what appears to be a substantial—a very substantial—contribution towards outfitting, and leave it to the individual to decide whether to spend more or less than that.

Mr. GREEN: I do not think anybody will contend that $100 will enable a man going out of the forces to equip himself with clothing for civilian life. I doubt if any hon. member will contend that; and my submission throughout has been that men should be entitled to enough to enable them to go out and equip themselves with clothing. I do not understand why the government has not made that provision.

Mr. RALSTON: I made this announcement at my hon. friend's suggestion. We are not on the bill, and I suggest that if we want to discuss clothing allowance I should be glad to do it at any appropriate time. But is this really the time to discuss the merits or demerits of the proposal? I made an announcement which I thought would be regarded as a pretty satisfactory solution of this matter. It compares with a grant of $35 in the last war, when money would not buy as much as it will buy in this war. There was an increase to $65 some time ago, and it will be further increased to $100. That is considerably ahead of, at least, Australia and New Zealand, although I am not saying that we should set them up as a yardstick.

Mr. GREEN: They do not have to buy overcoats over there.

Mr. RALSTON: At the same time, we do have some regard to what other people are doing.

As I said a minute ago, we are not attempting to take a man who has not a stitch of clothes—if you can imagine a man of that kind—and fit him out from head to toe; nor are we taking into consideration personal desires or preferences or degrees of comfort or of style that a man wants. We are saying, "There is $100 on account of an outfit; you

do anything you like with it." We are not asking him to buy clothes, and my hon. friend knows, as most other hon. members know, that a good many men will not use the money to buy clothes, because many of them—and here I am speaking from some personal experience and knowledge—have their civilian clothing yet. I do not think it can be assumed that a man will have no civilian clothing when he comes back. I hope that with this explanation we can leave the clothing grant at the present time—if my hon. friend wants to discuss it later we can do so—so that we may get on with the resolution.

Mr. GREEN: Will the difference be paid to the men who have already been discharged and have received only the smaller amount?

Mr. RALSTON: No, there has been no provision made for that. As my hon. friend knows, the $65 was not made retroactive—or rather it was made retroactive, I believe, to November or some such time, but not to the beginning of the war.

Mr. GREEN: The minister did not deal with my other question, with regard to the merchant navy, the fire fighters and the men of the auxiliary services.

Mr. RALSTON: As my hon. friend sees, they have not been included in this bill. The persons with whom we have been dealing are the members of the armed forces; that is what this bill was intended to cover. I heard what my hon. friend said, and the same question has been raised by others. But these services, as my hon. friend sees, are not included in the resolution.

Mr. GREEN: Will the government give consideration to providing for these men?

Mr. RALSTON: I am not in a position at the moment to speak on that point.

Mr. GREEN: I would point out to the minister that in Normandy to-day, and in Italy, the men of the auxiliary services and, I believe, the fire fighters, are serving with the troops.

Mr. FRASER (Peterborough West): And some of them have been killed.

Mr. GREEN: They should be treated in the same way as the troops. As to the merchant navy, we all know what they have done in the war. Probably the war would have been lost but for their services. I suggest that some provision should be made for them, if not in this bill, perhaps by order in council, because that is the way in which provision has hitherto been made for them.

Paragraph 4 of the resolution says:

4. That payment of the said war services gratuity may be made under certain conditions to or on behalf of the dependents of members of the forces who have died either prior to or subsequent to retirement or discharge from the forces before receiving such gratuity in whole or in part.

Could we have some idea what is meant by that paragraph? Is it only to cover the cost where a man dies after being discharged and before actually getting the money, or are there other types of cases which are to be covered?

Mr. RALSTON: It would be better, I think, if the committee saw the bill. If I remember correctly, the only condition in this connection which is provided for in the bill is that the amount may be paid to someone other than a dependent to be administered for the benefit of the dependent in certain cases. I think that is the only condition.

Mr. GREEN: It really is not very extensive.

Mr. RALSTON: No.

Mr. GREEN: It does not cover very many cases.

Mr. RALSTON: It is a procedural situation which does arise sometimes when it is thought best to make payments to someone for a dependent.

Mr. GILLIS: The hon. member for Vancouver South is quite right in deprecating the fact that the merchant navy, the fire fighters and the auxiliary services are left out of this. I cannot understand why a man coming back from the fire fighters' organization, for example, to practically a strange country, should not be treated exactly as one of the service personnel. He has all the problems of rehabilitating himself, yet he is without the protection of the legislation which we are providing. As to the merchant service, I never could understand the attitude of completely ignoring them. In my opinion the merchant navy has made the greatest contribution to this war of any service, either on land or in the air, yet they are completely left out of everything. Your air force, your army, and the rest of them would have starved to death in Britain had it not been for the merchant navy.

Mr. RALSTON: Everybody would have lost the war if it had not been for somebody else—in every case.

Mr. GILLIS: I am not going to argue that with the minister, but that is a plain statement of fact. They have all made their contribution in their own field; there is no doubt about that. You could not have landed the army or the air force in Britain or Italy or in France without the services of the merchant navy, because they would have starved to death otherwise. The greatest contribution has undoubtedly been made on the water. How-

ever, I will not argue about that. Evidently the government has made up its mind on the question. I rise to ask the minister one question; others have anticipated other questions I might have put. Paragraph 1 (c) of the resolution reads: "subject to certain conditions, a reestablishment credit, to be available for specified rehabilitative purposes, equal to the total amount of the gratuity payable under clause (a) of this paragraph." I have received many letters from men in the service who have mortgages on their homes. They are finding it difficult to make the payments. When they come home, can this gratuity be used for that purpose?

Mr. MACKENZIE (Vancouver Centre): There are two distinct portions of the resolution, one having to do with cash and the other with credit. This is intended as far as possible to remove the inequality existing at the present time. We have already made provision under the reestablishment order P.C. 7633 in particular, and in connection with the Veterans' Land Act, for benefits for ex-servicemen, first of all on the land, secondly on small holdings, and thirdly in fisheries. Then there are these specific benefits indicated in P.C. 7633. Men who come back and are not able to avail themselves of the specific benefits already provided by this parliament will find ten different headings, which will be analysed in the bill, giving them an opportunity of accepting certain reestablishment benefits such as paying for a home, paying for furniture, paying a part of the premium on returned soldiers' insurance, and various other benefits which are all specified. It is intended to be a constructive provision for the returned fighting men as well as for the nation.

Mr. GILLIS: This is applicable only to those who are not being helped by some other method?

Mr. MACKENZIE (Vancouver Centre): Not necessarily at all. The two might in certain cases be supplementary one to the other.

Mr. BOUCHER: I have in mind individual Canadians, men of Canadian nationality who, not having been able for various reasons to join the Royal Canadian Air Force, paid their own way over and joined the Royal Air Force or the Air Transport Auxiliary, or entered some branch of the army, not Canadian. As Canadians, however, they either proudly made the supreme sacrifice or came back disabled after serving in the British army or any of the allied armies. Is there any provision for such men?

Mr. MACKENZIE (Vancouver Centre): In paragraph 2 of the resolution.

[Mr. Gillis.]

Mr. CASTLEDEN: Is this simply an amount which they can borrow with interest?

Mr. MACKENZIE (Vancouver Centre): No. This is an amount that is placed to their credit. If they are sick or if they choose to do so they can take advantage of one of about ten different benefits in regard to reestablishment. This amount is there for that purpose, over a number of years if necessary.

Mr. CASTLEDEN: Repayable?

Mr. MACKENZIE (Vancouver Centre): It is a straight gift. It is a reestablishment grant.

Mr. STIRLING: Hon. members have very properly lauded the service of the men engaged in the merchant marine, and it seems to me a notable circumstance that in this case they are omitted. I agree with the Minister of National Defence that it is easy to argue that this set of people could not have done so and so without the help of that other set of people; but, as he has also said, they have all worked as a team. If they have worked as a team, then under this legislation certain members of the team are receiving certain grants which others are not. I think arrangements should be made either in this or in some other measure to prove that the services of merchant seamen, without which the troops could not have reached France on two occasions, should be recognized. Will the minister explain paragraph 1 (a). It says "for every thirty days of service in the western hemisphere." Does this apply to enlisted men or women engaged in service between the Atlantic and the Pacific? To whom does it refer—everyone in the active army?

Mr. RALSTON: My hon. friend speaks of the active army. That term has been used very loosely by the public and many people have the impression that the active army means solely volunteers. Everybody who is full time in the Canadian army is in the active army, so that in that sense (a) does not apply to everyone in the active army. I may say that (a) (ii) applies to persons mentioned in the first part of the paragraph, those who have enlisted for general service in such forces or who, pursuant to the National Resources Mobilization Act, 1940, may have been at any time obligated to serve without territorial limitations, and it applies, to use the phrase of the leader of the opposition, only to those who have enlisted or obligated themselves for universal service, and for the time only for which they enlisted or were obligated for universal service and served in the western hemisphere or the Aleutian islands. That is the application of (a) (ii).

Mr. STIRLING: Let us leave out the application of the National Resources Mobil-

ization Act and consider only those who are enlisted in the Canadian Army. It leaves out the reserve army and the enrolled people. Do all the rest of them come in under this? Those who belong to units or batteries or service units which subsequently perhaps have gone overseas or perhaps have not gone overseas—does it cover all of them?

Mr. RALSTON: Yes. But my hon. friend must be careful. He says "which subsequently have gone overseas."

Mr. STIRLING: They come into another category.

Mr. RALSTON: Yes; that is it. They come in under (i). The time spent by them in Canada comes under (i) and the time spent by them overseas comes under (ii). The scheme of the last war was not this scheme. Under the scheme of the last war, if a man had been overseas any time at all he became tagged as overseas and got the overseas rate based on the whole period of service, with a limitation of three years. This is different in that it actually gives a man credit for service in Canada at a certain rate and service overseas at a certain rate It is a double rate overseas plus something else—that is, plus seven days pay and allowances for six months of service overseas or in the Aleutian islands, and that is pay of rank. This is also in addition to the present rehabilitation grant which is paid to every man who is discharged and which consists of one month's pay and allowances of rank.

Mr. ROSE: This is over and above that.

Mr. RALSTON: Yes.

Mr. GREEN: Will that be continued?

Mr. RALSTON: That will be continued, and it is over and above the clothing allowance I have mentioned.

Mrs. CASSELMAN: This includes the veterans guard?

Mr. RALSTON: Yes.

Mr. GREEN: In connection with paragraph 1, subparagraph (c), would it not have been fairer if that reestablishment credit had been made equal to the total of the amounts set out in subparagraphs (a) and (b)? I note that it applies only to the amount set out in (a). Would the minister explain why a person cannot get up to the total of both (a) and (b)?

Mr. MACKENZIE (Vancouver Centre): For the reason that (b) is not, strictly speaking, a gratuity at all. It is based upon service according to pay and allowances; but the amount of the credit is an exact equivalent of the gratuity as such. Then you must add the seven days, which amounts to about $50,000,000 based upon the pay and allowances of those who have served.

Mr. GREEN: A man who served overseas should be entitled to get the full amount as a reestablishment credit.

Mr. MACKENZIE (Vancouver Centre): He is. The other is a special category.

Mr. GREEN: The total of (a) and (b).

Mr. MACDONALD (Kingston City): It is based on the months of service.

Mr. RALSTON: It is based entirely on the months of service.

Mr. MACKENZIE (Vancouver Centre): The gratuity is based on the months of service.

Mr. GREEN: Is the gratuity payable in cash on discharge, or will it be paid at so much a month?

Mr. RALSTON: The gratuity is payable in instalments monthly at the rate of pay and allowances which the man was receiving at the date of his discharge.

Mr. GREEN: It is not to be paid in a lump sum?

Mr. RALSTON: No.

Mr. GREEN: Is there any power taken to pay it in a lump sum?

Mr. RALSTON: I do not remember that there is.

Mr. GREEN: Is paragraph 2 wide enough to cover the case of the young Canadian who enlisted in the Royal Air Force in 1937 or 1938? Many young Canadians did that and took part in the battle of Britain. I do not believe this paragraph is wide enough to cover them. We had that same condition to meet when we were amending the Pension Act of 1941, and we put in a special clause to take care of those very men who had gone over before there was any sign of the war. I notice the language of the paragraph is as follows: ". . . persons domiciled in Canada on or after September 10, 1939." I suggest that is not wide enough to cover these young men who went to the Royal Air Force.

Mr. RALSTON: I am taking a note of that.

Mr. GREEN: Does the minister think that is the case?

Mr. RALSTON: If he is still over there, obviously he is not domiciled in Canada.

Mr. CASSELMAN: Why not? He may be over there and still be domiciled in Canada.

Mr. RALSTON: Yes, that is right. It depends, of course, on his intention. That is the test of domicile. It may be that he was domiciled in Canada. As a matter of fact I think the phrasing is taken from the order in council of 1918, but I shall look into that and see.

Mr. GREEN: I think it should be cnecked up.

Mr. RALSTON: With regard to merchant seamen and the auxiliary services and the fire fighters, as I said before, this measure is intended to be a special measure for members of the armed forces. I am not sure whether in the regulations of at least the Department of National Defence the auxiliary service officers might not be included. My hon. friend shakes his head. I have in mind a situation which came up the other day which makes me think they might be included. But obviously merchant seamen are not included. Obviously fire fighters are not included. Another group that my hon. friend has not mentioned is the pilots of the ferry command. I think you could extend the list not ad infinitum but to a considerable distance to show, to use my hon. friend's reference to my expression, that everybody is a member of the team somewhere; but there is some place where you have to say: "Yes, you are a member of the team, but you are doing something else." Munition workers in Canada are members of the team, but they are not included in this bill. Therefore it depends altogether on the importance and risk and so on of the work that is being done. I yield to no one in my admiration of the work of the merchant seamen and of other classes as well. As I said before, I am not in a position to say that the government will give consideration to putting it in this bill. I should not think that would be the proper place for any provision to be made for them. The Prime Minister is carrying the bill and I am speaking in his presence. Certainly we shall discuss the matter of inclusion to see whether some separate provision could be made for others in these classes.

Mr. BOUCHER: I agree with the hon. member for Vancouver South with respect to paragraph 2. I can appreciate the fact that domicile means much more than residence. At the same time the word "domicile" does not seem a clear enough distinction between Canadian citizens who may not have been domiciled in Canada on that particular date and may not have been resident in Canada, and others. As I read the paragraph it may throw those benefits open to persons who were not Canadian citizens although they may be domiciled in Canada. I believe the word "domicile" should be checked very carefully to see that it does bring in the right class of people.

Mr. RALSTON: I do not think it is intended to limit it to Canadian citizens who were resident in Canada on September 10, 1939.

Mr. STIRLING: What will be the position of members of the three services whose service has been partly on this side and partly on the other? A sailor is a typical example. A sailor is afloat at times and at shore establishments at other times. Is he covered for the whole time of his service?

Mr. MACDONALD (Kingston City): Perhaps I can illustrate the statements of my colleagues by taking a specific case. Take the case of a private soldier in the army who had one year's service in Canada and two years' service overseas. If that man had twelve months' service in Canada he would receive $7.50 a month, or $90. For the twenty-four months overseas at $15 a month he would receive $360. In other words the total gratuity payable to him immediately, or within a few months after discharge, would be $450.

Mr. STIRLING: Would he not come under subparagraph (b)?

Mr. MACDONALD (Kingston City): He would first come under subparagraph (a). Then of course in addition to that he would get seven days' pay and allowances for each six months overseas, which would give the private soldier another $77. In other words that man would have a total of $527, plus one month's rehabilitation grant, plus clothing allowance. In addition to that, to answer the hon. member for Yorkton, that man would be entitled to a rehabilitation credit of $450 over and above the amounts that I have mentioned. In other words he would be entitled to a credit equal to his cash gratuity, which credit he might use to make a deposit on a house, to pay insurance premiums, to buy furniture, to do any one of the various things mentioned by the Minister of Pensions and National Health. That is over and above the cash grant. That credit in itself is a straight grant without any interest, without any loan, without any repayment or anything else, but it must be used for certain specific purposes.

Mr. ROWE: If he were an officer it would be correspondingly higher?

Mr. MACDONALD (Kingston City): No; it is a flat rate. Officers and men get the

same gratuity. In the matter of the rehabilitation grants, they are based on pay and allowances and go, of course, according to rank.

Mr. STIRLING: That hardly answers my question with regard to the sailor who is sometimes afloat and sometimes at a shore establishment.

Mr. MACDONALD (Kingston City): The same principle would apply, as I see it, though I should like to think that over a bit. Take the sailor who has served six months at Stadacona barracks at Halifax, and say a year and a half at sea. I would assume he would be credited with six months at the rate of $7.50 and eighteen months at the rate of $15.

Mr. STIRLING: And after that period suppose he is attached to a shore establishment for possibly a year?

Mr. MACDONALD (Kingston City): Then he would go back to the $7.50 rate. These things would all show on his papers, and the matter could be calculated exactly.

Mr. LOCKHART: I should like to pursue the inquiry about the payment of this money, because there seems to be a good deal of confusion here. I understood the Minister of National Defence to state that this money would not be paid as a lump sum in any instance. How is a young man to be able to buy furniture or a home or anything else if that is the case? I know many of these people are just waiting to come home and get themselves set up.

Mr. RALSTON: I think my hon. friend is under a misapprehension. What I said was that the cash gratuity, the basic gratuity, was payable in instalments. The reestablishment credit, which is equal to the basic gratuity, is there in a lump sum and can be drawn upon for any of the specified purposes in such sums and subject to such limitations as will be provided in the act. In connection with the reestablishment grant of one month's pay and allowances, the provision is that it shall be paid on the same basis as the pay and allowances the man was receiving at the time of discharge. This means that the credit is there and he can get that credit in the form of a cash grant, but he gets the gratuity in monthly instalments.

Mr. LOCKHART: Then from what the Minister of National Defence for Naval Services said, and using his figures, a man would get $450 as a credit which could be used for the purposes I have mentioned.

Mr. MACDONALD (Kingston City): That is right.

Mr. LOCKHART: But if he wanted to buy both furniture and a home he would have to wait for his gratuity, for a period of six months or so. He could not use both these amounts of money to establish a home and furnish it; he would have to wait for the gratuity.

Mr. MACDONALD (Kingston City): Yes, but the amount of the credit would be available to him immediately.

Mr. LOCKHART: That is the $450, but he must wait for the remainder.

Mr. MACDONALD (Kingston City): The cash gratuity is paid in instalments.

Mr. HOMUTH: The navy minister gave the house the impression that these two sums were available, but actually they are not. The credit is available, and the rest of the money is paid in instalments. The man gets the credit and the instalments will be used to pay off the credits undoubtedly.

Mr. MACDONALD (Kingston City): I am sorry if I was not understood. Let me take again the case of a man with one year of service in Canada and two years of service overseas. His total gratuity is $450; that is cash which will be paid to him in monthly instalments. In addition he is entitled to a rehabilitation credit of $450 which he can use for certain designated purposes, and which as I understand it will be paid to him in a lump sum at any time within a certain period of years, I think three years or perhaps even up to ten years. Having been given his gratuity of $450; having obtained his pay and allowances for one month; having obtained his clothing allowance; having obtained his allowance of seven days' pay and allowances for every six months overseas—having obtained all that money within the first few months, he can come back any time within a certain number of years and get another $450 with which to buy furniture, pay insurance premiums, make the down payment on a home, buy tools or do various other things set out in the bill. That is the lump sum payment.

Mr. SENN: What check will be made to see whether this money is really used for the purpose stated? I understand that it can be used only for certain purposes, but what will be the result if the man uses it for something else?

Mr. MACKENZIE (Vancouver Centre): The total amount is to his credit and must be used for one of these approved projects, which are all set out in the bill which will be introduced If the total amount of his credit is not

used for one of these purposes, the rest of the money can be used for another of these ten schemes.

Mr. FRASER (Peterborough West): The navy minister mentioned a man in barracks at Halifax, say, and a man who would be at sea. Would Newfoundland be considered at sea or in Canada under this legislation?

Mr. MACDONALD (Kingston City): The man has been ashore in Newfoundland?

Mr. FRASER (Peterborough West): Yes.

Mr. MACDONALD (Kingston City): If he were stationed ashore I think he would have to be paid at the rate of $7.50 per month.

Mr. FRASER (Peterborough West): Then he would be considered to have been in Canada?

Mr. MACDONALD (Kingston City): Yes; it would, be in the western hemisphere; and the measure provides that for every thirty days of service in the western hemisphere the gratuity shall be $7.50. I do not say that if a man happened to come in for two or three days, as they often do, while his ship is turning around, that would be worth bothering with; I am referring to the man who was permanently stationed there. He would get the $7.50 rate.

Mr. FRASER (Peterborough West): That is the man in the barracks in Newfoundland?

Mr. MACDONALD (Kingston City): Yes, I think so.

Mr. FRASER (Peterborough West): Then consider the man at sea. Would you count a man at sea as soon as he got on board his ship, whether or not he is in harbour?

The CHAIRMAN: Order. I should like to read citation 439 of Beauchesne:

> The object of the resolution recommended by the crown is to give the house a first opportunity to discuss the advisability of making a certain expenditure. The details of the projected measure are not then disclosed and debate is confined to the resolution which should not be lengthy. . . .

Direct questions, I believe, should not be asked at this stage.

Mr. LOCKHART: Here we are in the dying days of the session and we are being choked off from asking questions.

The CHAIRMAN: Order; I hope the hon. gentleman will get the meaning of what I have just said. I am only citing the rule to the committee, and doing nothing else. I am not dictating or trying to choke off discussion. I am saying it is out of order to ask direct questions which could be more easily answered on the bill itself, when the ministers have their officials in front of them.

Mr. FRASER (Peterborough West): I was only trying to get it definite in my mind as to who were concerned in this measure.

Mr. MACKENZIE (Vancouver Centre): The western hemisphere includes the continents of North and South America, the islands adjacent thereto, and the territorial waters thereof, including Newfoundland, Bermuda and the West Indies. It will be noted that Greenland, Iceland and the Aleutian islands are thus, for the purposes of this bill, considered to be overseas. That is quite clear, I think.

Mr. FRASER (Peterborough West): That is all right. Now I want to find out about the man at sea. I understand the government considers a man at sea only when he is out of the harbour, or is a man at sea as soon as he is assigned a ship?

Mr. MACDONALD (Kingston City): I would have to think that over. I have a note here, but I do not know that it is very clear. It states that duties performed outside the territorial waters of Canada, or in a seagoing ship of war, are held to be overseas. I would think that service in a harbour probably would not be classed as seagoing service.

Mr. FRASER (Peterborough West): Then a man who was on a ship for a year might be classed as being at sea for only four or five months.

Mr. MACDONALD (Kingston City): Yes, I think that would be possible; I believe my hon. friend is right, though I am not sure.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. FRASER (Peterborough West): The minister was going to tell us whether boys in the navy would count their time from the time they got on the ship and until they left or from the time the ship left the harbour.

Mr. MACDONALD (Kingston City): Overseas service is defined as service involving duties to be performed outside the western hemisphere and includes service involving duties required to be performed outside of Canada and the United States of America and the territorial waters thereof in aircraft or anywhere in sea-going ships of war. If that man was on a sea-going ship of war he would be entitled to a gratuity on the higher scale. If he was on a ship in a harbour which

was not a sea-going ship, he would receive a gratuity on the lower scale. That is my interpretation.

Mr. FRASER (Peterborough West): If he were on the triangular run from Halifax would he include all the time he was in port at Halifax?

Mr. MACDONALD (Kingston City): For only a day or two?

Mr. FRASER (Peterborough West): A few days.

Mr. MACDONALD (Kingston City): I would say he would be included.

Mr. DIEFENBAKER: Before the recess a question was raised with regard to air force men who left Canada in 1937 and 1938. I feel that the resolution as it now stands does not cover these men. Section 2 provides that gratuities shall be payable to persons domiciled in Canada. Anyone who left Canada in order to join the permanent force or the Royal Air Force I presume would have lost his domicile, it being a matter of intention. If he were joining only a volunteer force the situation would be different.

Mr. MACKENZIE (Vancouver Centre): Those men who went over before the war enlisted under what were called short-term commissions, and they intended to come back to Canada. Speaking generally, I think they would retain their domicile.

Mr. DIEFENBAKER: I realize that those who took short-term enlistments or period enlistments would not lose their Canadian domicile, but I am thinking of those who joined permanent forces, whether the British regular army or the Royal Air Force, to make it a career. I believe they would lose their domicile and I suggest that consideration be given to that particular phase. This morning the Prime Minister stated that this measure was to be a tangible expression of gratitude by the Canadian people to those who have voluntarily served.

Mr. MACKENZIE KING: I should like to say, in so far as one can express gratitude for so great a service.

Mr. DIEFENBAKER: I appreciate that that was in his mind, as it is in mine. Some reference was made to the fact that this system is much more extensive and comprehensive than that in effect anywhere else. Will the minister tell us something of the system recently adopted in the United States of America with reference to mustering out pay? To what extent is this plan modelled on the legislation which became law in that country within the last few months?

Mr. RALSTON: What my hon. friend has said with regard to air force personnel will be taken into consideration.

Mr. DIEFENBAKER: I wanted to cover the navy and the permanent army also.

Mr. RALSTON: I have not the particulars of the mustering out provisions in the United States, but speaking roughly their mustering out pay varies from $100 to $300 depending on the length and sphere of service. These payments apply up to the rank of colonel; it is a flat rate, the same for everyone up to the rank of colonel.

Mr. DIEFENBAKER: I have the act here, but I do not know whether it includes all the amendments.

Mr. RALSTON: As I remember it, the bill at first provided for payments from $100 to $500, and the maximum was reduced to $300.

Mr. DIEFENBAKER: The United States legislation is more generous as to short-term service, but not so generous as to long-term service.

Mr. RALSTON: There is a floor under it.

Mr. DIEFENBAKER: It is $300 for persons who have been on active service outside the United States for more than sixty days.

Mr. RALSTON: I thought the service had to be eighteen months.

Mr. DIEFENBAKER: This is the act of 1944, and it provides that those who perform active service beyond the continental limits of the United States or in Alaska shall receive $300 if their service is for sixty days or more. If their service is within the confines of the continental limits of the United States and is sixty days or more, they receive $200. Anyone who has served less than sixty days receives $100. It is difficult, Mr. Chairman, to know the entire position without having the bill before us. I do not want to contravene any rule, but we are trying to get this through.

The CHAIRMAN: They are not my rules; they are the rules of parliament.

Mr. ROWE: Your interpretation.

The CHAIRMAN: I just enforce the rules.

Mr. DIEFENBAKER: I hope no harm will be done if we happen to contravene a rule, particularly when we are cooperating in order to have this matter brought before the house as quickly as possible.

Paragraph 4 of the resolution states that payment of a war services gratuity may be made under certain conditions, and some explanation of it was given this morning. However, I could not follow the minister exactly

as to the conditions under which it would be payable. Where a soldier was killed on active service a year ago and his widow or other dependents are receiving a pension, will the gratuity be paid in addition to that pension?

Mr. RALSTON: That is so.

Mr. GREEN: Some mention has been made of men serving in the navy. What is to be the rule for the men who are flying in the western hemisphere? Under the income tax law a man who spends so many hours in the air, even though he is serving in the western hemisphere, is entitled to exemption just as though he were overseas. Are the men who are flying in Canada or in the territories adjacent to Canada to be treated as overseas or as men who are serving at home?

Mr. RALSTON: If the service involves duties required to be performed outside of Canada and the United States of America and the territorial waters thereof in aircraft, they would be regarded as overseas.

Mr. GREEN: That is, the men who are flying on the Pacific coast would be treated as though they were serving at home and would not be entitled to the $15 but will be paid at the rate of $7.50?

Mr. RALSTON: I said that if the service involves duties required to be performed outside of Canada and the United States of America and the territorial waters thereof—I am reading from the bill—they will be treated as overseas.

Mr. GREEN: Will the minister amplify that statement? He knows about the men flying on patrol on the Pacific coast.

Mr. MACDONALD (Kingston City): Does my hon. friend mean men flying out over the Pacific?

Mr. GREEN: Yes. Will they be treated as overseas?

Mr. RALSTON: If the service includes duties required to be performed outside of Canada and the United States of America and the territorial waters thereof.

Mr. GREEN: I am afraid that that language would not cover them. I suggest that the government give further consideration to treating all the men who are flying in the same way as the lads who are on service overseas.

Mr. RALSTON: All the men? Men flying in Canada?

Mr. GREEN: Yes. I have another question. Is this act to be administered by the Department of Veterans' Affairs or by the Department of National Defence?

[Mr. Diefenbaker.]

The CHAIRMAN: I must ask hon. members to adhere to my ruling that questions cannot be answered until the officials are here to assist the minister. We are on the resolution, not on the bill.

Mr. HOMUTH: Apropos of your ruling, Mr. Chairman, I understand that the idea of discussing a resolution in committee is that the views of the members may be expressed before the bill is introduced. The government may adopt some of the changes which may be proposed in the discussion, so that I think that we are in order in discussing the various provisions of the bill and asking for an explanation of the provisions.

Mr. GRAYDON: May I add a word, Mr. Chairman. This resolution comes into the house under different conditions from most resolutions. We have tried to facilitate the bringing in of the resolution. When a resolution is before the committee the broad principles upon which it is based are brought out, information is given in answer to questions, the discussion goes out to those affected by the proposed provisions of the measure, and their reactions come back to us in this house. In this case, sir, if you extend the latitude that is ordinarily given in discussion of a resolution it will, I am sure, meet the wishes of the house and of the country. This is one of the most important measures to come before the house, and I would not like to see the Chair put in the position of even appearing to prevent a full examination of the proposals of the government.

Mr. MACKENZIE KING: I believe that the Chairman of the committee is simply seeking to draw the attention of the house to the rules. At the same time may I say that I agree with the leader of the opposition and others who have spoken as to the special circumstances of the moment, and I hope that the Chairman will give every reasonable latitude for discussion at this time. The Chairman is in a very difficult position. One day he is knocked about for having gone too far, and the next for not having gone far enough.

Mr. GREEN: I wonder if I might have an answer to my question as to which department is to administer this act. There are certain provisions, for example, the ones having to do with the reestablishment credit, which perhaps could best be administered by the new Department of Veterans' Affairs. Which department is to administer the act?

Mr. RALSTON: Under the bill the minister will be the Minister of Pensions and National Health or the Minister of Veterans' Affairs. It is quite possible and probable that the

payment of the cash gratuities will be made by the service departments. That would probably be the most convenient method, because they have the pay accounts and know exactly the pay and allowances which would be payable on the day of discharge. But the long-term administration will be under the Department of Pensions and National Health or the Department of Veterans' Affairs.

Mr. BOUCHER: There has been considerable discussion of paragraph 2 entitling persons domiciled in Canada on and after September 10, 1939, who subsequently go on active service, to the gratuity. In the Pension Act the yardstick is much more elastic as to domicile. I have not the act before me but my recollection is that the domicile required in Canada is a period of four years. I would suggest to the minister that in reconsidering this paragraph, which he has stated he will do, he consider the advantages of making the provision as to date of domicile much more elastic so that it would take in those who left Canada before the war, even though they joined the permanent forces of the United Kingdom. I think if we borrow the provision that is contained in the Pension Act, and which specifies a period of four years preceding the outbreak of war, it would facilitate matters. I recommend that thought to the minister before the bill is brought down.

Mr. RALSTON: I will take that suggestion into consideration, along with that of the hon. member for Lake Centre.

Mr. ISNOR: The Minister of National Defence for Naval Services will recall that in the assembling of convoys at Halifax and other ports, particularly during the period when the merchant marine were being outfitted with guns, a large number of gunners served on these merchant marine ships who were not in uniform but were certainly acting as gunners. Are they included in this bill?

Mr. MACDONALD (Kingston City): My hon. friend is referring to merchant mariners who are gunners?

Mr. ISNOR: Yes.

Mr. MACDONALD (Kingston City): Under the bill as it now stands I think they would not be included. There are certain gunners, or were at any rate, on these merchant ships who belong to the naval service. I assume that they would come under the provisions of the resolution. But the others, being members of the merchant marine, would not seem to be covered by the resolution as it stands.

Mr. ISNOR: I have particularly in mind the gunner who belongs to the merchant marine and served in that capacity following the installation of guns on merchant ships. Such a man, while operating as a gunner, I would say certainly served as a civilian, a civilian gunner.

Mr. MACDONALD (Kingston City): I doubt if that man, being a civilian member of the merchant marine, is covered by the resolution.

Mr. GRAYDON: There has been a good deal of discussion in the house from time to time, as the minister knows, with respect to the merchant marine. In the matter of the income tax, first of all, they have not been given, to my mind, plain ordinary justice. On the other hand the government has its own argument with respect to that, and evidently its decision cannot be changed. But here is a situation which I think we may properly discuss on the resolution, to give the government an opportunity to amend any bill which they have already drafted, and with a possibility of doing justice to these men in the merchant marine. I believe everybody in the house has practically the same point of view on this subject. An hon. member from the maritimes, when the position of these men as compared with those in the navy, especially during the height of the submarine menace, was discussed under the income tax resolutions, indicated that while the navy had at least a gun to shoot back with, the merchant marine simply had to take it, without proper defence. That struck me as being an impressive argument for comparable treatment. I believe the minister should give the assurance that before the bill is brought in consideration will be given to the case of the merchant seamen, or justice will not be done to a class of citizen that has done more and performed tasks under conditions of greater danger, than many who will receive the gratuity. That is no reflection upon those who will receive it. If those who not only individually but as a class, performing their duties under such dangerous conditions, are refused a gratuity, while those who are not subjected to equally dangerous combatant conditions are to receive it, the government will be open to criticism, which as opposition leader I have a duty to point out so that the government and parliament may avoid the occasion for it. There may be reasons why these things cannot always be done as those of us on the outside think they should be, but I believe the government will have to show good and sufficient reason for failing to make this provision if the public mind is to be content on that score.

Mr. MACKENZIE KING: My hon. friend will realize that there is some merit in

giving separate and distinct recognition to the armed forces of Canada. That consideration was in the mind of members of the goverment when this bill was being framed. There was no intention of ignoring anyone; in fact it was recognized that, once the bill was introduced, the claims of others would be very strongly pressed, and the government felt that for that if for no other reason the bill should be confined to the armed forces.

What hon. gentlemen have said about the recognition which is given to others is something which the government would be only too ready to consider, and will be helped in its consideration by what has been said. What I wish to make clear is that there is no intention in this measure, by not mentioning merchant seamen, that they are necessarily to be merely ignored. In connection with the armed forces information is available in the departments to-day of the nature and extent of their services and the reason they should receive this and that, which has not been available to a corresponding degree in respect to the merchant seamen. It may be that a little time will be required to give to the case of merchant seamen the consideration which it should receive. I just want to make it clear to-day that the fact that they and other classes which have been alluded to as not being mentioned in this bill does not mean that they are being ignored. The government's desire has been to have this special recognition to the armed forces, with the knowledge that suggestions would be forthcoming as to further recognition which might have to be given.

May I mention also that the war is not over yet. We do not know how much longer it may last, and I would recall the fact that, even for the forces for whom we are making provision to-day, no provision was made for gratuities after the last war until some time after that war ended. So that there is ample time in which further to consider the many matters which have been mentioned this afternoon.

Mr. ROWE: I think that with the general principles of the resolution we are pretty much in agreement. But there appears to me, as regards paragraph 1, clause (c), room for some misunderstanding as to the principle of the resolution, in the reestablishment credit which is proposed to be available for rehabilitative purposes. I believe that before lunch some hon. members were under the impression that this money was to be a loan, to be repaid.

Mr. MACKENZIE (Vancouver Centre): No.

[Mr. Mackenzie King.]

Mr. ROWE: Then we are to understand that it is to be a straight gratuity?

Mr. MACKENZIE (Vancouver Centre): A reestablishment benefit or credit.

Mr. ROWE: It is termed a credit. It seems to me that it would be clearer to term it what it is, a gratuity or a grant. It is a rehabilitative assistance, is it not? As such it leaves room for inequalities. If a returned man does not require the money for rehabilitative purposes or is not in a position to expend the money for such purposes, and secures a job, he is prevented from taking advantage of what in fact and in amount is equivalent to all his other grants, that is, to the total gratuity given under clause (a), subparagraphs (i) and (ii). In other words he might, as the Minister of National Defence for Naval Services said before lunch, receive $450 for three years of service, one year in Canada and two years overseas, and he is entitled to another $450 as a gratuity under this clause if, as and when he may desire or be in a position to provide the conditions necessary to receive it. But the conditions of this man are going to be varied; they may be such as will make it impossible for him to provide the conditions.

Mr. RALSTON: He has ten years.

Mr. ROWE: He has ten years to provide the conditions?

Mr. RALSTON: To draw down his credit. He can do it at any time in ten years—

Mr. ROWE: At any time in ten years?

Mr. RALSTON: He can take advantage of it.

Mr. ROWE: Of course that does clarify it to some extent. It seemed to me that a great opening would be left to inequalities. I thought it would be much simpler and of greater benefit to the man if it were included in clause 8, so that he would receive it all and would know what he was getting. I still think that an initial grant would be better than having it subdivided in the manner indicated.

Mr. CASSELMAN: If a man has been reestablished, having been overseas and returned to Canada, and his position is satisfactory to himself, does the fact that he has that position preclude him from getting this reestablishment grant?

Mr. MACKENZIE (Vancouver Centre): No. May I indicate the various forms in which this credit can be used: the acquisition of a home under the National Housing Act, 1944; repair or modernization of a home if owned by

him; purchase of furniture and household equipment for domestic use in an amount not to exceed two thirds of the cost; provision of working capital for his profession or business; purchase of tools, instruments or equipment for his trade, profession or business; purchase of a business by him in an amount not exceeding two thirds of the equity required for such purpose; payment of premiums under any insurance scheme established by the government of Canada; purchase of special equipment required for educational or vocational training; any other purpose authorized by the governor in council.

Mr. SENN: Does that include live stock if he is a farmer?

Mr. MACKENZIE (Vancouver Centre): I should think so.

Mr. ROWE: Would it include his own insurance?

Mr. MACKENZIE (Vancouver Centre): No, just soldiers' insurance.

Mr. LOCKHART: I am getting a little clearer insight into this subject than I had at the outset, but the minister of pensions has just made a remark that brings out precisely the point I have been trying to clarify in my own mind. He says that when the bill comes down it will be found to provide for the purchase of a home, and he goes further and adds, under the National Housing Act. I know of scores of young men who are anxiously waiting to buy homes when they come back. Perhaps preliminary steps are being taken now to assist them. They expected that some assistance would be given them, but now we find that in large part it is diverted into the form of monthly payments. It is on a monthly basis. The minister speaks of purchasing a house under the provisions of the bill, and then he qualifies that by referring to the National Housing Act. There are many ramifications of this whole question that have to be considered. Young men are coming back and will want to get married. During the time they have been overseas they have had no opportunity to save anything apart from the odd $50 bond. The young men who have stayed on the farm or in the factory have had a greater opportunity in this direction and many of them have taken advantage of it. These young men are about to step into a new state of life and they are anticipating that they will have a job to go to and that they will use this assistance to buy a home and furniture. I do not think we should attach all the strings to it that apparently we are putting on. We must not do anything that will impede them in their progress towards reestablishment in civilian life.

The Prime Minister has referred to the $900 as a token of gratitude. I appreciate the fact that we cannot express in dollars and cents all that we should like to do for these men. On the other hand, the illustration given by the Minister of National Defence for Naval Services has more or less put the matter in summarized form. He has spoken of the $900 plus a month's pay and one or two little things. What worries me is the fact that we are attaching too many strings to this benefit that we are extending to the young men who have been overseas for two or three or four years. They will want to know where they are going to get the money to get started. That is what concerns me. I wish the government would give this whole question very serious consideration and try to look at it from as broad a point of view as possible.

I would remind the government that a great many fire fighters as well as men engaged in the merchant marine and in the auxiliary services have already been killed. I am sure the ministers themselves are aware of the casualties that have occurred in all these services. The fire fighting service has been recognized in the matter of pension rights. There have been casualties among the fire fighters who are now on the coast of Normandy, and the casualties among the men of the merchant marine are untold.

Reference was made to the fact that you could not go on extending this. The Minister of National Defence said that you had to draw the line somewhere. Apart from the fire fighters, the men of the merchant marine and those in the auxiliary services, I do not know of any other groups, certainly there are not many, who could make the claim that these particular groups can.

Mr. RALSTON: A claim has been made on behalf of the men of the ferry command.

Mr. LOCKHART: Well, the ferry command; perhaps those four groups.

Mr. RALSTON: Those are not the only ones.

Mr. LOCKHART: Other claims would be infinitely small. Having in mind the fact that pension rights of certain groups have been recognized and we are already paying pensions to the dependents of certain men, and the fact that the dependents at home of men overseas or in the extra services have had no opportunity whatever to save money, I say that this is little enough; in fact I should like to see the amount increased to help these men become established in home life in Canada. I urge on the government therefore the importance of removing all barriers from the $900, for example. All barriers should be

removed entirely, because I know that there are scores, yes, thousands of these young men whose sweethearts at home are waiting anxiously for them to come back and they would like to use this money. We cannot do enough to help these men and I do not like to see it held up in monthly payments. I want to see them get it so long as they make proper use of it. I urge the government therefore to consider these qualifications very carefully. I suggest that we should go to the other extreme rather than put any barriers in the way of the men who are coming home shortly.

Mr. SENN: There is another aspect of the question which may have been touched on while I was out of the house. A year or two ago we passed the veterans land act to assist soldiers in purchasing farms and equipment. If a veteran comes under that act and is given assistance will he be able to take advantage of this $450 personal reestablishment grant?

The CHAIRMAN: Shall the resolution carry?

Mr. ADAMSON: At the beginning of the war, for the first year of hostilities, there were a great many men in the army who were called out under what was known as G.O. 139—general order 139. They were referred to as being called out. They happened to be doing specialized jobs in most cases. I presume that the date of this gratuity will take effect from the day they were called out, because it was before the active army was formed. It was in the days when the Canadian forces were known as the Canadian Active Service Force. I believe nearly a year elapsed before the active army actually came into being.

Another question that needs to be clarified is the position of men who are discharged to Department of Pensions and National Health. A man is wounded and sent to military hospital. He is then boarded out of the army and discharged, but left in a Department of Pensions and National Health hospital for a period of six months or a year or longer. Provision should be made in the resolution for the period of time the service man spends in a Department of Pensions and National Health hospital. That time should be included in his active service. I do not think it is included in the resolution. While the man is in the hospital he is not on war duty but he is still definitely totally engaged; his whole being is there; he cannot be in civilian life. I suggest that that time be included in the bill.

A word with regard to domicile. After the war ends a number of Canadians may not wish to return immediately to Canada. Some of them may wish to serve with the army of occupation in enemy territory. Some of them may wish to remain in England, possibly for educational purposes. Some may be offered employment in England. There should be no stigma with regard to domicile after the war. This amount should be paid irrespective of where the Canadian active service force man or the Canadian service man is domiciled after the war.

Mr. RALSTON: My hon. friend's first question was with regard to when called out under general order 139. I think they are included. I cannot tell my hon. friend the date, but I made a note of what he said and I shall make inquiries about it. With regard to the time in the Department of Pensions and National Health hospital, if a man is still on the strength of the army his time counts. If he is on the strength of the army he is not discharged.

Mr. ADAMSON: If he is discharged to hospital?

Mr. RALSTON: The time does not count then.

Mr. ADAMSON: I think it should.

Mr. RALSTON: What does my hon. friend mean? Where would he put the limit?

Mr. ADAMSON: There should be a limit of two or three years. When a man is forced by wounds or by incapacity to spend a year or so in hospital, he should still be entitled to count that time.

Mr. RALSTON: There is no doubt that that appeals to my heart, but this is a service gratuity. It has to do with service. It applies only to the man who is on the strength of one of the three services. When I asked my hon. friend to fix the time he immediately saw the difficulty. A year or so after discharge we may be asked, why is not the man who is in civil life entitled to the grant for a year after, too?

Mr. ADAMSON: Because he is capable of earning his living.

Mr. RALSTON: He may be, but he may not have had the opportunity. He may not be established and may want to do something else. He may be on vocational training and getting only the living allowance, just as the man in hospital is getting the living allowance. I do not think we can extend it beyond the period of a man's service, when we are talking about a war service grant.

The other point my hon. friend mentioned was with regard to those who remained in the armed services abroad. What he is asking is that the provision which is contained in paragraph 2 of the resolution should be extended; that the statement of the require-

ment that they shall resume residence in Canada within one year from the date of retirement or discharge be extended. Is that it?

Mr. ADAMSON: That is it, yes.

Mr. RALSTON: I do not quite see the point of that. This is for anybody who is serving in His Majesty's forces overseas in the army of the United Kingdom or in the armies of the commonwealth. We cannot leave it open indefinitely. If he is serving in the other forces he must return to Canada some time in order to qualify. In the first place he is not in the Canadian forces. This is an extension of a concession to grant the gratuity which is payable originally to members of the Canadian forces. He has elected to join another force and he gets whatever gratuity or provision is applicable to that force. Now, Canada says: "If you return and reside in Canada within one year from the date of your retirement we will make up the gratuity to the amount of the Canadian rate instead of the rate which you have received." I think the committee will see that that is a fair provision.

Mr. ROWE: In the event that the present home army is sent overseas on active service will the men comprising that force receive the $7.50 per month for the time they have been in the force and the $15 per month for the time overseas, or will they be taken as a separate army of to-day and at a later date perhaps be put in the active service overseas and then be entitled to $15 per month?

Mr. RALSTON: They will be entitled to $7.50 for service in Canada only from the time that they become obligated to serve without territorial limitation; that is to say, only from the time that they have become obligated for universal service.

Mr. ROWE: Let us suppose that these men who were drafted and who have been away from their vocations for perhaps two years are finally—I hope some time soon—placed in support of the army overseas. If the war continues for some time longer, which I hope it does not, they get, let us say, one year of active combat service. On their return they will get none of those advantages at all?

Mr. RALSTON: They will get the advantages as and from the time that they became obligated to universal service only. They will not get the gratuity in respect of the time served so long as they have only been required to serve within Canada.

Mr. ROWE: Only from the time the government decides to send them overseas?

Mr. RALSTON: That is right, or the time they enlist.

Mr. ROWE: Would it not be retroactive?

Mr. RALSTON: No.

Mr. ADAMSON: Only from the time the government passes the order in council, if it does?

Mr. RALSTON: That is right.

Mr. ADAMSON: I want to get this matter of domicile cleared up because I have had a number of cases in which the question has arisen. If a soldier decides to remain in the imperial army or in the Royal Air Force after the war is over and signs on for a three or a seven year period, he will not be entitled to the benefits of this resolution; is that so?

Mr. RALSTON: If he were a Canadian he would.

Mr. ADAMSON: Should he decide to remain in the permanent force for a three year period or for a five year period he would not be entitled to the benefit of this resolution?

Mr. RALSTON: He would, if he remained on after his service. Here are the terms of the resolution. I am reading from paragraph 2:

That a similar gratuity and credit be payable to persons domiciled in Canada on or after the tenth day of September, 1939, who subsequent to that date served on active service in any of the naval, military or air forces of His Majesty—

That is the imperial army, about which my hon. friend is speaking.

—other than those raised in Canada who resume residence in Canada within one year of the date of retirement or discharge from any of such forces—

Mr. SENN: Do I understand the minister to say that those who come under the Veterans' Land Act would not be entitled to the benefits of either of these two provisions, that is, the reestablishment credit or the war service gratuity?

Mr. RALSTON: They would be entitled to the war service gratuity.

Mr. SENN: Suppose a man comes home and does not apply to come under the provisions of the Veterans' Land Act until such time as his war service gratuity has been expended. Would he then be entitled to come under the Veterans' Land Act?

Mr. RALSTON: Yes.

Mr. SENN: Without losing any of the benefits under this act?

Mr. RALSTON: There are two benefits under this act. One is the war service gratuity, about which we have spoken. That is the amount which is payable monthly, and he would be entitled to that even if he applied immediately to come under the Veterans' Land Act. What it would interfere with would be the reestablishment credit, because under the Veterans' Land Act he would receive very much more than the reestablishment credit.

Mr. GRAYDON: I had to leave the committee for a few moments, and it may be that the question I am about to ask was dealt with during that time. However, since the question of combatancy is not the actual test in regard to the gratuities, and since the line is drawn in regard to overseas service—

Mr. RALSTON: Geographically.

Mr. GRAYDON: Yes, perhaps that is more expressive than the word I was about to use. In any event geography rather than combatancy is the test, and naturally there will be some borderline cases that will cause the government no end of concern. One such case comes to mind in connection with the air force. Men who have served in Canada in instructional work, and perhaps in reasonably dangerous lines of endeavour in connection with the air force, will find themselves in receipt of gratuities under this act on a much lower scale than some non-combatants who have been overseas but in some cases in perhaps no more dangerous surroundings, if one can properly put it on that basis. No doubt the one man would be more definitely exposed to the dangers connected with combatancy than the other might be, but still the gratuity would be much less in the one instance than in the other. I fancy that is a matter to which the government have given a great deal of study, for it is a real difficulty that will have to be faced if we are to have justice and avoid discrimination. Has the government considered the possibility of utilizing some discretionary power to avoid those injustices which in the very nature of the test applied under this act, that is geography rather than combatancy, may arise from time to time and which would be very embarrassing in the administration of the measure. I know how difficult it is to deal with these matters of discretionary power, but I was wondering whether or not that point had been considered by the government and, if so, whether any solution had been arrived at which does not appear in the resolution as it is now on the order paper.

In that connection I would point out that many of the airmen who are doing pretty dangerous work here in Canada would be overseas if the department would permit them to go. I suppose there are literally thousands upon thousands of airmen in Canada who are desperately anxious, who have been pleading and urging and doing everything short of committing a crime to get overseas. These instructors and others find themselves subject to the payment of income tax, except under certain circumstances in which they are given relief, and now we find that those non-combatants overseas, some of them in not much more dangerous circumstances than exist here may be granted a much larger gratuity under the terms of this legislation. I do not want it to be understood that I desire to interfere with those overseas who come within the higher gratuity category. That is not my purpose at all in rising. I am only attempting to clear up the point in regard to the men in Canada, to see if it is not possible to increase the gratuity they will receive under the terms of the bill which will be founded upon this resolution. I point out the more favourable position of the non-combatants overseas with respect to the income tax, and other matters, only to show the possible injustice that may be felt by some airmen here in Canada. Certainly I have no desire to interfere with what may be received by those who are overseas. They deserve it but would the government care to make any comment with respect to this point, and indicate how they arrived at this position?

Mr. RALSTON: I assure my hon. friend that, as he anticipated, we gave very careful study to the matter of the differentiation in rates and the principles on which it should be based. In the first place danger is a factor. Men fighting in Italy and France probably have been, in many circumstances, in much more danger than anyone else, but the question was whether we could separate the degree of danger. I do not think my hon. friend will find many men in Canada who have endured the dangers that our men in England endured in 1940 and 1941, at the time of the blitz. Neither do I think he will find many people in Canada enduring anything like the danger being endured to-day during the blitz of robot bombs. Neither do I think he will find men in Canada who have endured the danger which was endured by men in England on anti-aircraft work on the coast, in endeavouring to keep the enemy away in the days when the bombing was so severe. We endeavoured to see if there was any possible test of combatancy, but, as my hon. friend has anticipated,

it was extremely difficult to find any such test. So we had to take geography to indicate the theatres in which danger was most likely. In the second place, we coupled with that, separation, which we regarded as a factor to be considered. That is to say, it is one thing for a man to be in Canada, even though he may be in dangerous work, and to be able to get his seven or fourteen days' leave every six months and go home to his family, and be in touch with Canadian affairs. It was quite different with a man even in England, who also got his leave but whose leave only gave him an opportunity to go to London, or to go north, or to enjoy the hospitality of friends. It did not give him that which men prize above everything else, the opportunity to get home and see his loved ones.

The idea of general area of danger, and the idea of separation, were two of the factors which led the government to come to the conclusion that the only way we could make a distinction—not a fine or accurate distinction—which would appeal generally, was to deal with two classes of service; that is, service in the western hemisphere and service overseas. I think we were backed up in that by the fact that in their mustering out provisions the United States, to which the hon. member for Lake Centre has referred, used exactly the same test. Service in the United States was considered as being one thing and service in other geographical areas was dealt with at another rate. In South Africa no difference is made as to service; they pay the same rate to all.

Mr. DIEFENBAKER: What is the rate in South Africa?

Mr. RALSTON: For European men it is 30 shillings per month of service; for European women, 15 shillings per month of service; for coloured personnel, 10 shillings per month of service, and for native personnel, 5 shillings per month of service. In New Zealand they have adopted a simple formula which appears to be applicable to all their troops. They have added a shilling a day to the man's pay and made it retroactive to the beginning of the war. However, this is not paid to him; it is treated as a deferred credit to be received by the man after the war. There again no distinction is made as to service. I have mentioned the United States, South Africa and New Zealand. Then lastly, in the last war exactly the same distinction was made as we are making here, that is, overseas service was one thing regardless of whether it was in France or England, and Canadian service was another.

That is why we have arrived at this distinction. I admit it is not precise; I admit it does not take account of many special situations, but it seems to be the best you can do unless you have a most complicated system of boards which would try almost every individual case to arrive at the degree of danger in which a man served. Someone has suggested that the test should be that a man has been within rifle shot of the enemy, which would be a little over a mile. One can see how difficult it would be to apply that test in connection with each particular individual.

What my hon. friend has said about men in the air force is perfectly true. It is just as true of the army. There are literally thousands of men in Canada who would much rather be overseas but who have worked hard in Canada in order to train others. There are men who have been located at outposts which while they may not be as dangerous as service overseas have been under pretty grim conditions. The same thing applies to the navy. There are many thousands of men in Canada who would rather be at sea. However, it is just the luck of the draw, as they say. The fact that they have been nearer their families is at least some compensation for the lower rate that will be paid.

Mr. KNOWLES: I think we all appreciate the difficulty in drawing a line, but on the assumption that further consideration may still be given to this matter I would call the attention of the government to the manner in which the line is drawn in the Income War Tax Act. Section 4 refers to excepted incomes and paragraph (t) reads:

> The service pay and allowances of—
> (i) members of the Canadian naval, military and air forces while in the Canadian active service forces and overseas on the strength of an overseas unit outside of the western hemisphere, and
> (ii) members of the said forces while on active service in Canada, or anywhere in the western hemisphere, whose duties are of such a character as are required normally to be performed afloat or in aircraft.

Apparently the same problem which the government has been confronted with here confronted them with respect to income tax exemptions, and the section I have quoted would seem to indicate that the decision arrived at then is slightly different from the decision arrived at now. If the present decision were comparable to the former one the members of the forces whose duties are such as are required normally to be performed afloat or in aircraft would be included with those who have served overseas without regard to geography. You have here

a group of service personnel who for income tax purposes have been treated the same as the service personnel overseas. It will be a bit of a surprise to them to discover that they are not to be included in that same category in this legislation. If further consideration is to be given to the question as to where the line is to be drawn I hope the government will refer to the section of the income tax legislation to which I have referred.

Mr. RALSTON: I assure my hon. friend that those things have been taken into consideration and the conclusion has been reached, as has been indicated here, that the distinction which it is proposed to make in this legislation is the fairest under all the circumstances.

Mr. CASTLEDEN: Will the credit provided in this legislation be available for university training beyond what is provided under other legislation? Could we have some explanation of clause 4 of the resolution which states that the payment of the war services gratuity may be made under certain conditions to or on behalf of the dependents of members of the forces who have died either prior to or subsequent to retirement or discharge? What are the conditions referred to?

Mr. RALSTON: Perhaps my hon. friend was not here this morning when I indicated that the only condition is that under certain circumstances the payment may be made to someone for the dependent instead of directly to the dependent. My hon. friend will understand that under some circumstances that may be desirable. With regard to university training, that was not included in the list read by the Minister of Pensions and National Health. There is a general clause, which probably my hon. friend has noted, which covers other purposes which may be regarded as proper by the governor in council.

Mr. DIEFENBAKER: How many men have been discharged from the Canadian armed forces? I understand that these payments will be available to all those who have been discharged up to the present.

Mr. MACKENZIE (Vancouver Centre): Roughly 150,000.

Mr. RALSTON: The Minister of Pensions and National Health has the figure at hand more readily than I and he indicates that it would be around 150,000.

Mr. DIEFENBAKER: This resolution brings into focus the whole question of demobilization. It becomes effective on demobilization.

[Mr. Knowles.]

Mr. RALSTON: No, on discharge; there is a difference.

Mr. DIEFENBAKER: Individual demobilization, not the demobilization of the forces. There is one thing about which I do not believe there has been an announcement by the Canadian government, and that is the question as to how demobilization is going to be proceeded with and what plans have been arrived at by the special directorate that was set up by the government to deal with the matter. All of us I think have received letters from men who have been overseas, some of them for almost five years, endeavouring to secure information as to whether or not the government has a plan for orderly demobilization. In England the matter has been clarified by Mr. Ernest Bevin, who, speaking of the demobilization plans, said that the point system that was used in the last war was not to be used in this war, but that the general principle in Great Britain would be, to use his own words, "first in, first out." Is the minister in a position to deal with that? It would go a long way towards improving the morale of our men overseas, some of whom have been for five years removed from their families and their loved ones and all that is near and dear to them, if they were made aware of the fact that in any demobilization plans they are not going to be held over there in an army of occupation unless they wish to do so; that service in the army of occupation should be applicable to those with the shortest service, and that the men with the longest service will have the first opportunity to come back to their homes.

This morning the Prime Minister was asked whether it was intended that when the war in Europe is over our armed forces in Europe will be sent elsewhere or returned to Canada. I will not go into that question because the Prime Minister, if I understood his meaning aright, said that that was a matter that could not now be decided because of defence considerations and the like. But if the Prime Minister's statement as reported the other evening was a correct one, that there will be no election held during war time and there will be no postponing of the life of parliament, he must have had in mind, to synchronize those two statements, that the war in Europe is about over or will be over before April 1, 1945. If that be so, this is possibly the last opportunity that will be available to members of this house to ascertain just what the government's demobilization plans are. A full statement should be given to the house and the country on the whole plan of demobilization. The Minister

of National Defence on a previous occasion answered me most fairly when I suggested that a similar system to that worked out in the United States should be available in Canada, under which, after a period of active service—I believe in the United States it is nineteen months of active service—the men in the army are given the opportunity, subject to the exigencies of war, to return to their loved ones for a furlough. The minister pointed out the difficulties arising from the general war situation and also the shipping difficulties at the time. But this is a matter upon which our men overseas would like to get information. As it is now, they have been over there several years without hope of returning home until the conclusion of hostilities and even then there is the uncertainty because no one knows whether the principle of "first in, first out" of the United Kingdom will be adopted. It is a serious matter and one upon which the men in the armed forces and their dependents in Canada would welcome a statement.

Mr. RALSTON: I am sorry that I cannot make a statement to the house now as to a plan of demobilization. I do not think any country yet has made a statement on its plan of demobilization. My hon. friend mentioned the general principle of "first in, first out", and that general principle is certainly an objective to work to. But there are many difficulties in connection with that principle, and one of the difficulties is the matter of units. I am speaking particularly of infantry units, as an infantry man myself. There is the difficulty of breaking up units by withdrawing men of so many years service and leaving the others there. There are two sides to it. It is a matter which the chief of staff in the United Kingdom, who is over here now, is discussing with us while he is here. I therefore cannot make any statement as to a plan of demobilization except to say that it is and has been receiving the most active consideration. For the last six months at least we have been giving this whole matter constant study and examination both here and overseas. We expect that we will have a plan of demobilization which will be as satisfactory as possible. No plan can be wholly satisfactory to everybody. I remember in the last war that when I received the news that soldiers were to be withdrawn according to their occupations I was completely disgusted because that meant the breaking up of units, and the idea was abandoned.

I know that the point system to which my hon. friend referred has been most severely criticized in England. It was a system that took into account and gave so many points for long service, so many points for essentiality of civilian occupation, so many points for being married or single and points for various other things. It was excellent in theory but it just did not work. When you are bringing home units, there is the question of esprit de corps and certain traditions to be thought of. When you bring a unit back to its home town the men feel that they should have the privilege of being met by their fellow citizens, and their fellow citizens in turn feel that they should have that opportunity.

I can only say that the matter is engaging our most intensive attention and we are satisfied that a plan will be worked out which will be the best possible under the circumstances.

With regard to individual leave—for that is really what my hon. friend was speaking of—I have studied the system in the United States, and no doubt my hon. friend has the same information on it that I have. The system there is not as broad as my hon. friend's statement would perhaps indicate. The system is that leave is granted to certain particular individuals, and there are three principal classes, as I understand it. One is the class that has undergone extraordinary hardship or privation or difficulties in a most intensive theatre of war; in other words, those who are broken down by their service but would not be discharged as medically unfit. Another is the class that is needed at home for instructional purposes. The third is the class of those who have been successively wounded. Those I think are the three main classes. The information I have is that up to date the number who have been granted leave under that scheme have amounted to something like one to one and a half per cent. I have here with me certain plans and certain arrangements which we are endeavouring to work out with the adjutant-general with regard to that same matter. But with the situation as it is at this moment in Italy and Normandy I feel that I should not discuss the matter of leave at the present time. Hon. gentlemen will understand why. I believe our men both in Italy and in Normandy understand that. I hope the day is not too far distant when the opportunity may be given. I do not think there is anything I can usefully add to that.

Mr. DIEFENBAKER: I appreciate the explanation which has been given, but here is the thing which the men in the army overseas want to know. I know that the special directorate on demobilization has given serious consideration to the whole question of demobilization, but has a decision been made on

the question as to whether or not the N.R.M.A. men serving in Canada will receive their discharges and be permitted to enter civil life before those who serve overseas are returned to this country? It has important consequences because if seventy or eighty thousand N.R.M.A. men in this country, all of whom are in the same position under the law as other enlisted men as to their right to reinstatement in civil positions, are discharged before the men from overseas come back, many of the positions which would ordinarly be available for the men serving overseas will have been taken by those who under compulsory service served only in Canada. As I understand the provisions of the law as to reinstatement, as soon as a man is discharged from the forces he is entitled to go back to his former employer and demand reinstatement in the position he previously held. Unless there is a plan, the position of affairs will be this. Some of these men in the N.R.M.A. took positions vacated by men who voluntarily went on active service. If these N.R.M.A. men are discharged before the men who are overseas, they will be able to insist on their reinstatement in the positions which they previously held to the detriment of the volunteer for overseas service.

I do not doubt that our overseas forces will be satisfied with legislation such as is brought before the house to-day. It is all to the good and is not at all a matter of party politics. As the Prime Minister has said, the plan has been worked out to cover the entire gamut of demobilization and rehabilitation, and this resolution is for the time being the concluding chapter. I repeat that all this is to the good. One thing remains: the men in the armed forces want to be assured of a job with fair pay when they return. Legislation such as this, although helpful and necessary, is merely of the nature of a stop-gap. Without there being a plan for demobilization, seventy thousand men overseas, who otherwise would have positions available to them when the war is over, will be denied positions to which they are entitled if the men who were called up and did not volunteer to go overseas are discharged first and enabled to take over these positions. I should like to hear a declaration of the government with reference to this. It would complete the picture regarding demobilization. Not only would you have a rehabilitation plan—and this is a most commendable one, with which all of us are in agreement—but you would say to the men who serve overseas, "You are not going to suffer because you volunteered. Your positions will be available to you, and no one else who was called up and did not volunteer will be allowed to preempt a position which should rightfully belong to you in the post-war world."

Mr. RALSTON: I know that my hon. friend does not think for a moment that the position he has put so forcibly is not constantly present in our minds.

Mr. DIEFENBAKER: I know.

Mr. RALSTON: That is part of the planning we are doing with regard to demobilization, to consider these very situations to which he refers. I assure him that that is being considered. To deal with it will be part of any plan of demobilization. I cannot now say more than that. I know my hon. friend does not expect me to announce a demobilization plan piecemeal, and I do not think I should do it. I agree thoroughly with my friend in this particular—I found it when I was in Italy —that in spite of what we are doing in this bill, the men over there are not much concerned with the matter of a war service gratuity as they are with having a job and having the chance themselves to be able to work out their own destiny. While it is not relevant to this bill, I do not at all complain of my hon. friend having brought it to our attention just now. It is not the function of the service departments to find jobs, but it certainly is their function to see to it that as far as possible their demobilization plan fits in with the opportunity of finding jobs, and that is what we shall endeavour to do in connection with this plan.

Mr. DIEFENBAKER: Will the minister allow a question on that matter? I thank him for his statement. Does he then say that no decision has been arrived at yet as to whether or not the men in the N.R.M.A. will be discharged before the men in active service overseas are discharged?

Mr. RALSTON: I cannot at this stage make any further statement than I have made.

Mr. GILLIS: In the debate on the address, recognizing that we had entered a phase of the war when the matter which the hon. member for Lake Centre has raised should get major consideration, I occupied my forty minutes in setting out as clearly as I could the mechanics which I thought should be employed in the demobilization period. It is not my intention to pursue the matter now; I simply wish to ask the minister a question. There are six different kinds of discharges, and letters which I receive from time to time indicate considerable apprehension in the minds of a number of

men being discharged from the services as to where they fit in under the rehabilitation regulations. I sent out a questionnaire containing seventeen questions. I communicated with army officials through the Department of Pensions and National Health and had these questions answered very clearly, and I have clarified the matter in the minds of most of the people who wrote to me. But I would ask the minister if the provisions of the resolution now before the committee are affected in any way by the type of discharge a man may receive. Here is an example of what I have in mind. A considerable number of men are coming back from overseas and being sent to their various military districts. In many cases they are held there for one reason or another for a long time, and they become impatient; they decide that they do not want to sweep floors, or something of the sort. They would rather have a discharge from the service, but they feel that if they ask for a discharge, the kind of discharge they would receive would be under routine order 1029-12, namely, discharged at their own request. If a man takes that kind of discharge will it militate against him in the application of this gratuity? It does militate against him in other instances.

Mr. RALSTON: The only sort of discharge which disqualifies a man for war service gratuity is misconduct. May I add this word. I have not given my hon. friend the direct answer to his question because of the fact that I considered it was part of the demobilization plan. I do not want any doubt in anyone's mind that we are fully alive to the danger of having men's jobs filled by N.R.M.A. men. In that connection I may say that we intend to see to it as far as we possibly can that the danger is avoided. That will be one feature of the plan, and I want to make sure that the house understands that. I understand fully what my hon. friend says and certainly I will do everything I can, and I know that all the service departments will do what they can, to see to it that preference for jobs goes to men who have been overseas.

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce bill No. 184, to provide for the payment of war service gratuities and for the grant of reestablishment credits to members of His Majesty's forces in respect of service during the present war.

Motion agreed to and bill read the first time.

EXPORT CREDITS INSURANCE

MEASURE TO FACILITATE AND DEVELOP TRADE BETWEEN CANADA AND OTHER COUNTRIES —CONCURRENCE IN SENATE AMENDMENTS

Hon. J A. MacKINNON (Minister of Trade and Commerce) moved the second reading of and concurrence in amendments made by the senate to bill No. 178, to incorporate the Export Credits Insurance Corporation and to promote the revival of trade by the provision of dominion government guarantees to encourage exports from Canada.

Mr. ADAMSON: Perhaps the minister will explain the amendments.

Mr. MacKINNON (Edmonton West): The amendments are really a matter of drafting and rearrangement; there is no difference in principle at all. Subsection 4 of section 7 of the bill is removed from its present position and made subsection 2 of section 4, part I. It is simply moving that clause into another place. To section 13 there is an addition; (b) is to provide in part I of the act that the Minister of Finance can use the corporation as an agent. That is at present in part II of the act and this simply puts it in part I; and (c) provides that the corporation may do all such things as may be incidental to or consequential upon the exercise of its powers.

Motion agreed to; amendments read the second time and concurred in.

HOUSING

PROVISION FOR LOANS FOR CONSTRUCTION, REPAIR, ALTERATION, ETC.

The house resumed from Wednesday, August 9, consideration in committee of bill No. 183, to promote the construction of new houses, the repair and modernization of existing houses, the improvement of housing and living conditions and the expansion of employment in the post-war period—Mr. Ilsley—Mr. Bradette in the chair.

The CHAIRMAN: Section 10, regulations by governor in council.

Mr. STIRLING: Has the minister been able to straighten out the difficulty with regard to the question whether the cost of land is included in the value?

Hon. J. L. ILSLEY (Minister of Finance): Yes. We consulted the Department of Justice and they think that the cost of the land is included in the house, but they agree that it would be better to amend the definition of "house". The amendment therefore is proposed that paragraph 19 of section 2 of bill

183 be amended by inserting the words "together with the land upon which it is situated" immediately after the word "building", so that the definition of "house" would read:

"House" means a building, together with the land upon which it is situated, intended for human habitation comprising one or more family housing units including facilities ordinarily required in connection with a dwelling place.

It means that we shall have to revert to section 2. If I remember rightly that was passed.

Mr. STIRLING: It developed in the discussion of subsequent sections.

Mr. ILSLEY: Yes.

Mr. STIRLING: Do I understand the minister to say that the amending of paragraph 19 of section 2 will clear up the difficulty with regard to the other paragraphs that were involved?

Mr. ILSLEY: So I am advised. I move that we revert to section 2.

The CHAIRMAN: By unanimous consent, we will revert to section 2, Definition.

Mr. MACKENZIE (Vancouver Centre): I move the amendment that has been proposed.

Mr. CASTLEDEN: That definition will mean that any loan which is made for the building of a house will include the cost of the lot upon which to build it.

Mr. ILSLEY: It always has; yes, that is the intention.

Mr. CASTLEDEN: What will be done with respect to the larger multiple dwellings where people go together to construct an apartment house or a cooperative apartment?

Mr. ILSLEY: The same thing applies.

Mr. CASTLEDEN: And the ownership of the land will go with the house under this act?

Amendment agreed to.

Section 2 as amended agreed to.

On section 11—Life insurance companies investment.

Mr. ROSS (St. Paul's): I do not think section 3 was carried.

The CHAIRMAN: Sections 4 and 5 stood at the last meeting of the committee. Shall section 11 carry?

Section agreed to.

Mr. CASTLEDEN: What about section 10 on page 12? I should like to refer to paragraph (b).

[Mr. Ilsley.]

The CHAIRMAN: Order. Section 10 is carried. We have just carried section 11.

Mr. CASTLEDEN: We started on section 10 and went back to section 2.

The CHAIRMAN: We shall revert to section 10.

Mr. CASTLEDEN: Paragraph (b) of section 10 reads:

The governor in council on the recommendation of the minister, may by regulation:

(b) prescribe sound standards of construction and the arrangements that shall be made to assure adequate supervision of any construction or conversion in respect of which a loan is made under this part.

What is the machinery by which the minister determines that? Has it to come under certain construction association or architectural standards? Are there certain regulations with regard to construction in Canada? What are the standards? Unless there are standards it is possible for discrimination to take place.

Mr. ILSLEY: Standards have been laid down and have been published in a booklet of the national housing administration. These booklets are available. They are approved by the governor in council.

Mr. CASTLEDEN: All construction must conform to these standards with regard to architectural design and construction as provided in this booklet?

Mr. ILSLEY: Yes.

Section 10 agreed to.

On section 12—Slum areas.

Mr. KNOWLES: This is the section on which we held discussion to some extent on the resolution stage and on second reading. During that discussion we had the pros and cons of municipal public housing versus housing projects constructed under the direction of private interests. In reply to some of the statements that I made last evening, the hon. member for Halton still further attacked the competence of municipalities to go into this kind of thing and still further defended the idea that it should be done solely by private interests. I shall not argue the point at length, but I should like to bring the hon. member for Halton and other hon. members up to date on what is happening in this field in the world of to-day. I hold in my hand as one exhibit an interesting book put out by the Boston housing authority, showing the work that has been done in that city under that municipal housing body. On the fly leaf of

this book there is an interesting quotation from the United States Housing Act of 1937, a portion of which I should like to read:

It is hereby declared to be the policy of the United States to promote the general welfare of the nation by employing its funds and credit, . . . to assist the several states and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions. . . .

And so on. The point in the quotation to which I call attention is the deliberate policy of the United States government to assist the several states and their political subdivisions in this field. Under that legislation and under enabling legislation in the state of Massachusetts a good deal has been done most effectively and most satisfactorily in that state. If time permitted I could give hon. members a great deal of material out of this book which would prove of real interest. I have here also a copy of the eighth annual report of the New York city housing authority for the year 1941. Here again we have the housing problem attacked by a municipal housing authority. Surely there is no city in Canada that can be faced with any greater housing problem or any greater slum clearance difficulties than the city of New York. Yet the report indicates considerable satisfaction so far as the public administration of housing projects of that city is concerned. I should like to read just two short quotations from a letter contained in this report. The letter was written by the chairman of the New York city housing authority to Mayor LaGuardia of that city, and is dated January 15, 1942. The first quotation is as follows:

During 1941, with the aid of federal and city funds, 2,943 additional families were provided with low-rent, modern, sanitary housing in four new projects: East River Houses, Manhattan; Kingsborough Houses, Brooklyn; Clason Point Gardens, Bronx, and Wallabout Houses, Brooklyn (a defence housing project near the navy yard).

The next paragraph I quote is in reply to the statement of the hon. member for Halton that municipal authorities cannot manage rental projects satisfactorily. The quotation is as follows:

The authority now operates twelve completed projects with a total occupancy of 13,180 low-income families. Naturally, there are many human problems constantly arising in the relations of the authority with such a large group of tenants. These problems have been handled with patience and tact by the managers of the projects and with satisfaction to the tenants.

Another report that I have on my desk is also from the New York city housing authority. It deals particularly with the South Jamaica houses, one of the projects carried on by that authority. Again the story of what has been done is a good one. There are pictures here that would be of interest to hon. members. They show the situation before and after the housing authority had done its work. These pictures tell a real story. I quote from this report:

The cost of South Jamaica houses is $2,196,000 of which ninety per cent is lent by the United States housing authority and ten per cent will be financed by the sale of bonds by the New York city housing authority. This is an average total cost of $4,888.39 per dwelling unit and $1,222.10 per room. The cost will be repaid over a period of sixty years out of revenues of the project, and annual contributions made by the United States housing authority.

Rents are from $20.50 per month for a 2½ room apartment to $25.75 per month for a 5½ room apartment, which includes gas for cooking and electricity for lighting and refrigeration as well as heating and hot water. This averages $5.60 per room per month including utilities.

So one might go on with various sections of these reports of municipal public housing authorities in the United States to show that when we advocate this kind of thing we are not just propounding theory but are talking in the light of what is actually taking place in the world in which we live to-day. I feel that the position taken by the hon. member for Halton in defence of the government's refusal to consider supporting municipal bodies in this field is, to put it mildly, a voice out of the past.

Another document from which I should like to quote briefly is a circular which was sent out by the British ministry of health under date of March 4, 1943, to the housing authorities of the county councils of the United Kingdom. Hon. members should bear in mind that this circular was sent out right in the midst of the war, when it was not possible to do all the actual construction that one might like to have done, but it will be seen that the view of the United Kingdom government is that plans should be made for the building of homes as soon as the war is over, and that in their view the important people with whom the central government should deal are the housing authorities of the local councils. Let me quote one or two passages to make the position clear. This is what the ministry of health has to say to the county councils of England:

But it is clear that the need for houses is already substantial, and the minister is anxious that local authorities should now begin to formulate plans so as to be in a position to make a quick start immediately conditions permit, whether during or after the war. I am accordingly to ask that the council, if they have not already done so, should review their housing needs and that they should concentrate on the preliminary arrangements necessary as a prac-

tical measure to enable them to start on such part of the programme as would comprise a one year's building work as they are authorized to do so.

Then the two last paragraphs from this circular:

The minister will be glad to be informed in due course of the number of houses which the council have in mind for their first year's programme and of the extent to which they already have land in their possession available for these houses, or of the additional sites which they propose to acquire.

I am to add that directions have been given to the ministry's regional architects to continue to call on the local authorities in their region, as and when they can, to discuss with them their programme for housing after the war. If the council wish subsequently to discuss matters further, the minister will be glad to arrange for a deputation to be received by the ministry.

That is signed by L. F. Hearder, assistant secretary of the United Kingdom ministry of health. In that document are two points to which I call attention. First is the recognition by the central government in the United Kingdom of the important part to be played in housing by the local housing authorities of the county council. There is also in this circular a recognition of the necessity of planning the construction of houses. There you have the central government asking all the county councils to survey their needs and to report on those needs to the central government, so that the building of houses may be planned in the light of those needs. I mention that because to me it is in striking contrast to the lack of any plan in the housing legislation now before us. As I said last evening, this measure will no doubt result in the building of many houses in Canada, and because those houses are needed we support the legislation. But I think hon. members who rose in their places to say that this was the finest housing legislation any government had ever brought down were, to say the least, a little extravagant in their statements.

I have before me as well some quotations from Lord Woolton, the British minister of reconstruction, similar to those which appear in the circular to which I referred. For example, he said in December, 1943:

The next step is to advise local authorities what kind of houses they should build so that they can get further ahead with their detailed plans. I can promise local governments that they will have the best advice on this matter that the central government are able to give them, and they will have that very quickly. . . .

I emphasize again the view in the United Kingdom that there should be this close co-operation between the central government and the public housing authorities of the county councils.

[Mr. Knowles.]

In addition to the references to other countries I would mention the report of the subcommittee on housing and community planning of the James committee on reconstruction, in which it was urged that not only should there be planning in advance of any housing project but particular consideration would have to be given to all three levels of Canadian government. I quote:

It is important to recognize that actual achievement of great numbers of new houses constructed and operated on a sound basis depends upon a reasonable and cooperative division of labour between the three levels of Canadian government.

If there were time I might mention other parts of that portion of the report to indicate that the James committee recognized the important part to be played in any rational, satisfactory housing programme by the municipal councils, those who are closest to the people and to our housing problems. I regret very much that the government has taken what to my way of thinking is a retrograde step, by including in this legislation a provision that to all intents and purposes snubs the municipal bodies. The minister has stated his reason for this position; he is not satisfied that the municipal bodies can display the efficiency of the private limited-dividend housing corporations and the life insurance companies. We beg leave to differ with that. Some of us have had some experience in this field. We feel that greater reliance should be placed upon the municipal bodies, and that there should be the kind of cooperation with those bodies which is evident from the quotations I have read both from the United States and from the United Kingdom.

I rose in part simply to reply to some of the comments that were made last night, and also that I might express my objection to the position embodied in section 12 of the bill; we favour instead the wider development of municipal public housing authorities.

Mr. MacNICOL: There are a few words in the first part of section 12 to which I should like to refer. I am going to try to direct my remarks not to the whole gamut of housing but to what this section calls for, namely slum clearance. Section 12 reads in part:

In order to assist in the clearance, replanning, rehabilitation and modernization of slum areas or blighted or substandard areas in any municipality.

As I understand it, under subsection 3 the municipalities are to be advanced one-half of the purchase price of the slum area which is to be rebuilt on by the insurance company or other builders with whom the government may deal. Will the cities be able to take

over such areas by expropriation proceedings? I have looked over slum areas in a great number of cities, but I should like to refer particularly to Toronto. Land fronting on the bay from Bathurst street, indeed from Simcoe street west, used to be a very high class residential district many years ago. The mansions of the rich people of those days, including the lieutenant governor, were south of King street. What drove those people away? The railways came in and their smoke drove out all residents who were able to move away. They went north until in time the city extended north for perhaps seven, eight or nine miles. This area is now occupied by people having low salaries or humble people who have no salaries at all.

I doubt if any insurance company or other builder could make houses pay in this area unless the railways were electrified and the smoke nuisance eliminated. Along the south bank of the Thames, and I believe also along the north bank, in London they have electrified the railroads. If this were followed out in Toronto, then I believe this so-called slum area could be rebuilt with houses and apartments to be occupied by people with low incomes or even by people with higher incomes. Buffalo is in much the same position as Toronto. In these cities people who work downtown in the office buildings and stores have to travel seven or eight miles to and from their work when it should be possible to build homes in areas where it would be cooler and where people would be closer to their work.

Mr. ILSLEY: Perhaps I had better explain this. If a municipality wishes to acquire an area on which there are slums it may do so with the consent of the province and of the dominion. The consent of the dominion is necessary if we are to contribute one-half the excess acquisition cost. Demolition will be necessary, and if this cost and the cost of the land were to be borne by a limited-dividend corporation or a life insurance company it would be impossible to make the project pay. On the other hand, if only the cost of the land is to be paid by the limited-dividend corporation or the life insurance company it probably will be an economical investment.

Who is to pay the cost over and above that of the land? This bill provides that if the project is approved by us, by the province and by the municipality, we will contribute fifty per cent of what we call the excess acquisition cost. It is contemplated that the other fifty per cent will be provided by the municipality or by the province or by both. The only cost to the limited-dividend corporation or the life insurance company would be the cost of the land. The project is gone ahead with, and in the case of the life insurance company they get a guaranteed return of two and a half per cent. There are certain provisions as to how they must apply the amount they earn over a certain amount. In the case of the limited-dividend corporation, they get a loan from the government up to ninety per cent of the cost of the land and buildings. Under those favourable conditions they are enabled to charge low rents to tenants who occupy the buildings constituting the project.

Mr. MacNICOL: This one area in Toronto covers a lot of territory. Starting at Bathurst or even Simcoe street south of King street there are a large number of humble but very fine people residing in houses which perhaps should be condemned. Only $20,000,000 is being provided, but the minister said the other night that this was just a start. If this work is confined at the beginning to the four cities with over 200,000 of population, Vancouver, Winnipeg, Toronto and Montreal, and the amount is divided it will mean approximately $5,000,000 for each city; that would not go very far if we are to take in what the minister has just indicated.

I want to see a start made and I want to see a success made of it. It seems a pity that in those cities located on lakes or rivers or harbours use cannot be made of the land along the waterfront because of the railways. In many cities these districts are occupied by people who cannot pay any great amount of rent. That prompted my other question as to whether the electrification of railways might be considered under the provisions of this bill. The whole frontage of Toronto is taken up to-day with the railways; trains run along every half hour or oftener belching out great columns of smoke. I cannot imagine anybody taking over that land and using it for housing purposes. I should like to know if the minister has given any thought at all to the future electrification of our railways entering large cities like Toronto. The steam engines could be parked at Mimico on the west or elsewhere, and at Scarboro on the east side of the city, and the trains brought in by electrical power. That would mean that the front of the city would be a desirable place to take over and erect housing on for our humble people who cannot pay a high rent but who nevertheless are entitled to every consideration possible for the sake of their health and the health of their families. These areas once cleared should have playgrounds, swimming pools and everything that would be beneficial

to the health of the children. Has the minister given any thought to that, or have any suggestions been made in connection with slum clearance to eliminate the smoke nuisance in the lower part of our big cities?

Mr. ILSLEY: I do not think the dominion government should assume responsibility for the elimination of the smoke nuisance or anything of that kind.

With regard to the amount that might be spent on slum clearance, $20,000,000 is provided for in the bill, but it should be noted that this amount is to take care of only half the excess acquisition cost of the land to be acquired for low-cost and moderate cost rental housing projects. An excess acquisition cost of $40,000,000 will make possible a substantial amount of slum clearance work, because it must be remembered that the land so acquired is to be sold to limited-dividend companies, life insurance companies or other approved lending institutions at fair and reasonable prices. If we assume that the excess acquisition cost is as large as half the total cost of the land acquired and cleared, section 12 of the bill makes possible the acquisition of land in our municipalities at a cost of $80,000,000 to provide a location for low-cost and moderate cost rental housing projects.

Mr. FRASER (Peterborough West): Will the government help to put in sewers and water-mains?

Mr. ILSLEY: No.

Mr. FRASER (Peterborough West): They will not do that?

Mr. ILSLEY: No.

Mr. FRASER (Peterborough West): Will the government insist on modern and sanitary plumbing being put in?

Mr. ILSLEY: Yes.

Mr. FRASER (Peterborough West): They will insist on that?

Mr. ILSLEY: Yes.

Mr. ROSS (St. Paul's): I do not think this $20,000,000 will go very far in slum clearance. Here is an estimate made by the advisory committee on house planning at Toronto, which gives some idea of the cost: Elimination of 900 rear and alley dwellings, assessed value $900,000. Acquirement of ten blocks, containing in all nine hundred houses, at an assessed value of $1,800,000. That only takes into consideration rear and alley dwellings. That totals $2,700,000 and provides only 900 single family dwellings.

This scheme will have to go much further if we are to get any place, and I think it will require the cooperation of the provincial and municipal governments. Low-cost housing depends to a great extent upon the interest rate that has to be paid. In the state of New York, as the minister probably knows, a subsidy is paid to reduce the annual cost so that the rent can be brought down to a reasonable figure. I have something here that is very interesting, particularly in answer to my hon. friend to my left. The project of the Metropolitan Life Insurance company at Parkchester provides for 15,000 families. This development is located at the northerly end of the city. The project cost $50,000,000. They have several similar projects in the United States, one at Los Angeles, for instance, and at many other places. This particular project does not produce low-cost housing because it averages a rent of $14.50 per room per month. The Equitable Life has another project housing one thousand families, where the average cost is $15 per room per month. In the state of New York there are fourteen limited-dividend companies, representing an investment of $30,000,000. These projects enjoy partial tax exemption and are subject to certain restrictions by a housing commission. They are limited to paying six per cent to the stockholders. The rents are fixed by law at $12.50 per room per month in New York county and at $11 per room per month in other counties of the state.

After all, it must be remembered that the average man can afford to spend only twenty per cent of his income on rent. It would seem that the only way that you can get rents down is by some kind of subsidy. We have economic rentals at a rate of 9½ per cent. When you take into consideration the taxes, an average of 2½ per cent, it brings the 9½ per cent to 12 per cent.

The minister in his bill suggests that the municipality pay half the cost of slum clearance. But what happens about the taxes? Take the case where they received in taxes $36,000 on the old property. By the time you get your new buildings up, the taxes are going to be a lot more, and some arrangement will have to be made with the municipalities and with the provinces with a view to getting a fixed tax rate. In New York this is done by a fixed rate in accordance with the assessable value of the property taken over before demolition and the tax rate is kept at that figure. There is not a new assessment put on the new property. That is about the only way in which you can get low-cost housing down to rentals which the average man can afford to pay. The average

man earning about $900 or $1,000 a year can afford to pay only twenty per cent of that for rent, which means at the most $200 a year. That does not amount to very much a month. I think there ought to be something in this bill as well to enable the government to subsidize by way of an annual payment or something of that kind. I would ask the minister another question. After the land is cleared, when it is taken over and the slum clearance has all gone on, who owns the land and for how much will it be sold to the limited-dividend corporation?

Mr. ILSLEY: The municipality acquires the land and then transfers it to a limited-dividend corporation or a life insurance company or other approved lending institution, which goes forward with the project.

Mr. ROSS (St. Paul's): At the cost to itself, or whatever cost it likes, or what?

Mr. ILSLEY: The hon. gentleman apparently has not been following this. The arrangements under which the limited-dividend corporation or life insurance company goes forward are all set out in the bill. I went all over them conversationally just fifteen minutes ago in reply to the hon. member for Davenport.

Mr. KNOWLES: If I heard the minister correctly just now, he said that this would be done if the land were sold to a limited-dividend housing corporation or a life insurance company "or other approved lending institution." I believe the minister used those last words. They are not in section 12, subsection 2 (b). If they were there you might at least bring in cooperative organization. Section 12, subsection 2(b) refers only to "a limited-dividend housing corporation or a life insurance company."

Mr. ILSLEY: I refer the hon. member to page 14 of the bill, subsection 5 of section 11:

(5) The governor in council may for the purposes of this section designate an approved lending institution subject to the jurisdiction of parliament and in such case the provisions of the four last preceding subsections and the next following section shall *mutatis mutandis* apply to the said lending institution except that the amount of its funds which may be invested shall not exceed five per centum of its assets in Canada at such amount as is approved by the governor in council for the purpose of this section.

Mr. KNOWLES: But my point, Mr. Chairman, is that there is no reference to "approved lending institution" in section 12, subsection 2(b), for the provision of section 11, subsection 5, to refer to.

Mr. STIRLING: But subsection 5 of the previous section puts it there.

Mr. KNOWLES: There is nothing to apply *mutatis mutandis*. My point is that if there were any reference to an approved lending institution in section 12—

Mr. ILSLEY: Just a moment. I am trying to get the information. The point is clearly covered. I will not read subsection 5 again, but I will direct the hon. gentleman's attention to the words "the next following section" in lines 9 and 10 on page 14.

Mr. ROSS (St. Paul's): Paragraph (b) of subsection 2 mentions—

. . . at a price which in the opinion of the minister will enable the family housing units to be provided by the rental housing project to be leased to tenants on a fair and reasonable basis.

Will the minister tell me what he thinks is a fair and reasonable basis, and what rent should be paid?

Mr. ILSLEY: About one-fifth of the family income would be a fair and reasonable basis.

Mr. ROSS (St. Paul's): Well, will the minister tell me how under this scheme he can get the rental of these houses down to $200 a year?

Mr. ILSLEY: Under part I, on a 4½ per cent basis, a $4,000 house can be built; the monthly payment will be about $18, plus taxes, and then the man is buying and getting his house.

Mr. CASTLEDEN: It is provided in subsection 2 (b) that the land must be sold by the municipality to a limited-dividend housing corporation or to a life insurance company. No other approved lending institution is mentioned therein. Then, under subsection 5 of section 11:

The governor in council may for the purposes of this section designate an approved lending institution subject to the jurisdiction of parliament and in such case the provisions of the last four preceding subsections and the next following section shall *mutatis mutandis* apply to the said lending institution. . . .

Mr. ILSLEY: That is right.

Mr. KNOWLES: But no approved lending institution is mentioned in section 12.

Mr. ILSLEY: The next following section is section 12, and when the governor in council designates an approved lending institution the provisions of section 12 apply to that approved lending institution.

Mr. CASTLEDEN: But in section 12 there is no approved lending institution he can refer to other than a limited-dividend housing corporation or a life insurance company.

Mr. ILSLEY: Well, there would not have been, had it not been for subsection 5 of

section 11. That subsection says that the provisions of section 12 apply to designated lending institutions. In other words, section 12, subsection 2 (b) includes not only limited-dividend housing corporations and life insurance companies but those other approved designated lending institutions, because subsection 5 of section 11 says so.

Mr. CASTLEDEN: If that is the minister's explanation of the section we shall have to accept it, but it does not seem to us to read that way. It seems to me that subsection 2 (b) of section 12 precludes the possibility of a municipality being allowed to go into the housing business.

Mr. ILSLEY: Well, it can go into the housing business all it likes. It is under the jurisdiction of the province, not under the jurisdiction of the dominion. It is a creature of the province, not of the dominion, and any municipality can go ahead to its heart's content.

Mr. CASTLEDEN: Does it get the benefits?

Mr. ILSLEY: No. It does not require our consent to go ahead, but it does not get the benefits under this bill.

Mr. CASTLEDEN: Why should it not get benefits under this bill? You compel it to take its share of the loss on slum clearance.

Mr. ILSLEY: How? We do not compel it.

Mr. CASTLEDEN: You do not permit it to gain any benefits. If a municipality wants to clear its slums it must take the losses. The government will take half of that loss, but—

Mr. ILSLEY: It is not half of the loss, it is half of the excess acquisition cost.

Mr. CASTLEDEN: That is what it amounts to in the way of a loss. But you do not give a municipality any opportunity of getting the benefits under this bill by permitting it to have access to the loans and guarantees that you give to private enterprise. Let me refer the minister to section 11, subsection 3. The minister, it is provided, shall guarantee to the company, for as long as it retains ownership of the whole of the project, a net return in any year after the completion of the project of 2½ per cent per annum of the cost of the project for a period not exceeding the estimated useful life of the project and in any case not exceeding fifty years. In other words, a life insurance company is guaranteed its returns, its profits out of returns, but a municipality can not come under these benefits.

Mr. ILSLEY: That is right.

[Mr. Ilsley.]

Mr. CASTLEDEN: But it has to take a loss.

Mr. ILSLEY: It does not have to take anything unless it wants to.

Mr. CASTLEDEN: In other words, it can keep its slums; but you give a guarantee against loss to a life insurance company or to some lending institution that you approve, while you refuse to extend that privilege to a municipality.

Mr. ILSLEY: This bill does not provide for assistance to municipalities directly for housing purposes.

Mr. CASTLEDEN: That is where we find fault with it.

Mr. ILSLEY: I know the hon. gentleman does.

Mr. CASTLEDEN: Consider what they did in Russia. They provided a bank for lending money for housing at low rates of interest. They do the same in the United States in the matter of assistance because they believe in giving service to the people. But this government's attitude is that life insurance companies and lending institutions are the ones to be guaranteed the opportunity of working under such a scheme with government assistance to prevent them from having a loss.

Mr. ILSLEY: Does the hon. gentleman think this is going to be a profit maker for the life insurance companies? The great trouble will be to get a life insurance company to go into it. The guarantee is 2½ per cent. The life insurance companies are trustees for the policy holders and they have to get a certain return to carry out their obligations under their policies. We thought 2½ per cent would be all right, but do not let the hon. gentleman get the idea that this is a money maker either for the life insurance companies or for the limited-dividend corporations.

Mr. CASTLEDEN: It is supported by the government for a long term.

Mr. ADAMSON: May I say one word with regard to paragraph (c) with respect to approval by the government of a province. I do not think that is comprehensive enough. In all worth-while schemes made for slum clearance, slum clearance is only one part of the main job. It has been the municipality or a planning board of the municipality that has made the plan, and I feel that first of all these loans should be restricted to municipalities or to districts that have made a plan, which plan is accepted by the province and by the dominion. That is very important. Ontario has a minister of planning, Mr. Dana Porter. I think this is one of the things that

might come under the department of reconstruction. The hon. member for Parkdale suggested the department of health but I think reconstruction would be the proper department. The dominion government should see to it that the money so spent shall do the maximum amount of good. It takes a very great deal of preliminary work before you can undertake such a big project as slum clearance, which requires the consideration of questions of various kinds such as different types of residences, single, family, double family, multiple family residences, and so on, and other questions such as light industry, or heavy industry on the other hand, obnoxious industry, commercial institutions, and so on. All these things must be considered in clearing slums. Unless they are considered, no matter how clear the slums or what houses you build, you will reproduce slum conditions. You must have the municipality undertake an over-all plan. In my opinion this is the whole crux of the bill. I am in favour of the bill as far as it goes, but more attention should be given to the municipal angle, and the dominion government should be quite careful not to undertake work in a municipality that has not a comprehensive plan. It must be more than a mere slum clearance plan. Take Toronto or Montreal. The whole topography of these cities is undergoing a change. It is a slow change, and the money invested in real estate is a long-term investment, so that it is very important that the house should be of equal livability value ten, fifteen, or twenty years from now. Unless you see to it that the district in which your houses are built does not become a blighted area by the construction of some obnoxious industry; unless the municipality passes enabling legislation to zone the area, then you will run into great danger that the money so spent will be lost and the houses so built will deteriorate.

There is another matter with regard to this clause which has not been mentioned. I refer to the outright renting of houses; the building of houses for rent and not for home owners. There is a large class of people in Canada, varying from time to time, who rent houses instead of owning them. There are young men who will come back and want to get married and to occupy one of those "wee white dream houses" that the national war finance committee spoke about in one of its advertisements in connection with the last victory loan. That is all right; but a man entering into business may often find himself tied up with long-term obligations in connection with the purchase of a house He may find after a year or two in one municipality or one location that he is offered a much better job elsewhere, but he is obligated over a long term for the house he now occupies. He finds that buying and selling houses involves the loss of a great deal of principal value. He may have made payments for four or five years, and in selling a house in one municipality and buying a house in another he may find that his savings have gone out of the window. This is a consideration that has not been taken note of in this bill, the building of houses for rental. It has not been given sufficient consideration.

Mr. ILSLEY: It is provided for in part II.

Mr. ADAMSON: Briefly provided for in part II.

Mr. ILSLEY: Oh, no.

Mr. ADAMSON: It is one of the most important things. I will not take up more time, but I wish to emphasize the importance of seeing to it that the houses which are built are built in accordance with a definite plan uder the municipality.

Mr. ILSLEY: May I say something about community planning. I am surprised that hon. members have even suggested that we have not gone just about the limit in trying to encourage community and town planning. We have been doing that for years This bill lays tremendous emphasis on it. Take section 12. The hon. member said that slum clearance projects should be developed in accordance with a plan. Subsection 2 of section 12 states:

> A grant shall be made under this section only if:
>
> (a) the land is acquired and cleared and is to be developed in accordance or in harmony with an official community plan, satisfactory to the minister.

Moreover, it must be satisfactory to the province because paragraph (c) of subsection 2 of section 12 states:

> The acquisition and clearing of the land by the municipality have been approved by the government of the province concerned.

Mr. ADAMSON: I would enlarge that and make it approved by the federal government too.

Mr. ILSLEY: It has to be approved by the federal government too. That is the very fundamental of it. The municipality, the province and the federal government have to agree. It must be with the approval of the governor in council as set out in line 26 on page 14 of the bill. Therefore we have provided for everything for which the hon. gentleman has asked.

Let me say something about the emphasis that this bill lays on community planning,

because criticisms have been made two or three times that we ought to lay more emphasis on community planning. When I made a statement a few weeks ago forecasting several of the provisions which the new bill would contain, I laid particular emphasis on the importance of and need for community planning; said that our new legislation would be specially designed to encourage municipalities and metropolitan areas throughout the country to adopt official community plans by withholding the provisions extending the term of loan to thirty years from communities and areas which had not adopted satisfactory community plans and adequate zoning restrictions; urged provincial governments immediately to see that they had adequate enabling legislation on their statute books to permit municipalities to prepare and adopt official community plans; and urged municipal authorities immediately to set about the preparation of sound plans for their own communities. We had already done considerable work on community planning and given considerable assistance to municipalities in connection with community planning through the national housing administration of my department, and immediately after I made the announcement referred to we added to our staff one of the best known and most competent town planning engineer available in this country. When I announced the appointment of this official, Mr. John S. Galbraith, I gave a release to the press, in which, amongst other things, I stated:

> I must emphasize that it is not the dominion's function to prepare or be responsible in any way for specific projects or community plans. Provincial governments should see that there is enabling authority on the statute books to allow municipalities to take the necessary steps to develop and enforce strict zoning ordinances and sound community plans, but the people of each community through their local authorities and planning boards or commissions must be responsible for the working out of specific plans or projects adapted to the needs and conditions of the particular community.
>
> Officials of the national housing administration will be prepared to assist municipalities in their planning to the extent of explaining to municipal officials and boards or commissions and to the general public the benefits to be derived from community planning, the principles underlying such planning and in a general way the methods and procedures which might appropriately be followed. Mr. Galbraith's duties will fall primarily in this field.

In connection with this general matter of community planning and the development of sound housing, I might also refer to the fact that some years ago my department, in co-operation with the national research council, promoted the appointment of a representative committee to look into the whole situation in regard to municipal building codes and to prepare recommendations in regard to satisfactory building codes which could be adopted by municipal authorities. As a result of the working of this committee extending over two or three years, we issued in 1941 a model building code and distributed it for the guidance of municipalities which wished to adopt more scientific and more up-to-date building codes. Of course, the dominion has no jurisdiction in this field whatsoever and all it could do was to assist by way of information, advice and cooperation. Some municipalities have made modifications in their building codes as a result of the publication of this model code, but there are many who believe that the municipalities could go a great deal further in improving their existing codes in a way that would ensure both sounder housing construction, and, more important, lower cost.

Now, if hon. members will study the bill carefully, they will find that it is shot through and through with the idea and necessity of community planning. In paragraph 30 of section 2, "official community plan" is defined as "a master plan of community development and land utilization prepared by a local planning authority and legally adopted by or on behalf of a municipality". In paragraph 1 of subsection 2 of section 4, it is provided that joint loans under part I of the act shall be made for a term not in excess of twenty years, except that in the case of a house to be constructed in an area which, in the opinion of the minister, is adequately protected by community planning and appropriate zoning restrictions, the loan may be for a period up to thirty years. The purpose of this paragraph is, of course, to give every encouragement possible to municipalities to plan their areas and to the people of such communities to bring pressure to bear on their authorities to see that adequate community plans and zoning restrictions are adopted. Again in the case of ordinary rental housing, there is a provision—paragraph (h) of subsection 2 of section 8—which provides that loans of this type shall be for a term not in excess of twenty years except that in the case of a project to be constructed in an area which, in the opinion of the minister, is adequately protected by community planning and zoning restrictions, the loan may be for a term up to twenty-five years.

Section 9 deals with low rental housing projects constructed by limited-dividend housing corporations. Before loans are made to such curporations, evidence must be presented, satisfactory to the minister, "of the need for the

said project, by reason of shortage, overcrowding, congestion or the substandard character of existing housing accommodation in the municipality or the metropolitan area in which the said project is to be situated," and it must be demonstrated that the area in which the project is to be situated has, in the opinion of the minister, been adequately planned and that zoning regulations are "sufficient to ensure the suitability of the area for the said project throughout the term of the loan."

Under section 11, which deals with rental projects developed, owned and managed by life insurance companies and other designated, approved lending institutions, the minister must be supplied with certain information, including maps showing the location of the land and the structures thereon and must be satisfied that the project to be constructed will be in accordance or in harmony with a satisfactory official community plan.

Section 12, which provides for substantial grants to municipalities by the dominion in connection with slum clearance is designed solely to assist in the clearance, replanning, rehabilitation and modernization of slum areas or blighted or substandard areas, and no such grant is to be made unless the land which is being acquired and cleared is to be developed in accordance with or in harmony with an official community plan satisfactory to the minister.

Finally, part V of the act deals wholly with problems of housing research and community planning. It first places upon the minister a responsibility to cause investigations to be made into housing conditions and steps to be taken for the distribution of information leading to "the construction or provision of more adequate and improved housing accommodation and the understanding and adoption of community plans in Canada." It then goes on to outline measures to be taken by the minister for carrying out this responsibility, amongst which are the following:

1. The preparation and distribution of information, not only by means of booklets, but also by public lectures, to promote "an understanding of the advisability of and the principles underlying land, community and regional planning";

2. The preparation of studies on land utilization and community planning and the making of arrangements for the "furnishing of information and advice with regard to the establishment of community planning agencies and the planning of regional areas, communities and subdivisions in cooperation with any local or other authority having jurisdiction over community and land subdivisions or otherwise, with a view to promoting coordination between local community planning and the development of public services"; and

3. The making of provision, in such manner as he deems advisable, directly or in cooperation with any other department or agency of the government of Canada, with the government of any province or with any university, educational institution or person for promoting training in the construction and designing of houses, in land planning or community planning or in the management or operation of housing projects.

A mere reference to these provisions of the bill seems to suggest that those who criticize it on its failure to emphasize community planning either have not studied the bill or have failed to understand the constitutional limitations of the dominion's jurisdiction in respect of this matter. In my opinion we have gone as far as we reasonably can to promote, encourage and assist in the better planning of our municipalities, and it is my earnest hope that the provincial and municipal authorities which have jurisdiction in the matter will respond to the lead which we have given and accept the cooperation which we are prepared to give.

Mr. ADAMSON: That statement was made to the press, was it?

Mr. ILSLEY: No, just a very short portion at the beginning, with reference to the appointment of Mr. Galbraith; that is what was given to the press. Most of it I am giving to-day for the first time.

Mr. ADAMSON: I am glad to have it.

Mr. BLACKMORE: The minister expressed some doubt as to whether it would be possible to get life insurance companies and other lending institutions to advance money for the construction of houses under this bill. I believe the minister's anxiety is well founded, because, after all, a guarantee of two and a half per cent is not very practical or attractive for companies which have rather heavy commitments to their policy holders. If the money is not forthcoming under this bill the minister will be in an awkward position with respect to housing. He is going to have a plan for a most attractive body—for I think everyone must grant that the outline he has given constitutes a most attractive body—without any means of pumping the lifeblood into that body.

I do not wish to elaborate this point at the present time, but I suggest that the minister might have organized a dominion body somewhat similar to the bank for granting industrial loans, and might have supplied the money

for that body from the Bank of Canada. Then this money could have been advanced through the provinces and municipalities to prospective builders of houses, at very low rates of interest; I think perhaps two and a half per cent would not have been too low. If I were to make a suggestion to the minister for the future it would be along that line. I believe the hon. member for Yorkton referred to what is being done in Russia and the United States. I do not profess to be familiar in any detail with what either of these countries is doing, but I am positive that with the power the Bank of Canada has to create and advance money it is quite feasible for the dominion to build up a loan company or a housing corporation or an organization under some suitable name which would be able, through the provinces and the municipalities, to advance all the money necessary for the building of houses, so that these beautiful plans the minister has laid can be carried out to the great blessing of the Canadian people.

Mr. ILSLEY: I do not want the hon. gentleman to understand that I thought the lending institutions and life insurance companies would not do anything under this bill. In many respects probably the most important part of the measure is part 1, and there is no doubt that the moment the materials are available there will be a vast expansion of building and a vast amount of lending by life insurance companies and other institutions under that part of the legislation. I was confining my remarks entirely to the slum clearance projects in which we hoped to get lending institutions and limited-dividend corporations interested. The plans that we offer are different, one plan for one and one for the other. All I can say is that I am optimistic about being able to get them interested, but certainly it will not be because there is in sight an excessive return, or because an excessive return has been guaranteed. The guaranteed return is very small.

On the issue of municipal housing versus the kind of housing that we envisage under this bill, that matter can never be settled. The Cooperative Commonwealth Federation believe in the state operation of things; they believe in state housing. They think that is a good way to do things, and in some places, under certain conditions, it may work very well. But our experience in Canada has been very sad in that regard. Last evening we heard from two hon. members who knew something about how that worked and how the municipalities got along. We do not think our experience in the past has been such as would justify us in promoting a scheme of municipal housing. In Great Britain the municipalities are directly under the authority of the central government. Here the municipalities are under the jurisdiction of the provincial legislature; they are creatures of the provinces. At the end of the last war we dealt with the provinces, not the municipalities; the provinces dealt with the municipalities, and a number of municipalities got themselves into a great deal of trouble, as the hon. member for Lincoln said last evening. He was speaking from knowledge; he went through this experience, and it was a great headache. The hon. member for Winnipeg North Centre was an alderman of the city of Winnipeg, and I believe it is correct to say that Winnipeg was particularly successful in its housing scheme, away above the average if my information is correct. That, however, was not the experience of a great many municipalities in other parts of Canada.

Mr. BLACKMORE: I am not particularly advocating that the municipalities should build and own the houses, but I see a great possibility for the municipalities to supervise the planning, construction and management of these buildings, and to assume with the provinces a certain amount of responsibility in connection with collecting the money. I believe we should take our municipalities into our confidence in carrying out this scheme.

Mrs. CASSELMAN: I believe Alberta was the province that took the least advantage of the National Housing Act, for reasons with which the minister is familiar. Is there anything in this legislation that will make it more likely that the people of Alberta will be able to take advantage of this measure for the construction of homes? That is one question I should like to ask. The other is this. Up to the present time the city of Edmonton has issued about 650 permits for the construction of houses in that city. Will those who have already taken out their permits benefit in any way under this bill?

Mr. ILSLEY: I do not know the conditions under which the permits were granted. If they were granted for the construction of specific houses, for which the builders had to submit plans, I presume those plans have been submitted and all arrangements have been made. I do not think any lending under the housing act takes place in Alberta at the moment, so that I presume those people will go ahead in accordance with their present plans. Perhaps the answer to the other question, as to whether there is any better chance of Alberta coming under this legislation, should be left until eight o'clock.

At six o'clock the committee took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE (Vancouver Centre): I move that the committee rise, report progress and ask leave to sit again this day.

Progress reported.

PRIVATE BILLS

WORKERS BENEVOLENT ASSOCIATION OF CANADA

The house in committee on bill No. 90, to incorporate Workers Benevolent Association of Canada—Mr. Maybank—Mr. Bradette in the chair.

Sections 1, 2 and 3 agreed to.

On section 4—Power.

Mr. CASTLEDEN: Would the hon. member proposing this bill give us an explanation?

Mr. MAYBANK: I intended to do that on the third reading but I can do it now just as well. This is merely an application for a charter. The bill received second reading, as hon. members will recall, and was referred to the banking and commerce committee and it has been reported back from that committee.

Section agreed to.

Sections 5 to 17 inclusive agreed to.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 157, for the relief of Everett Roy Clow.—Mr. Douglas.

Bill No. 158, for the relief of Elmore MacLean MacKay.—Mr. Douglas.

Bill No. 172, for the relief of Ruth Usher Garson.—Mr. Factor.

Bill No. 173, for the relief of Albert Daniel Joseph Doherty.—Mr. Fulford.

Bill No. 174, for the relief of Rosie Vogel Blatt.—Mr. Fulford.

Bill No. 175, for the relief of William McKenzie White.—Mr. McIlraith.

Bill No. 176, for the relief of Zoe Irene McFarland Craig.—Mr. Fulford.

Bill No. 177, for the relief of George Henry Olaf Rundle.—Mr. Isnor.

Bill No. 181, for the relief of Ruby Violet Gainsford Moorhead.—Mr. Boucher.

HOUSING

PROVISION FOR LOANS FOR CONSTRUCTION, REPAIR, ALTERATION, ETC.

The house resumed consideration in committee of bill No. 183, to promote the construction of new houses, the repair and modernization of existing houses, the improvement of housing and living conditions, and the expansion of employment in the post-war period—Mr. Ilsley—Mr. Bradette in the chair.

The CHAIRMAN: Shall section 12 carry?

Mr. ILSLEY: The hon. member for Edmonton East asked whether loans could be made under this legislation in Alberta. There are two provisions in the bill which make it more likely that loans will be made in Alberta under this legislation than under the existing legislation. The definition of "lending institution" will be found in paragraph 22 of section 2. It reads:

> (22) "lending institution" means a loan, insurance, trust or other company or corporation, trustee of trust funds, building society, credit union or other cooperative credit society authorized to lend money on the security of real or immovable property.

The institutions which have been added cover some that would be in Alberta. It is more probable that local institutions will lend money, but I do not say that outside institutions will not lend money in Alberta. They ceased doing so some years ago owing to the treatment which certain outside creditors received. It may be that their attitude will change, but I do not know about that. There is another amendment to the act which has some bearing on the probabilities. Subsection 2 of section 6 reads:

> In any case where the minister deems it in the public interest, he may on behalf of His Majesty, purchase all the right, title and interest of an approved lending institution in any joint loan or in any security taken for the repayment thereof.

If discriminatory or confiscatory legislation or anything of the kind were passed that affected outside lending institutions, the crown in the right of the dominion could take over the mortgage and be not subject to the provisions of that legislation. This may have the effect of encouraging lending institutions to lend in Alberta.

Mr. ROSS (St. Paul's): Before the dinner recess I said a few words in connection with slum clearance, but the minister did not seem to think I knew what I was talking about. I have a few figures I should like to put on the record. This section deals with slum clearance, but I say that it will never do the

job it is supposed to do. Slum clearance cannot be carried on as a private enterprise; it has to be done in a different way altogether. Another point is that you must have some place for the people to go to when you carry out your slum clearance. If you are going to clear a space you must provide the people living there with other decent living conditions. It is not sufficient just to clear away the slums; you must provide decent surroundings, and playgrounds for the children. You must have low rentals; you must have a decent development, including playgrounds for the children and all that sort of thing, and you must have education among those who dwell in this new development so that they will not want to go back to slums again. It is not just a question of having people move from one building to another; they must be educated to appreciate these nicer surroundings. It will not do just to provide them with quarters to live in.

When I was speaking before six o'clock I had touched on what is being done in the United States. I intend to give a few more figures. The advisory committee on housing in Toronto is composed of Mrs. J. W. Bundy, Mr. F. D. Tolchard, Lieutenant-Colonel E. H. Marani, Mr. L. M. Wood and Mr. E. W. Sinfield. These people have always been interested in low-cost housing for the purpose of clearing slums, so that they know what they are talking about. Before the committee rose at six o'clock, I gave the estimated cost of doing some clearing of slums that has to be done in the city of Toronto. There are 900 rear and alley dwellings, assessed at $900,000, to be cleared away. Then they acquire ten blocks, containing 900 houses, assessed at $1,800,000. I am giving these figures to show how the thing works out. That makes a total of $2,700,000. The government pays half of that, or say $1,300,000. The estimated cost of putting up in place 1,800 new dwelling units is $4,050,000. That makes a total cost of $5,350,000 for the project, of which the dominion government pays $1,300,000, and the city or whoever buys the property pays the remainder.

Let us take taxes in the city of Toronto at 3½ per cent. The house costs $2,250 and the lot $722, or a total of $2,972. Try to build a house now for $2,250. You may be able to do it after the war when prices come down. The limited-dividend company will have to borrow the money at three per cent. I have allowed nothing for upkeep. Repayment over a period of forty years will amount to 4 per cent, without upkeep at all. So that we have taxes 3½ per cent, interest 3 per cent, and repayment 4 per cent, or a total of 10½ per cent, and remember that that does not include upkeep. The total cost of the house and lot is $2,972, and 10½ per cent of that gives a rental of aproximately $311, or practically $26 a month. That is not a low-cost house either. You cannot have low-cost housing; you cannot have slum clearance unless you give something to the slum people by way of education. You have to give them slum rentals, in the meantime they have to have some place where they can go, and if you do not give them slum rentals in nice surroundings they will go back to slum conditions. You have to give them some education.

I have received some information from the executive department of the division of housing at 80 Centre street, New York city. This is a summary of their views, and I am not going to go into the question of limited-dividend companies because I do not think we are interested in that at the moment. I am dealing now with the local housing authorities and what is to be done to meet the situation. Let me say that $26 a month is not a slum rental. As the minister said, he expects people to pay about one-fifth of their income a year in rent. Of course one-fifth of the income of a man who has only a low income is a very much larger amount to him than one-fifth of the income of a man drawing $1,500 or $2,000 a year. The man with the bigger income has so much more left. I have been very much interested in this matter. I have studied conditions in my own riding in the city of Toronto and I know what has to be done. But it cannot be done under this plan of the government's. So far as this plan is concerned it is just so much camouflage. Now I quote from the summary. It is headed "local housing authorities" and reads:

> The United States housing act embodies a plan for producing new housing at rents equivalent to those charged in the slums. It accomplishes this by authorizing the federal government to perform two separate financial functions; that of banker and that of donor of annual rent subsidies. As banker, the USHA loans to the local housing authority, by purchase of its bonds, up to ninety per cent of the capital cost of a project. After a project is completed, the USHA assumes its second financial function. It grants annual subsidies in an amount sufficient to cover the difference between the annual cost (economic rent) and the rent which low-income families can afford to pay.
>
> Local authorities were forbidden by the USHA to place any mortgages on public housing projects.
>
> At first timidly, but then, as time passed, with increasing confidence, banks, insurance companies, and private investors have been buying local housing authority bonds. The financial arrangement originally contemplated, under which ninety per cent of the capital

funds were provided by the federal government and ten per cent by the investing public, has gradually been changed so that to-day it is not uncommon to have eighty per cent of the capital funds provided by the investing public and only twenty per cent by the federal government. Local housing authorities are able to market bonds running up to the year 1985 and they sell these bonds at interest costs which average less than two per cent. The way has thus been paved for establishing the public housing programme of the post-war era on a basis of financing which will relieve the federal government almost wholly of the responsibility for providing the capital funds.

I give that as an example of confidence. They grant subsidies, or, as the summary says, "annual subsidies in an amount sufficient to cover the difference between the annual cost (economic rent) and the rent which low-income families can afford to pay." I have given these figures to show that you cannot possibly do that under this legislation. I have taken the figures of the National Housing Act, which allows four per cent of the cost for repayment, without any upkeep at all. I think all my figures are correct, and I come to the conclusion that $26 a month is as low as you can go in a slum clearance project. It is based on an investigation by prominent men in the city of Toronto. I have had some experience in this housing business for a long time. As I told the minister last night, I have been connected with a Toronto housing company, and we have tried to do a good job, but the only reason why we have been able to keep our rents down is that the projects which we put up years ago were erected at a very much lower cost than would be required to-day, or even within the last fifteen years. That is why we have been able to maintain low rents; nevertheless we are losing money. The only solution of slum clearance is through some kind of subsidy by the federal government or other governments. After all, the government is not giving anything away by granting money at three per cent, because it can raise money at less than that rate. I admit that the government, by making these grants, is doing a good job in facilitating slum clearance, but that is part of the national job which should be done.

I do not wish to criticize this bill too much; I believe it has some excellent features; but I could not let it pass without pointing out these things.

Mr. BLACKMORE: Could the Minister give us any idea whether the treasury branches in Alberta would be acceptable as one type of approved lending institutions?

Mr. ILSLEY: They are not within the definition of "lending institution."

Mr. BLACKMORE: I gathered from the minister that an institution which is taking care of funds in trust is within the definition. The treasury branches would certainly qualify under that heading.

Mr. COLDWELL: It seems to me that the hon. member for Lethbridge is right. Surely the treasury branches of Alberta gather funds from the people; they are supported by the provincial government; and they would be in very much the same position as, although of course of a different type to, credit unions. Credit unions accumulate funds of members of a union, and in this particular case the treasury branches are accumulating funds of the people of Alberta. I should think they would come under "lending institutions."

Mr. ILSLEY: I do not think they are authorized to lend funds on the security of real estate.

Mr. COLDWELL: Since we are talking about various types of houses, may I ask a question which has been asked of me and which I have been unable to answer. I think it will require only a yes or no. I am asked if a group of people wishing to erect an apartment building cooperatively with a view to occupying it would come under this bill. It will be a small building containing half a dozen suites.

Mr. ILSLEY: They will qualify as a borrower. They can borrow.

Mr. COLDWELL: They can qualify as borrowers if they are building such a building?

Mr. ILSLEY: Yes.

Mr. COLDWELL: That is all I want to know.

Mr. BLACKMORE: We people of Alberta are vitally concerned in this matter. We are part of the Dominion of Canada and we are entitled to the privileges and benefits which come from dominion legislation—

Mr. GRAYDON: You are a pretty good part of Canada.

Mr. BLACKMORE: —even though we do have our own way of going about things—

Mr. ROSS (St. Paul's): Especially in elections.

Mr. BLACKMORE: —which troubles some people in this country. I am trying to find out if there is any way whereby our province can avoid being discriminated against under this legislation. Supposing we organize a co-operative housing organization under the government's directions in Alberta. Would we be able to qualify for assistance?

Mr. ILSLEY: The definition includes a cooperative credit society authorized to lend money on the security of real or immovable property. It does not mean that every institution which comes within the definition here would be an authorized lending institution. The dominion government says which ones it will approve and which ones it will not.

Mr. BLACKMORE: The dominion government would accept the minister's advice on the matter, I imagine?

Mr. ILSLEY: Yes, I think they would.

Mr. BLACKMORE: We just want to mention it to the minister now so that he will have a chance to think it over. I have indicated three or four times that we have ideas of our own as to how things can be accomplished between the dominion and the provinces. If an individual province could organize a cooperative housing scheme and the dominion government would support that scheme with funds, great advantage would accrue to the province and the dominion in the matter of building houses. Would the minister be ready to consider any scheme if it just happens to be off the beaten track or a little bit unorthodox?

Mr. ILSLEY: I would give consideration to it.

Mr. ADAMSON: A cooperative could undertake construction, surely.

Section agreed to.

Sections 13 and 14 agreed to.

On section 15—Contract with manufacturer of component parts of houses for experimental production.

Mr. LOCKHART: I should like a little explanation of what is meant there by contracting by the government with manufacturers.

Mr. ILSLEY: I gave a pretty full explanation when I introduced the resolution. I shall have to give the explanation again.

Mr. LOCKHART: Just briefly.

Mr. ILSLEY: It was quite fully explained. This section authorizes the government to enter into contracts with manufacturers to assure them of the sale of a large quantity of output in order to get the cost of these articles down. The main trouble about getting the cost down of component parts of houses and so forth of a certain type suitable to rural homes is that the manufacturer does not know how many he will be able to sell.

[Mr. Blackmore.]

Mr. LOCKHART: Do you not think a manufacturer knows now what is required to build rural homes, urban homes and any other kind of homes? What I am trying to find out is if the intent and purpose of this clause is to develop prefabricated homes and that type of thing.

Mr. ILSLEY: No, that is not it at all.

Mr. LOCKHART: The Postmaster General shakes his head. I am not sure about that.

Mr. ILSLEY: No, that is not so.

Mr. LOCKHART: Standardized designs?

Mr. ILSLEY: This is what I said in introducing the resolution, as reported in *Hansard*, at pages 5978 and 5979:

> In part III of the housing legislation, which I am now discussing, we are taking another step forward by authorizing the minister to enter into contracts with manufacturers for the experimental production of plumbing and heating equipment and other component parts of houses. Actually we have already encouraged building equipment manufacturers to devote extensive study to the development of standardized units of equipment which would have high efficiency and low cost. This clause will enable us to push this type of encouragement to a much greater extent. More important still, the bill will authorize the minister, with the approval of the governor in council, to guarantee or underwrite the sale of a specified number of standardized units of equipment or component parts manufactured for installation or use in farm or rural houses. The significance of this provision will, I think, be immediately apparent to hon. members. Let us say that as a result of extensive research an equipment manufacturer designed a bathroom unit or a heating unit specially suitable for rural homes. The manufacturer would not know whether he could sell a dozen, or a hundred, or a thousand, or ten thousand of these units to farmers, and the natural tendency would undoubtedly be to produce them on a small scale which would mean a high cost per unit. Under this new provision we could guarantee that the manufacturer would sell, say five thousand or even a larger number of the units in question and thus assure that the particular equipment would be made available to farmers at the lowest possible cost.

Mr. LOCKHART: That statement is all right, but what is the definition of "component parts"? You refer to one part of heating and equipment and "other component parts". That means the component parts that go to make up a home and in connection with which the government would be prepared to enter into an arrangement with the manufacturer of a prefabricated house or something of that sort, so that the small contractor or builder in a particular locality would be put out of business.

Mr. ILSLEY: It does not mean that.

Mr. LOCKHART: Then what are other component parts?

Mr. ILSLEY: They would include every part of the house. There is no intention to get parts of a prefabricated house in that way. That is not what it means. These are manufacturers of plumbing or heating equipment "or other component parts." That is just to make it general, so that if we wish to enter into contracts for the manufacture of other parts that come under the description of plumbing or heating we may do so.

Mr. LOCKHART: I am quite satisfied to take the minister's assurance, but I felt there was some doubt about the interpretation.

Section agreed to.

Sections 16 to 19 inclusive agreed to.

On section 20—Regulations.

Mr. GRAYDON: In the matter of regulations, I have not perused the latter part of the bill. Is any provision made for the publication of these regulations in the *Canada Gazette* or otherwise, or what is the scheme?

Mr. ILSLEY: It is provided for in section 31.

Mr. COLDWELL: Suppose a group of people were able to build a house themselves. Suppose they got the materials and proceeded cooperatively to build it. They have little in the way of labour costs. Would they be permitted to build under those conditions?

Mr. ILSLEY: Yes. That is a new feature of this bill, that the labour of the owner may be taken into account in arriving at the lending value.

Section agreed to.

Sections 21 to 23 inclusive agreed to.

On section 24—Ministerial investigations into housing conditions.

Mr. KNOWLES: Before the dinner recess the minister replied to the criticism that some of us on this side of the house had made that there was a lack of planning in this housing legislation, and in his reply he referred to the many places in the bill where the phrases "town planning" and "community planning" appear, and also in particular to this part V which we are about to consider. I want him to know that before we made the criticism we offered, we—some of us at any rate—had studied the bill closely and were fully aware of all these references in it. My point is that the effect of this legislation will be determined not by the use of words in reference to town planning and community planning but by the financial provisions of the bill; and when one studies those provisions I feel that they have not the effect in regard to planning, so far as attempting to meet our housing needs in the immediate post-war period is concerned, which we should like. The results will be quite haphazard. Houses will be built under this legislation not according to the report of the James committee or of other committees, not according to the needs which may be specified by the municipalities that are closest to the problem, but according to the results of the assistance being given financial institutions under the bill. It is on that basis that we criticized the bill as not being founded on the concept of planning; nevertheless we welcome the part of the bill to which we have come.

Mr. ILSLEY: What does the hon. gentleman mean? Does he mean that we should pay the municipalities to make plans, or that we should make plans ourselves over the heads of municipalities and pay the costs?

Mr. KNOWLES: I mean that there should be cooperation between this government and the municipalities in drafting plans and deciding where houses are to be built according to the needs which have already been specified and laid down, and that there should be a definite subsidy, definite federal contributions toward the cost of building houses under public housing authorities.

Mr. BLACKMORE: In other words, we want to know whether money will be the servant or the master. If it is the master we shall not have very many houses; if it is the servant we shall have plenty of houses.

Mr. CHURCH: I hope the minister will investigate in Toronto the private company which was appointed toward the end of the last war to provide housing accommodation. I was head of the city at the time and it was one of the most mischievous institutions we have ever had. They built no houses but built apartments at high rentals, so that they did not relieve the housing situation at all. I would ask the minister to make an investigation under section 24, which provides for ministerial investigations into housing conditions. They had good intentions and did public work, but I am sorry to say I really do not believe that the housing situation was assisted at that time.

Mr. ROSS (St. Paul's): That calls for some remarks from myself, if the committee will permit me. It only goes to show what misconception there is about the institution in question. About that time there were two institutions, one called the housing commission, set up in Toronto by the government. It was an absolute failure. The city had to take over the whole thing and it lost a lot of money. Up until the last few years the

Toronto Housing company has given housing at low rents. Hon. gentlemen to my left have asked about planning. I suppose that this man I was talking about to-night, Mr. L. M. Wood, has done more in connection with the planning of houses and all that sort of thing in Toronto than any other man. Because of the difficulties we got into I must defend myself. I have been a director of the company without any remuneration for about twenty years. I would suggest that the Toronto housing commission be investigated, not the Toronto Housing company.

Mr. CHURCH: The board of control and our officials also know about it all. This company put it over the city. It cost the city a lot of money.

Some hon. MEMBERS: Oh, oh!

Mr. CHURCH: Hon. members may laugh. The company had good intentions no doubt, but they never did a thing for housing. The company was formed and it had a provincial charter. What did it do to relieve the housing situation? It did nothing. Some of it is in my riding. I could tell you what the rents are. I would ask the minister to investigate that city company to see if it is the policy of the government to carry on the old principle under which private companies are appointed to relieve the housing situation. They did nothing to relieve the housing situation.

A national bill is a good thing if it does not wind up by allowing private companies to charge fabulous rates for housing.

Mr. COLDWELL: It seems to me that our hon. friends to my immediate right should get together and define what they mean by "semi-philanthropic".

Mr. CASTLEDEN: The minister said that he might have some slight difficulty in getting the life insurance companies to invest their money if they were guaranteed only 2½ per cent. May I suggest to him how they might do some planning by which it might be possible for those companies to get more than that out of it? Under this set-up the life insurance companies through their interlocking directorates might cooperate with the lumber companies, the cement companies, the steel companies, the construction associations and government to arrange to put up some very nice $2,000 dwellings to show a cost of $4,000 with the rentals in proportion, and they might easily clean up five per cent or more on their investment.

Section agreed to.

[Mr. Douglas G. Ross.]

On section 25—General and special powers of minister.

Mr. DUPUIS: I should like to ask the minister if this money will be spent in this country on a pro rata basis of the population in each province, or will it be on a haphazard distribution according to the request from each province? I ask that question because I should not like to see a repetition of the outburst of temper and prejudice we heard last night from the premier of Ontario.

Mr. GRAYDON: He had some pretty good precedents during the last two or three weeks.

Mr. DUPUIS: May I refer to paragraph 11 of section 2 of the bill which states:

> "Family of low income" means a family which receives a total family income less than five times the economic rental of a family housing unit required to provide sufficient accommodation for the said family.

As you know, Mr. Chairman, since the time of the union of lower and upper Canada most of the rich families have lived in upper Canada and a large number of the poor families in lower Canada, the province of Quebec to-day.

The ACTING CHAIRMAN (Mr. Ross, Calgary East): I must call the hon. member's attention to the fact that we are considering section 25.

Mr. DUPUIS: As a member from the province of Quebec I think I am entitled to be assured, before this bill passes, that there will not be any further outbursts of prejudice and discrimination from any other provinces. I think I am entitled to that, Mr. Chairman. May I say that during the Bennett regime hundreds of millions of dollars went to the west. We gladly contributed to it, and whenever Ontario needed special legislation to help it out we never heard a voice from Quebec raised in this chamber or outside of it against Ontario.

The ACTING CHAIRMAN (Mr. Ross, Calgary East): I ask the hon. member to confine his remarks to the section under discussion.

Mr. CHURCH: Section 25 deals with the general and special powers of the minister. Housing is ninety per cent a problem of giving local services. I suggest that an investigation be made of how municipalities can help out. I wish to refer to what the city of Toronto has done. As the committee knows, before the city of Toronto owned the street railway we had housing problems there. We gave to a radius of fifteen miles light, power

and transportation services. As the hon. member for St. Paul's said, we had to rely on private companies and others at the start. Public ownership solved the problem. By taking over the street railway which served only half of the old city, and by giving cheap light, water, sewers and power, and by the development of the new city in the other half we made considerable progress. We bought the street railway out; we bought out the buses; we bought out the radials, and we gave them light, power and transportation.

Under section 25, general and special powers of the minister, the minister will have authority to carry out investigations of the companies undertaking housing construction. Paragraph (b) of that section deals with studies to be made of investigations into housing conditions and housing accommodation. We should study the situation in the municipalities and see what the municipalities have done and how they can surely solve the housing problem. They have done more for housing by developing their districts, cities and towns in Canada and their agencies than anybody else, provincial or federal. The city of Toronto is just an industrial city. In the olden days a private company owned the railway up to Bloor street. That was only one-third of the present city. The city expanded up to St. Clair avenue and then up as far as York Mills. The city of Toronto had to pay the whole cost of giving transportation, light, water, power, and all civic services. We bought out the street railway which only served one-third of the old city. We bought out the privately-owned systems, the radials; there were eight or nine fares in the area now covered by the present city. What developed the city of Toronto? The building of the viaduct on Bloor street, the building of the bridge on Gerrard street, Dundas street, the high level bridge on Queen street, the waterfront improvement on which the city spent $33,000,000.

Under the general powers of the minister I hope that an investigation will be made of what the municipalities have been doing with regard to light, power and transportation and other municipal services to develop housing. Housing in Toronto has been developed by taking over the railways, as the Minister of Munitions and Supply knows, by giving water service, sewer service, buses and transportation. After all is said and done, the housing situation is ninety-five per cent a transportation, local service municipal problem. All these municipal services are given not only to the whole city of Toronto but free and without cost by Toronto to all three counties, to the riding of my hon. friend the Postmaster General, York North, right up to Richmond Hill and transportation to lake Simcoe, which aided suburban housing. In Peel, the riding of my leader, we bought all the power companies, light, power, and transportation, as well as in the county of Ontario, the riding of the chairman of the banking and commerce committee.

The ACTING CHAIRMAN (Mr. Ross, Calgary East): Order. I would ask the hon. member to confine his remarks to the section under discussion.

Mr. CHURCH: I was just developing my argument how housing is assisted when you interrupted me, Mr. Chairman. We bought all the light, power and transportation in Peel, York and Ontario. It solved housing for twenty years. I hope the minister will make an investigation all over Canada into this matter because real municipal services are the key to proper housing.

Mr. ADAMSON: I wish to ask a question on paragraph (f) of section 25. Under this paragraph the minister merely has to study land uses. In most of the plans that have been formulated by the major metropolitan centres of this country there is a restriction on the use of land, generally speaking, in a belt around the city. In Toronto, for instance, they have copied the English system of having a green belt, in which housing of any kind is liable to be restricted. Under this section the minister merely has power to study, as I understand it, and has no power to act in any way.

Mr. ILSLEY: That is right; we have no constitutional power.

Mr. ADAMSON: Under the Uthwatt report, which, of course, applies to a different constitutional situation, they have power to restrict buildings on certain types of land. In Manchester, for example, there is a definite green belt established right around the city, and we hope to do the same thing in Toronto. Under this bill, as I see it, the minister cannot be of any great assistance in the establishment of any such green belts; he merely has power to study them.

Mr. ILSLEY: That is right.

Section agreed to.

On section 26—Technical research and investigation.

Mr. MacNICOL. In paragraph (b) reference is made to the pilot-plant stage of production or development, and the testing of materials, equipment or component parts. I am afraid

of a section like this. We already have many capable institutions, such as the hydro electric power commission, the university of Toronto and private engineers, all of which maintain facilities for the testing of materials and work of that kind. I should imagine that all this sort of work could be done by one or another of these agencies at much less cost, because when the government starts to run pilot plants it gets into a very devious business.

Mr. ILSLEY: This provides power to enter into contracts with other persons for the construction of pilot plants and so on.

Mr. ADAMSON: Under this section could you provide for the construction of prefabricated houses?

Mr. MacNICOL: I have not heard anyone proposing prefabrication. The men who appeared before the reconstruction committee were against the prefabrication of houses in this country. Has anyone been suggesting it to the minister, or does the programme envisage anything in connection with the prefabrication of houses?

Mr. ILSLEY: There have been suggestions.

Mr. MacNICOL: Then I will just add that the best qualified men, those who appeared before the reconstruction committee, were opposed to it and gave their reasons for that attitude.

Mr. ILSLEY: Yes.

Mr. ADAMSON: There has been some talk in the United Kingdom of a million prefabricated houses.

Mr. LOCKHART: This brings us back to the point that was raised previously, and this time I will confine my remarks strictly to the wording of the clause. I refer particularly to the word "fabrication" and point out that the section goes on to give the minister power to enter into contracts. Are not the manufacturers of standard building materials in this country competent to carry on their own research departments? I could mention fifty of them who are carrying on such work. Now you are going to insist on setting up another department of government to do the very thing that manufacturers of all types of construction material have been doing for half a century. That is what I am trying to find out.

Mr. ILSLEY: I have tried to make it clear to the hon. member for Davenport that the government proposes to get other people to carry on research. The power given here is to enter into contracts with other people for carrying on research and establishing pilot plants, not to do it ourselves.

[Mr. MacNicol.]

Mr. COLDWELL: Why could not the government carry on that work itself, through the national research council?

Mr. GRAYDON: Because that would be a C.C.F. system.

Mr. COLDWELL: Simply because one suggests something that is intelligent, why should it call forth a political rejoinder?

Mr. GRAYDON: Surely we have not reached the point where it is an insult to brand anything C.C.F.

Mr. COLDWELL: No, it is a compliment. After all, there will be chaos if you have forty or fifty people endeavouring to fix a standard. That standard should be set by some competent authority which could adjudicate as between the forty or fifty others. It seems to me that this is a place where the government research organization, the national research council, could do a good job by standardizing some of the equipment and component parts.

Mr. ILSLEY: I shall have to take into account the conflicting representations of the C.C.F. and Progressive Conservative parties on this point, and perhaps do some of each.

Mr. COLDWELL: That is all right.

Mr. ADAMSON: I think most units in connection with plumbing and heating are now standardized. I know definite steps have been taken toward that end, and great advances have been made in the last few years.

Section agreed to.

Section 27 agreed to.

On section 28—Professional, technical and other assistance.

Mr. LOCKHART: Might we have a brief explanation from the Minister of Munitions and Supply as to the point I raised yesterday in regard to the permit system? A great deal of difficulty has been experienced in getting permits to build houses, and I want to know if these permits will be facilitated now so that we can go ahead and put this bill into operation, or whether the same restrictive measures are to be continued.

Mr. HOWE: I must point out to my hon. friend something we are apt to overlook, that the war is still on and that materials are still needed to meet war requirements.

Mr. LOCKHART: We had that yesterday, when you were not here.

Mr. HOWE: Yes, but it is well to speak of it often. The purpose of the Department of

Munitions and Supply is to divide up the available building material in a way that will accomplish the greatest good for the greatest number. We endeavour to increase the production of building materials to the greatest possible extent and to divide those materials in such a way as to give the small home owner the preference. We have not been able to bring the supply of materials up to the full demands of the builders, unfortunately, and therefore there must be strict allocation with the objective in mind. But the minute that supply is up to the demand the restrictions will be lifted.

Mr. LOCKHART: The Minister of Finance was unable to answer my question yesterday. Then I have the assurance of the minister that the small home owner, who will probably take the greatest advantage of this bill, will be given every possible consideration in the matter of getting his permit and making use of the facilties of this legislation?

Mr. HOWE: That has been the case and will continue to be the case.

Mrs. CASSELMAN: Would the minister also consider the most congested areas in connection with the granting of permits? Edmonton is one of the most highly congested areas in Canada, and I suggest that not only the small home owner but also the city which most needs the homes should be taken into consideration.

Mr. HOWE: The need for housing plays a very important part in the allocation.

Section agreed to.

On section 29—Loan insurance.

Mr. BRYCE: I am quite interested in this housing plan, because I know the tremendous number of farm homes in western Canada that require to be rebuilt and modernized. Would the minister be good enough to explain what is meant by this section? I want to be clear on that before I go back west, so that I may answer the questions I am sure to be asked. Who is to get this insurance, and how will it work? Will the minister please take a specific case and explain it?

Mr. ILSLEY: This section provides that:

> The minister may make arrangements with an insurance company or companies under which any borrower under any part of this act may purchase reducing term insurance to pay the amount of the loan made to him in the event of the death of the borrower. . . .

Then a regulation may be made to effect that end. I think the section is self-explanatory; it is for the protection of the widow or heirs of a man who dies before his mortgage is paid off. Reducing term insurance means a term insurance issued in reducing amounts; I presume it would reduce as the mortgage is reduced.

Mr. COLDWELL: Most term insurance requires a medical examination, and that might debar a person who could not pass the examination from being insured.

Mr. ILSLEY: This would be what is called a non-medical policy.

Mr. COLDWELL: Then the rate would be higher?

Mr. ILSLEY: Yes.

Mr. COLDWELL: If a man felt that he could pass a medical examination would he have the right to take out that type of policy at the lower rate?

Mr. ILSLEY: I think we could arrange to give him his choice. This would be group insurance; it might cover all the borrowers under the bill and probably the rate would be favourable.

Mr. BRYCE: Is it compulsory in any way.

Mr. COLDWELL: Would the taking out of a policy be compulsory, my hon. friend is asking? It says that the minister may make regulations prescribing classes of cases, but I notice that it is not mandatory.

Mr. ILSLEY: It may be compulsory, or it may be compulsory only for certain cases.

Mr. COLDWELL: Classes of cases.

Mr. BENCE: May it be made a condition of the loan?

Mr. ILSLEY: In certain cases or classes of cases it may be made a condition of the loan.

Mr. BENCE: In other words, if the insurance company insisted, it would be made a condition of the loan?

Mr. ILSLEY: Not necessarily.

Mr. COLDWELL: Not unless the minister prescribed it.

Mr. ILSLEY: No; that is right.

Mr. COLDWELL: This seems to be a bill heavily loaded in favour of the insurance companies, both in lending and in every other respect. I would like to see the government extend its annuities branch. I intended to say something about that this session but it is now too late. When we examine the rates and so on of the insurance companies it would appear that there is a marked need for a publicly organized insurance corporation which at least would meet our own needs in cases of

this sort. We are doing a great deal of building and putting on a number of insurance policies to spread the risk at low rates, and I think we should have our own insurance corporation set up for this kind of service. There is also soldiers' insurance to be considered.

Mr. ILSLEY: I might point out that the Curtis report advocated this type of insurance, so that we are taking the power if we find it advantageous. I do not agree that the bill is heavily weighted in favour of the insurance companies. We have reduced the rate of interest that may be charged by the lending institution. It is a very moderate rate, and we should not be accused of weighting the legislation in favour of those who have money to lend if we establish the facilities under which they can lend the money and restrict their earnings and provide that the money shall be lent in an extremely useful way.

Section agreed to.

Section 30 agreed to.

On section 31—Regulations.

Mr. CASTLEDEN: Is this a loophole section? It states:

> In addition to the authority elsewhere in this act conferred upon him, the governor in council may make regulations for any purpose for which regulations are to be made under this act.

Mr. ILSLEY: This is a very innocent section. If the bill says that such and such a thing can be done by regulation, this section provides that the body that is to make the regulation shall be the governor in council.

Mr. COLDWELL: It gives no additional power?

Mr. ILSLEY: No.

Mr. ROSS (St. Paul's): It might be a good idea to have a consolidation of the regulations issued from time to time, because there are bound to be many changes in them and it is difficult to follow them.

Section agreed to.

On section 32—Coming into force.

Mr. GRAYDON: When does the minister expect that this legislation will finally come into force?

Mr. ILSLEY: There is a great demand for part I and we shall have to proclaim that very soon, and possibly some of the other parts as well although they may be proclaimed at different times. The activity under the bill will be severely restricted by shortages of materials; nevertheless we intend to make it effective as soon as possible, at least part I.

[Mr. Coldwell.]

Section agreed to.

Section 4 agreed to.

On section 5—Orders and regulations by governor in council.

Mr. KNOWLES: Has the minister anything to say on the point that was raised at the time these two sections were allowed to stand? The minister was to check on the wording.

Mr. ILSLEY: I introduced an amendment this afternoon.

Section agreed to.

Bill reported.

Mr. ILSLEY moved the third reading of the bill.

He said: I do not know whether I should take up the time, but there has been some criticism of the scope of the bill on the ground that it is insufficient to meet the needs of the situation. I think those who criticize the bill on that ground fail to understand the provisions of the bill and of certain collateral legislation which has been enacted by or is now before this parliament, and have also failed to consider the appropriate parliamentary procedures in respect of appropriations of money out of the consolidated revenue fund.

Some hon. members have referred to the report of the subcommittee on housing and community planning of the advisory committee on reconstruction and have pointed out that this subcommittee recommended that a complete urban housing programme must contemplate the construction of 600,000 units in the first post-war decade, and that a minimum rural housing programme would require an additional 125,000 units. These are very high figures, and others have estimated that at least 300,000 housing units will be required, although it is true that there are some who think that even the figures given in the Curtis report are too low. The first thing to emphasize is that those who are making these estimates are talking, not about the first year or two after the war, but about the ten years following the termination of hostilities.

I am quite sure that if we brought down a bill that asked parliament to appropriate one or two billions of dollars for housing purposes over the next ten years, some hon. members who are now criticizing the appropriations asked for in this bill would criticize us, and I would say they would do so with a great deal of justification, for endeavouring to bind the hands of parliament over so long a period and for giving the executive arm of government so large an appropriation which could only be spent over a long period of years. The principle we have followed is, I think, a very

much sounder one. We have asked for what in our opinion is a very substantial appropriation, but it is one which is intended to take care of, say the next two or three years. It is asked for, moreover, in the full knowledge that if after a year, or two or three years, more funds are required, the government of the day can go back to parliament and ask for any further appropriations that may be required. These appropriations can then be made if parliament is satisfied, after a full review of experience under this measure, that the principles which it embodied are sound and desirable. That is my first point.

My second point is that the appropriations for which we are now asking will make possible a huge volume of construction in the next two or three years. Under part I of the bill we are asking for $100 millions which, as the house knows, means total joint loans of $400 million and a total building construction somewhat in excess of that amount. Under part II we are asking an appropriation of $50 million for loans for rental housing purposes. If all these loans should take the form exclusively of joint loans with lending institutions under section 8 of the bill, this would mean total joint loans of $200 million and a volume of building construction probably considerably in excess of that amount. For the sake of this argument, however, let us assume that half of this appropriation goes into loans to limited-dividend housing corporations and only the remaining half into joint loans for ordinary rental housing. This would make possible a total volume of house building of something in excess of $125 million. I have now reached a total figure of at least $525 million and perhaps something in excess of that up to $600 million.

In addition, however, part II provides for investments in rental housing projects by life insurance companies and certain other designated approved lending institutions. If these institutions should take full advantage of the enabling powers thereby granted, we would have an additional volume of house building of a value something between $150 million and $200 million.

To this should be added, of course, the grants up to a maximum of $20 million for slum clearance purposes. I showed that the terms of the section really make possible the acquisition of land in municipalities to the amount of $80 million to provide the location for moderate or low-cost housing projects. I went into that this afternoon and showed that the $20 million contributed by us is only a start on this project.

In regard to rural housing, some hon. members have apparently overlooked the fact that the loans for rural housing are to be made out of the appropriation of $100 million provided for in part I of the bill which, as I have already indicated, makes possible total joint loans of $400 million.

The appropriation of $5 million provided for in part III of the bill is merely for the purpose of covering the government's direct or contingent liabilities arising out of the contracts which it may enter into for the purpose of ensuring the production and sale at low cost of standardized units or components of houses intended to be sold to residents of rural areas.

In part IV of the bill we provide that the government may guarantee loans up to $100 million for the purpose of making repairs, alterations and additions to urban homes.

Adding all these appropriations together, and excluding the appropriations which will be necessary for carrying on the administration of the bill and which will be provided for in the main or supplementary estimates year by year, we get a total appropriation requested by the new bill of $275 million; but, as I have indicated, this appropriation will make possible a total volume of house building, housing repair and land clearance of at least $665 to $740 million, to which of course should be added another $150 to $200 million made possible by section 11 of the bill which enables life insurance companies and certain other approved lending institutions to buy land and develop thereon rental housing projects.

All this, however, does not take into account the fact that in the farm improvement loans bill we provided for the guarantee of loans to be made by banks up to a total amount of $250 million for the purpose of buying machinery and equipment, rural electrification and the making of other permanent improvements in connection with farms. I think it is beyond doubt that a substantial portion of this large amount will go not only for the repair, renovation and reequipment of farm houses but also for the building of new houses and of labourers' cottages on farms.

Finally, hon. members will note the substantial impetus which we are giving to the construction of new houses and the repair of old houses in connection with the veterans' reestablishment programme, the resolution in respect of which was discussed this morning.

When all these things are considered, I think it can safely be said that Canada is making preparation more adequate than, or at least as adequate as, the preparation made or being made by any other country to take care of the housing problem during the transition period immediately following the war.

Motion agreed to and bill read the third time and passed.

Mr. ILSLEY: May I ask the leader of the opposition a question? I can take the industrial development bank bill now if there is no objection, but if there is any objection I will let it stand because notice was not given.

Mr. GRAYDON: I have been canvassing the situation with respect to the industrial development bank bill and I find that there are one or two of our members who perhaps would like to have it left over. But the feeling is not sufficiently strong that, if the minister feels he wants to get ahead with it, we will object.

Mr. ILSLEY: Thank you.

INDUSTRIAL DEVELOPMENT BANK

PROVISION OF ADDITIONAL CREDIT FACILITIES FOR FIXED AND WORKING CAPITAL

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee on bill No. 7, to incorporate the Industrial Development Bank.

Motion agreed to and the house went into committee, Mr. McCann in the chair.

On section 1—Short title.

Mr. FRASER (Peterborough West): When the aeronautics bill was before the house the Minister of Munitions and Supply mentioned that the bill would take care of the men returning from overseas by helping to set them up in the air transport business. The way I look at it, this bill will not cover that. I should like the minister to clarify the minister's statement on that. Also will he state what the floor is to these loans and what the ceiling is to be? In the banking and commerce committee I believe it was mentioned that as much as $15 million would be made in a loan. If that is to be done, it certainly is not going to look after our returned men. It will not benefit the little fellow; it will take care of big business, as some people thought. I know this was discussed in the banking and commerce committee, but it should be brought out in this chamber. The bill will not be of much benefit to the boys returning from overseas, who will want, not a million dollars, but fifteen or twenty thousand dollars, or perhaps less.

Mr. ILSLEY: The loans which can be made under this bill can be made only to industrial enterprises.

[Mr. Ilsley.]

(d) "industrial enterprise" means a business in which the manufacture, processing or refrigeration of goods, wares and merchandise or the building of ships or vessels or the generating or distributing of electricity is carried on;

I did not hear the speech of my colleague the Minister of Munitions and Supply to which the hon. member refers, and I should not like to comment on it unless I see a report of it.

Mr. FRASER (Peterborough West): Then this, definitely, would not cover aviation?

Mr. ILSLEY: It would cover the manufacture of aeroplanes; it would not cover operation.

Mr. FRASER (Peterborough West): It would not cover the operation of an air line?

Mr. ILSLEY: No, it would not.

Mr. FRASER (Peterborough West): Absolutely not?

Mr. ILSLEY: That is right.

Mr. FRASER (Peterborough West): Well, the Minister of Munitions and Supply made that statement. I have not my *Hansard* here, but he made that statement to the house, and I just wanted the minister to inform me whether that is right or not. Will the minister tell us what the ceiling of these loans will be, and what the floor will be? The floor, I believe is $5,000.

Mr. ILSLEY: There is no floor. As to $85 million of the money lent the ceiling is $200,000; as to the remaining $15 million there is no ceiling.

Mr. FRASER (Peterborough West): Then the remaining $15 million could be lent to just one enterprise?

Mr. ILSLEY: Yes, but if they lent it to one, it would be the only loan over $200,000 they would give in the whole course of their existence. It would be ridiculous.

Mr. FRASER (Peterborough West): I agree with the minister on that.

Mr. CHURCH: On the first section of the bill, the short title, I raise the same objection which I did when it was first introduced. This bill went to the banking and commerce committee, and in that committee there was a wide difference of opinion as to the principle of the bill, its functions, scope and object. If the bill was to have any effect, the industrial development bank would immediately swallow up and liquidate all the shark loan companies which have been running all over Canada for the past ten years, charging interest of two per cent per month to civilians and soldiers.

During the discussion of the bill in committee I do not notice here now the hon. member for Northumberland, Ontario, whom I call "the admiral of the bay of Quinte", but he raised a very important principle. He was asked by the likable, learned and able man who is the deputy minister, Doctor Clark, about this first clause of the bill, "Does the hon. member think he knows more about banking than I do?"—which is a very humorous remark. I wish to point out to the minister that if it were proposed that this bank could lend money without security it would be a very fine thing; is there anybody who does not want to borrow money without security? Why does not the minister lend some money under the bill to those who are in the house and those who are out of it who write us? We are to lend money under this new project of an industrial development bank, which does not develop anything, is not industrial and is not a bank at all. The lending is a straight gift, that is all it is.

My hon. friends here who are laughing on my right should get up and oppose the bill and say something. The hon. member for York West is here this evening; I can tell him—and I speak what I know—that in his riding there are shark loan companies charging two per cent a month. What do they do? Their practices are the same as the principle of this bill. They take a chattel mortgage from those who seek a loan; they take a bill of sale on goods and chattels for security to protect their two per cent a month charge.

What is the principle of the bill? If it were to swallow up all these various loan companies which are operating under federal charter and replace them by the industrial development bank, it would be a good thing and a blessing. But it is not. They are not doing that at all, and the existing banks and loan companies can do the business.

This is not a bank at all. We are simply lending money without security. It is a violation of the British North America Act and contrary to the interests of provincial institutions. There is no security for the advances made. It does not aid industrial workers at all. The industrial workers are the forgotten men, and although we on this side of the house are supported by the votes of the industrial workers we do nothing here to protect them, under this or any other bill.

I object to the principle of the bill as set out in the preamble. This bill commends itself neither to the judgment of the country nor to that of the small private business men who are victimized by the shark loan companies without a chance to rehabilitate themselves, and wind up by being swallowed up in this bill.

Section agreed to.

On section 2—Definitions.

Mr. CHURCH: I should like some explanation by the minister of the principle of the bill, how it affects industrial workers, and whether those people who have borrowed money from shark loan companies can qualify under this bill or not. If they cannot, the bill is of no effect.

Mr. ILSLEY: I suppose that by "shark loan companies" the hon. member means small loan companies. The reason why I say that is that he referred to these shark loan companies as being incorporated under dominion legislation, so that I suppose he means that they are companies governed by the Small Loans Act. Now, small loan companies make personal loans; they do not make loans to industrialists for industrial purpose, and therefore borrowers from the small loan companies would not be able to transfer their borrowing to the industrial development bank.

Mr. CHURCH: It will be a bank without security, reminding one of "The man who broke the bank at Monte Carlo."

Mr. MacNICOL: This section begins:

In this act, unless the context otherwise requires. . . .

And then:

(d) "industrial enterprise" means a business in which . . . the generating or distributing of electricity is carried on.

What is the basis of writing into this clause the last line I quoted with regard to the generating or distribution of electricity? Is it the intention of this programme to initiate or permit or induce the production of electricity?

Mr. ILSLEY: It simply means that power companies and distribution companies may come to the bank for a loan if they wish, or an advance under the terms of the bill.

Mr. MacNICOL: Does it mean that some company or plant or organization which is now producing electricity might come for a loan, or does it permit a new organization or a new company to come?

Mr. ILSLEY: Either. They may be carrying on business, or they may be about to do so. Section 15 provides that loans may be made to persons engaged in or about to be engaged in industrial enterprises and "industrial enterprises" include power companies or power distribution companies.

Mr. MacNICOL: So that if some organization in western Canada conceives the idea of harnessing a part of the Saskatchewan river for the production of power it can come to the bank, and if it presents sound reasons for being given the money it will be able to obtain assistance.

Mr. ILSLEY: It would be eligible. It must be borne in mind that they will get loans only if credit is not available elsewhere on reasonable terms.

Mr. GRAYDON: I was not able to attend the sessions of the banking and commerce committee, and I wonder whether consideration was given there to an alternative proposal that I put forward on the second reading. It was not advanced in the form of a definite proposal but rather as a suggestion for consideration by the committee. That suggestion was as to the advisability or otherwise of embarking upon a duplicate banking system across Canada as envisaged by section 8, involving staffs, branches and agents. I suggested at that time that consideration might properly be given to the question whether, by guarantee or otherwise, existing lending institutions could be utilized for the purposes of the legislation. The minister gave a detailed explanation either when the bill was introduced or perhaps on the second reading; I do not recall at which stage it was. At any rate, he discussed the question whether this guarantee or some similar system might be employed to loosen up credit—the method of government guarantees—without the duplication of services throughout Canada. One of the objections which have been made to this bill has been the fact that we are setting up a duplicate banking system to some extent. I realize that the argument may be met by the statement that it is only to a certain extent and that it does not represent anything like complete duplication. I would be inclined to demur to that argument. At any rate, I think some consideration might be given to the question. Perhaps it came up in the banking and commerce committee.

Mr. ILSLEY: It was argued at great length in that committee, certain members of which were very much in favour of the government adopting the home improvement loan principle and the principle of the farm improvement loans bill instead of setting up a government bank, so to speak. But the proposal was considered months before we decided to introduce this legislation at all, and it was also debated in the house. I remember giving the reason once before, in the month of May. I am not sure that I stated it very well on that occasion and perhaps I cannot state it very well now, but the pool guarantee principle is generally regarded as more appropriate to a large number of small transactions of a more or less standardized type than to a small number of large transactions such as the ones that will be carried on by this bank. For instance, if we had adopted the other principle and one of the chartered banks made ten loans in the course of the year and the pool guarantee were applied, that we would protect them against loss up to the extent of ten per cent of those loans, I am doubtful whether it would be an inducement to the banks to make loans, because one very bad one would go beyond the ten per cent. That cannot very well happen in a very large number of small loans if reasonable care is taken. It is ten per cent in the farm improvement loans bill and five per cent under the home improvement section of the housing act, and as a matter of fact five per cent would have been abundant according to the subsequent experience under the old Home Improvement Loans Guarantee Act. But I do not think that a pool guarantee of ten per cent would be any inducement to the chartered banks, nor do I think that individual guarantees of ten per cent would be an inducement or would be justifiable. As I said in the banking and commerce committee, I do not wish to lengthen too much the list of guarantees to private institutions, especially on transactions of this kind. For these big loans, to guarantee a loss up to ten per cent would not look right. It would not look right to me and I would far rather have the government go into the business itself as it does here. I would not say that, probably, if we had to set up a thousand or two thousand branches; but there would be only a few branches of this bank, maybe one in each province.

Mr. GRAYDON: I do not intend to press the matter at this stage. I felt that by bringing it to the minister's attention prior to the reference of the subject to the banking and commerce committee it would at least give that committee an opportunity to study it, because they are supposed to be somewhat expert now in matters of finance, if one can judge rightly by the volume of argument that seems to reach the press and other places from time to time, through the lengthy discussions we have had this spring and summer. I would point out to the minister that on the second reading I took a rather confident course in relation to the adoption of the principle of the industrial development bank, and one of the considerations that prompted me to do so was this. There is not much use in talking about priming the pump of industry

and keeping the wheels rolling unless you do something about it, and credit is one of the things that must be obtained. We might as well face it frankly. I was not quite sure that this was the best way to do it, but at least it was one way to do it. If we are to have the existing lending institutions guaranteed only for a certain amount, and if that did not prime the pump and keep the high level of national income and maximum production and expanding economy and all these things that are to be maintained when the war is over, then of course it would not meet the situation. The people of this country are going to expect that, when the war is over, there shall not be a falling off of production and national income and of the standards to which this country has now become accustomed during the war. They have tasted a new era of economy during the war. Having tasted that economy, they like to have jobs; they like to have full employment. They are insistent that this shall continue. I am one who believes that we have to see that it continues. We shall run into some pretty difficult doldrums and perhaps reach economic chaos unless this is done. It is quite a test for private enterprise, free enterprise, free initiative, or whatever you like to call it. But as I see it, that is what has to be done in Canada.

So far as this industrial bank is concerned I should like to have seen a little less duplication of the existing services, because duplication of existing services does not indicate that there will be the maximum efficiency. It was for that reason that I made the suggestion I did on that occasion. If, after close study, the banking and commerce committee has taken the position indicated by the minister, and if they felt that the other system would not meet the conditions and would not provide the remedy which I think is necessary to keep the wheels of business going, then I feel that I should bow to the decision of the committee and raise no further objection at the moment, except to bring to the attention of the committee the fact that the suggestion was made from this side of the house in an honest effort to see that if the best plan were finally adopted the suggestion might be considered at arriving at that best plan.

Mr. ROSS (St. Paul's): Apropos of what the Minister of Finance has said, I understood from the governor this morning that the chartered banks were to be used to a certain extent and that losses were to be guaranteed and that they would share in them. I think he said this morning that where they were both entering into a loan he would like to see the chartered banks bear some part of the loss. I understood from him that any losses would probably be shared.

I have been a member of the banking and commerce committee for some time. I have listened with great interest to what has gone on there. Very fine arguments pro and con took place on the bank bill. As I listened to those arguments, what impressed me more than anything else was the words of the governor of the Bank of Canada when he said that this was an experiment and that we would need to have many experiments. I am in favour of anything that will encourage private enterprise. I think we need to encourage it as much as possible. What I am really worried about is this. If an outfit gets stuck a little bit and cannot get its funds in any other way, everybody will be running to the industrial development bank. I think we have to trust the governor and his directors to see to it that that is not done.

I should like to point out that the bank must be kept free from any kind of political patronage. That is one of the difficulties in an institution of this kind, particularly when it is a government bank and where influence might be brought to bear. We have to trust the government to see to it that this does not happen. I believe this bank might serve a useful purpose. However, the commercial banks are the ones that can be used to the greatest extent. This is an adjunct of the private banks. It will be more useful for small industrial businesses than for others.

My leader said that a great volume of business was done in the committee. It would be better to say that a huge number of words were spoken and that a lot of repetition went on. A lot of business could be done without so much repetition. The banking and commerce committee gave this bill a great deal of study. All one can do is to form his own conclusions from what was said there.

Mr. BOUCHER: To what extent and by what means will the benefits of this bank be made available to the smaller communities? I understood the minister to say a few minutes ago that very few banks will be set up, possibly one in each province. Fundamentally our problem is in the smaller centres. Those communities should be rebuilt by enterprises being fostered in those centres. Those enterprises should consist of small businesses. They should be established there rather than in the congested cities. These banks will be set up as separate entities. Unless there is some machinery devised and cooperation insisted on to make that machinery accessible to the

smaller communities, the largest portion of our country needing help along this line will not be served at all.

I cannot see the necessity of setting up an industrial bank to lend only to those people and to those concerns in the larger communities to whom the chartered banks will not lend. Nor can I see where the smaller enterprises in the smaller communities will be able to take advantage of this bank unless there is much greater cooperation and organization to bring the benefits of this bank to those communities. I cannot help feeling that this war has taken an undue toll of the smaller centres of Canada and has congested our people and our enterprises in the big centres to the very great detriment of this dominion. Our biggest problem is to build up the smaller communities and to assist the agricultural areas by so doing. This can be done not by bringing the people from the rural sections into our congested cities, but by taking industries out to our smaller towns and villages so that our people may stay there. Has the minister given thought to that, and can he give us any enlightenment on that point? I could go on and express many different points of view and put forward arguments in favour of what I suggest, but at this very late date I do not feel like holding up the committee. I should like the minister to make it abundantly clear that what I have suggested will be kept in mind and that he will make every effort to make this industrial bank justify itself primarily and mainly in the smaller communities.

Mr. ILSLEY: The person or corporation desiring a loan will get in touch with the bank probably by writing to its head office, which will be in Ottawa, or it may get in touch with the provincial branch and make its submissions in the usual way. If the size of the loan is such that there will have to be a little travelling either by the applicant or by a representative of the bank to look the enterprise over, that may take a little time. It is not the ordinary commercial banking business that will be carried on by this bank, with an office in every town or anything like that; nor would there be any need of that. The functions to be discharged by this bank are those which to some extent have been discharged by investment bankers rather than by commercial banks, and it is the kind of lending business that will require only a small number of branches.

I do not know that I can say anything about the other parts of the remarks of the hon. gentleman. He advocates the decentralization of industry. The result of establishing an institution which will be available to make loans to small industries in the country would go some distance in preventing the concentration of industry. It would work in favour of decentralization rather than centralization.

Mr. BOUCHER: But the minister will appreciate the fact that this bank, according to his explanation, will be of very little if any use to the small communities. Certainly the small business man in the rural community is not going to use this bank to the extent I think we should have him use it. I believe that greater cooperation would be achieved with the existing chartered banks. I would not approve the industrial bank setting up branches in small communities, but I think that if we had greater cooperation and a better liaison between the chartered banks in the small communities and the industrial development bank it would bring this bank nearer the small individual enterprise, and would be much more useful in that regard than in the cities, where so many institutions now exist. We all know that investment bankers do very little in the way of promoting enterprise in rural communities. We also know that in the past the chartered banks have been criticized severely, and I think justly, because of the rigid requirements they have been compelled to exact in the small communities. I think the greatest cry of our people against the chartered banks to-day arises from the niggardly way in which they have dealt with industry in small communities. I do not think there is any question about that. I believe that the greatest cause of criticism of our banking institutions in the past has been the drying up of the lending power of the chartered banks in the smaller communities, and I think it should be one of the first and fundamental aims of the industrial development bank to remedy that situation. I do not believe that under this legislation that condition will be met to even a small degree.

Section agreed to.

Sections 3 and 4 agreed to.

On section 5—Management.

Mr. ILSLEY: I understand that when we carry these sections we carry them as amended by the banking and commerce committee?

The ACTING CHAIRMAN (Mr. McCann): Yes.

Section agreed to.

Sections 6 to 14 inclusive agreed to.

On section 15—Loans and guarantees.

Mr. MacNICOL: This is the section, as far as I am concerned—

Mr. ABBOTT: It has been amended.

Mr. MacNICOL: Yes; I have the amendment here, but I should like to refer to the principle. This section contains the whole pith of the bill; and when I supported this bill strongly, I have forgotten whether it was at the resolution stage or on second reading—

Mr. ABBOTT: It was on second reading.

Mr. MacNICOL: —I had an idea that this proposed bank would be of great assistance in promoting the organization of industry. I am sorry to say I have lost that idea now. I do not see in this bill the value in regard to the promotion of industry that I thought I saw in it at the commencement. This bank is not going to do anything at all along the lines of the industrial organizations of the two great railways, the Canadian National and Canadian Pacific. All through the years they have promoted and induced capital to organize businesses throughout the country. Many of our cities have their industrial commissions. We have had the Toronto industrial commission for many years. It has done a marvellous job and has been instrumental in bringing to Toronto—to use an arbitrary figure—anywhere from one hundred to two hundred and fifty industries of one kind or another. In my time the head of that commission was Mr. Charles M. Burton, president of the Robert Simpson Company, and under his chairmanship the commission did wonderful work. The city of Welland, and many other cities in Ontario have had industrial commissions for many years.

In the commencement I thought the purpose of this bank was to assist in the promotion of business, but now I cannot see that at all; I cannot see that we are going to get any real value out of this legislation. I really do not see anything in it any more. It has not the same vision I thought it had. If it does not do that, what is it going to do?

Mr. ISNOR: It should help business to carry on.

Mr. MacNICOL: No; business is not organized in that way. Business has to be promoted and organized and induced to go forward, as the industrial commissions have done. The chartered banks do everything else, but this bank does not come forward to try to initiate production in any way. What is it going to do? When I referred to the matter earlier in the evening the minister mentioned paragraph (a) of subsection 1 of this section, which has to do with a person engaged in or about to engage in an industrial enterprise in Canada. There is no promotion in that. If a person who engages in or is about to engage in business goes to the bank and submits his proposal, the bank will first ask, "Why didn't you go to a chartered bank?" "Oh, well," the applicant may say, "I have been there and the chartered bank did not want to assist me in this matter and I come to this new industrial bank." If this bank is not engaged in the promotion or creation or organization of new business it will take little interest in what the promoter has to say. I was looking for something like the Toronto industrial commission but with finance behind it, or something like the Canadian Pacific or Canadian National industrial commission, all of which have done such magnificent work.

Mr. ILSLEY: Why do they not keep on?

Mr. MacNICOL: In my room I have the last report of the Toronto industrial commission and there is a list covering many pages of the businesses which have been started in Toronto alone. I imagine I was wrong when I thought this industrial bank was being organized for the promotion of business. As some one said earlier—I believe it was the hon. member for Carleton—if business is not going to be promoted, how are we to create the small businesses that the chartered banks will not have anything to do with?

Mr. HOWE: Do you think the government should promote business?

Mr. MacNICOL: I am not in favour of the government going into business on anything. My observation is that this is more or less of a farce if it does not assist in promoting business, and no one knows that better than the Minister of Munitions and Supply.

Mr. HOWE: I thought you were advocating that now.

Mr. MacNICOL: No, I am not; I am only advocating that there should be organization to assist private industry to carry on business. I imagine I let myself down when I approved this bill earlier in the session.

Mr. BOUCHER: I think what the hon. member says is right. We are merely being given a shadow without any substance. With the limitations imposed I cannot see how this bank can perform any useful function that the chartered banks could not perform. If there is to be only an office of this bank in each province or thereabouts, how will it be able to lend advantageously to private enterprise?

Mr. ILSLEY: Do not get too discouraged; just wait and see.

Section agreed to.

Sections 16 and 17 agreed to.

On section 18—Rights vested in bank as holder of warehouse receipts or bills of lading.

Mr. HOMUTH: Where does the creditor come in under this section? The government will be in the same position as a bank would be under the Bank Act and creditors will be just out of luck.

Mr. ILSLEY: No more than they are under the Bank Act.

Mr. HOMUTH: This was to be a bill to give a chance to people to create businesses, but what we are doing under this bill is to put these people in the same position as they would be under the Bank Act. At the present time the government is prepared to put up a certain amount of money to cover bad accounts, or at least the accounts that the other banks are sceptical about.

Mr. ILSLEY: They ought to take some security.

Mr. HOMUTH: Certainly, but they take the security at the expense of the creditors on the same basis as the chartered banks do. A man comes to a chartered bank and says that he wants another $20,000. They ask what his inventory is and he tells them. They then tell him to increase his inventory by $40,000 and they will lend him another $20,000. He goes out to buy, and the people from whom he purchases feel that since he is good for it they can sell him another $40,000 worth of goods. We are doing nothing under this bill except to make it possible for those whom the chartered banks consider to be bad accounts to come to the dominion government, and perhaps if they have sufficient pull and prestige they will get some money. It is just a question of whether the dominion government will get anything out of it or not.

Section agreed to.

Section 19 agreed to.

Section 20 agreed to.

Section 21 agreed to.

On section 22—Power to acquire and hold real property mortgaged as collateral security.

Mr. HOMUTH: This is something new. This is not in the Bank Act?

Mr. McLARTY: Not as collateral security.

Mr. HOMUTH: The chartered banks do not lend money on real property.

Mr. ILSLEY: They can take it later as security for a loan.

[Mr. Ilsley.]

Mr. HOMUTH: But they will not make loans on real property?

Mr. ILSLEY: No.

Mr. BOUCHER: Is this the same clause as is in the Bank Act?

Mr. HOMUTH: No, it is different.

Mr. BOUCHER: I take it that this section permits them to lend on the hypothecation of a mortgage, whereas a chartered bank cannot do that. A chartered bank can take a mortgage only to support an existing loan. This goes farther than the Bank Act.

The CHAIRMAN: Shall the section carry?

Mr. HOMUTH: It is not carried. I want to know whether this is different from the Bank Act and whether a chartered bank can lend on real property? If you want to get this session over you cannot rush this bill through like that.

Mr. ILSLEY: I will get the Bank Act and in the meantime perhaps the hon. gentleman will not worry.

Mr. HOMUTH: We are not worried; you are the people who are worried.

Mr. ILSLEY: Perhaps the hon. gentleman would follow section 22 of the industrial development bank bill as I read section 81 (1) of the Bank Act, which reads:

> The bank may acquire and hold an absolute title in or to real or immovable property mortgaged to it as security for a debt due or owing to it, either by the obtaining of a release of the equity of redemption in the mortgaged property, or by procuring a foreclosure, or by other means whereby, as between individuals, an equity of redemption can, by law, be barred, or a transfer of title to real or immovable property can, by law, be effected, and may purchase and acquire any prior mortgage or charge on such property.

There is another subsection but I do not think it is material. The wording of this bill seems to be different.

Mr. HOMUTH: It is very much different.

Mr. ABBOTT: There is no substantial difference.

Mr. BOUCHER: There is a definite prohibition in the Bank Act against a bank lending *ab initio* on the hypothecation or pledge of a mortgage. There is nothing like that in this bill. The wording of this bill, corresponding to section 81 of the Bank Act, is changed just to allow for that very thing. Section 22 leaves it open for the industrial development bank to lend money on a mortgage *ab initio*.

Mr. ABBOTT: Of course it does.

Mr. BOUCHER: But the chartered bank cannot do that.

Mr. ABBOTT: It is a different type of loan.

Mr. BOUCHER: That is the very point we are after. The industrial development bank can lend directly on the security of a mortgage given directly to the bank in the first instance, while the chartered bank never could.

Mr. ABBOTT: I do not know whether my hon. friend was here on the second reading of the bill, when we had a long debate. I was in charge of the bill at the time since the minister was absent. I pointed out that this bank could lend money for five, ten or fifteen years and would take security in the form of bonds secured on real estate and mortgages. This section does nothing more than allow the bank that holds the mortgage to take title to the property.

Section agreed to.

Section 23 agreed to.

On section 24—other powers.

Mr. MacNICOL: Paragraph (b) says that the bank may:

(b) accept deposits from debtors of the bank for the purpose of facilitating the payment of any moneys owing to the bank.

This means that the debtor could open an account with the bank and carry an account there?

Mr. ABBOTT: That question came up on the second reading. This is only to facilitate the operation of the loans. It may be that the borrower may be making payments to the bank in satisfaction of his loan, and it was felt that it would be wise for the bank to take power to accept deposits, but deposits from borrowers only, not of course from the general public. The debtor can open a deposit account, on which naturally cheques would not be drawn. It is solely to facilitate the servicing of the loan itself.

Mr. HOMUTH: When the depositor deposits money in the bank, immediately it is under the control of the bank and the depositor has no power over it. He could not draw anything out of his account. The bank would hold it as security.

Mr. ABBOTT: That is right. He would have no checking privileges.

Mr. HOMUTH: If he did not want to pay off his loan he would open an account with some other bank.

Section agreed to.

On section 25—Prohibited business.

Mr. HOMUTH: Is there any limitation on the type of stocks or bonds that the bank may hold?

Mr. ABBOTT: This is a prohibition.

Mr. HOMUTH: It might be an idea.

Section agreed to.

Section 26 agreed to.

On section 27—Audit by government auditors.

Mr. HOMUTH: Is there any provision in the bill that the auditors' report shall be submitted to parliament?

Mr. ILSLEY: Section 29 refers to the accounts. I suppose that would be the audited accounts.

Mr. HOMUTH: Would it be?

Mr. ILSLEY: I do not know what other accounts it would mean. It says:

A copy of the accounts and of the president's report shall within fourteen days after the receipt thereof by the Minister of Finance be laid before parliament.

Mr. HOMUTH: There is nothing there to say that parliament shall be furnished with details of the various loans or their conditions. All we would get under that clause would be a general statement from the bank. There would be nothing specific such as we get from the department of insurance when it makes its report to parliament.

Mr. ILSLEY: There is no provision for tabling the report of the auditors, but provision is made for tabling the accounts of the bank as audited.

Mr. HOMUTH: But not in the same way, not as fully as we get reports from the department of insurance. If we are to lend public money in this country to develop business I think parliament ought at least to get a detailed report on all the various loans, what their position is and as to the credit standing of the people who are borrowing the money. We should have more detail than is provided for under this clause. The report that comes in from the department of insurance shows every detail, the various investments made, sales and everything else. If we are to set up a public bank, parliament is entitled to know the position of the various loans which this government, for the time being at least, is making to various companies throughout the country to set these people up in business.

Mr. ISNOR: I think the point raised by the hon. member for Waterloo South is very well covered by section 29 (4) which states:

A copy of the accounts and of the president's report shall within fourteen days after the receipt thereof by the Minister of Finance be laid before parliament if parliament is then sitting, or if parliament is not sitting, it shall be laid before parliament within fourteen days after the commencement of the next ensuing session thereof.

Each and every account would have a ledger sheet. These accounts are audited. It is implied in section 32 that it is an offence for the auditor of the bank to do other than certify his statement properly. In my opinion this is covered in a regular business-like way; the president makes a report of the accounts.

Mr. HOMUTH: I contend that it does not provide that at all.

Mr. ISNOR: Well, read it.

Mr. HOMUTH: It does not provide for a detailed account of each of the loans made by the bank. It provides only for a copy of the accounts and of the president's report. It will be a summary of the bank's manipulations throughout the year.

Mr. BOUCHER: "Gesticulations", not "manipulations".

Mr. HOMUTH: It will be nothing detailed such as an insurance company would have to make. If we are to lend public money to people whom the chartered banks will not accept as sufficient security, parliament should know what is being done with that money and in what position these accounts are.

Mr. BOUCHER: In detail.

Mr. ILSLEY: I must say that I have not given attention to that point, but I am inclined to disagree with the hon. gentleman. I could not imagine a bank making public—and that is what it means—a list of its loans and the state of each loan each year. I should not think that should be expected of the industrial development bank or of any bank.

Mr. HOMUTH: But we are not dealing with chartered banks which are lending money to private enterprise and which accept the responsibilities of private enterprise in doing so. We are lending public money. We are lending the money which is taken from the taxpayer, whether he is a moulder in a moulding shop or the head of some financial institution, and I think parliament has the right to know what the position of these accounts is and whether the bank is being carried on in a proper, efficient way.

Mr. BOUCHER: I believe that if we endorse the minister's attitude we are in effect setting up a board which is responsible only to the minister, about the particulars of whose work the members of this house cannot get particulars. It is important that when we set up an industrial development bank the board should be accountable in detail to parliament itself. Here we are lending the people's money to a borrower through the agency of the president of the bank, and not asking him to tell us how he lends it or how the accounts stand. This being a government bank, we should scrutinize its affairs in much more detail; the accounts should be presented in detail so that the facts can be referred to in the house if they are required. There should be sufficient particulars so that hon. members could refer any phase of the operations to a committee for investigation and to see how things are going on. Certainly there should be detail equivalent to that in the auditor general's report, and so that a matter could be referred to the public accounts committee and examined by it. If there is to be nothing beyond a summary of assets and liabilities, it will be a case of parliament having no knowledge of how the nation's money is being handled.

Mr. McILRAITH: Will the hon. member permit a question?

Mr. BOUCHER: Yes.

Mr. McILRAITH: Following out the hon. member's argument, would he suggest that the Canadian farm loan board should give particulars to parliament of each mortgage loan it handles in Canada?

Mr. HOMUTH: Why not?

Mr. BOUCHER: I suggest definitely that if we as members of the House of Commons, responsible to the people, set up an institution to lend the people's money, we should be accountable for that institution's doings and know what is going on, so that we can tell the people who sent us here what we did with their trust.

Mr. McILRAITH: That has no bearing on the question I asked.

Mr. BOUCHER: It has very much bearing.

Mr. McILRAITH: The hon. member for Waterloo South said that we should have particulars of each loan made and the state of the account.

Mr. HOMUTH: Certainly.

Mr. McILRAITH: The hon. member for Carleton was following that up. The thought occurred to me that we are also lending public funds through the Canadian farm loan board on mortgages, and I asked him if he would

suggest that particulars of each mortgage account should be given in the board's annual return, instead of the report—which is a rather full return—that they make each year.

Mr. BOUCHER: I think the hon. member is making a man of straw, because the situation he speaks of is vastly different. This bank is to lend only on occasions when the chartered banks will not lend. The operations of the farm loan board are not at all of that kind. Here we are, as I say, giving out the money of our people through a board and not requiring that board to account to us for what they are doing.

Mr. McNEVIN: I believe that there should be a broad general statement of the position of the accounts at the end of each year, as gone over by the auditor; but to undertake to divulge to parliament, and through parliament to the public, the intimate position of every company's business would be, to my mind, entirely impracticable.

Mr. HOMUTH: But we are not divulging any secrets of a company's business. What we are doing is this; we are stating what money we have lent and what assets there are as security. Remember we are lending public money, and under those circumstances the public have the right to demand and to know where that money is going and what is being done with it. I could easily imagine the situation of some man who comes to this bank and gets a loan. The chartered banks have turned him down; but he puts up with this bank whatever collateral he has, collateral which the chartered banks would not accept, and it is accepted by this bank. There may be a little "pull" in regard to the getting of this loan, or a little pressure may be brought to bear. The first thing you know, someone, perhaps in mediocre circumstances, who is trying to finance a business in some small or large community, will suddenly branch out as an industrialist in that community; but he will do so with the people's money, and the people in that community ought to know why; they ought to know what it is all about. Parliament certainly ought to know what the bank does with the money of the people of Canada, because the people who are working in that very community, working at their benches every day, are supplying the money to parliament to lend these men money with which to run their businesses. I come from a county in which practically ninety-five per sent of the businesses were started by people in a small way two or three generations ago. Men worked hard; they built up their businesses; everything they earned they put back into their businesses. They never asked for any pap from any government. They worked hard and developed their businesses with the aid of loyal employees. Now we are to have a lot of upstart businesses financed at the expense of the taxpayers and without any report to parliament as to the position of their accounts. I do not think it is right.

Some hon. MEMBERS: Carried.

Mr. HOMUTH: Well, the Minister of Pensions and National Health comes in and with his loud voice says "carried" again. He has not been here for a while and does not know what is going on.

Mr. MACKENZIE (Vancouver Centre): I much regret the lack of vision of the hon. gentleman. I have been here all evening.

Mr. HOMUTH: My glasses were blurred, then. I think we should have some statement from the minister in charge of the bill as to what he himself thinks about the matter of giving a more detailed report to parliament.

Section agreed to.

On section 28—Fiscal year.

Mr. MacNICOL: Why is the year to end on September 30 instead of on March 31, when the government's own fiscal year ends?

Mr. ABBOTT: I think I had better answer that question. It is some time since I asked the same question of the officials who were with me on the second reading of the bill, and my recollection of the explanation is this. Since the bank is a subsidiary of the Bank of Canada they wanted to have the fiscal year end a bit ahead of the Bank of Canada's year so as to facilitate audit and that sort of thing.

Mr. MacNICOL: When does the Bank of Canada's year end?

Mr. ABBOTT: On December 31, so that this would end two or three months ahead of that.

Section agreed to.

Sections 29 and 30 agreed to.

On section 31—Insolvency or winding-up acts not appliable to bank.

Mr. HOMUTH: Why is that?

Mr. ABBOTT: It is the same as the Bank of Canada. There is a similar section there.

Mr. HOMUTH: But this is not the Bank of Canada.

Mr. ABBOTT: It is a wholly owned subsidiary of the Bank of Canada.

Section agreed to.

Sections 32 and 33 agreed to.

On section 34—Coming into force.

Mr. HOMUTH: When will it come into force?

Some hon. MEMBERS: Carried.

Mr. HOMUTH: Wait a minute. I want to know whether the minister will give us an intimation as to when it will come into force. Will it be after the next election?

The ACTING CHAIRMAN (Mr. McCann): I would remind the hon. gentleman that if he wishes to speak he must rise in his place and address the Chair.

Mr. HOMUTH: I asked the minister a question which could have been distinctly heard. Can he say when it will come into effect?

Mr. ILSLEY: Soon, I should say. There is no reason for delay.

Mr. HOMUTH: What does the minister mean by soon? Will there be a proclamation before the house adjourns?

Mr. ILSLEY: I would be doubtful.

Section agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read a third time?

Mr. MACKENZIE (Vancouver Centre): The leader of the opposition requested that the third reading stand until to-morrow.

Mr. SPEAKER: Next sitting of the house.

SUPPLY

The house in committee of supply, Mr. McCann in the chair.

TRANSPORT

Air service—civil aviation division—

396. Airways and airports—Construction and improvements, including lighting and radio facilities—capital, $2,035,800.

Mr. COLDWELL: Will this be for the construction of new facilities or airports? If so, where will they be located?

Hon. C. D. HOWE (Minister of Munitions and Supply): This vote is confined entirely at the present time to small extensions and capital repairs. About half the vote is required for improvements in lighting and short extensions to runways, and about half the increase represents facilities including certain radio beams such as the one from Winnipeg to Edmonton. There are no new airports involved.

Mr. MacNICOL: Does the minister mean that the item pertains to T.C.A. alone.

Mr. HOWE: Chiefly the airways that are now in use for transport purposes, practically all the main line of Trans-Canada—extensions to the main line.

Item agreed to.

Air service—civil aviation division—
Airways and airports—operation and maintenance—

397. Civil aviation services, $891,495.

Mr. MacNICOL: What does this cover?

Mr. HOWE: This represents operating costs of airways that are operated by the Department of Transport. It is the cost of operating civilian airways.

Mr. ROWE: Why the increase of $180,000?

Mr. HOWE: There are more airports involved. Certain military airports are turned over to the Department of Transport for operation, or are in process of being turned over.

Mr. MacNICOL: Does it cover the same services as in the previous item?

Mr. HOWE: Yes, but this includes all airports that are being operated by the Department of Transport. It includes a greater number of airports than are covered by the previous vote.

Mr. ROWE: Is it the intention to turn over the others?

Mr. HOWE: Yes. As soon as any military airports are surplus to military requirements they are turned over for operation in civilian aviation.

Mr. ROWE: Is that the general policy of the government, to turn them over as they become available?

Mr. HOWE: As they become surplus to military requirements.

Mr. ROWE: Is it intended to use all these throughout Canada?

Mr. HOWE: They are turned over in the first instance to the Department of Transport, and they determine the place of the airport in civil aviation and the value of the buildings on the airport to civil aviation. If there is no use for an ariport or building the Department of Transport declares the airport surplus to transport requirements and it goes to the War Assets Corporation for disposal. In the case of the field itself when it is likely to be

required for civil aviation and certain buildings are not required, these buildings are turned over by the Department of Transport to the War Assets Corporation for disposal.

Mr. ROWE: So far none has been turned over to the War Assets Corporation?

Mr. HOWE: I think not. No airports have been turned over to the War Assets Corporation, but there is a study going on as to certain buildings on airports which may be turned over.

Mr. ROWE: Already sold?

Mr. HOWE: No. They are under study.

Mr. MacNICOL: These four items, 396, 397, 398 and 399, all pertain to government-operated airports?

Mr. HOWE: Yes.

Mr. MacNICOL: They have no reference to those operated by the Canadian Pacific Railway company in the north country?

Mr. HOWE: No.

Mr. ROSS (St. Paul's): Do other planes besides government-operated planes use those airports?

Mr. HOWE: Yes; they are for the use of government planes and other planes.

Mr. ROSS (St. Paul's): Is there a charge made for the use?

Mr. HOWE: There is a schedule of fees for all airports. All aircraft landing on an airport pay a fee.

Mr. ROSS (St. Paul's): Do the Trans-Canada aeroplanes pay the same fee as the others do?

Mr. HOWE: Trans-Canada Air Lines pay a schedule of fees on a monthly basis. It is $100 per plane per month. If there are five planes landing it is $500 a month.

Mr. ROSS (St. Paul's): It is $500 a month?

Mr. HOWE: If there are five schedules into an airport; if it is one schedule it is $100.

Mr. ROSS (St. Paul's): It makes no difference how many times a week? That is just the regular planes going across every day, and so on?

Mr. HOWE: A number of schedules per day.

Mr. KNOWLES: How do the fees paid compare with the cost to the government of the service provided?

Mr. HOWE: The situation is so confused with the use by military planes which pay no fee that I doubt whether any of the airports are on a self-sustaining basis to-day, although before the war a number of airports were on a self-sustaining basis. After the war, when the operation is confined wholly to civilian services many of the airports will be on a self-sustaining basis.

Mr. KNOWLES: When the minister speaks of an airport does he include all the meteorological service, beams and so on provided by the government?

Mr. HOWE: Yes; the operation of an airport involves the use of the beam which serves the airport.

Mr. ROWE: Does the minister mean that there is commercial and civil aviation on the same fields as military aviation?

Mr. HOWE: Yes.

Mr. ROWE: That is where the increase occurs in this item?

Mr. HOWE: No. Airports that are used for commercial aviation are in general operated by the Department of Transport. The military have the privilege of using the airport. For example, Malton is a civilian airport; yet there is a training school there and the military use it. But it is operated by the Department of Transport. The same thing applies to Dorval. Dorval is used chiefly by United States planes being ferried to Europe. It is operated by the Department of Transport as a civilian field.

Mr. MacNICOL: What about the airport on Toronto island? Is that under this vote too?

Mr. HOWE: That is owned by the city of Toronto. It is not operated by the Department of Transport. I believe it is under lease at the moment to the Royal Canadian Air Force.

Item agreed to.

Air service—civil aviation division—
Airways and airports—operation and maintenance—
398. Radio aviation services, $859,230.

Mr. ROWE: Would the minister explain the $78,000 increase?

Mr. HOWE: That is owing to the fact that additional beams have been installed during the past year. Three additional beams have been installed. They provide for the three new beams going in on the route from Winnipeg to Edmonton, Neepawa, Yorkton and Dafoe.

Mr. MacNICOL: Is none of this vote for the far northwest country?

Mr. HOWE: No.

Mr. MacNICOL: How do planes going up in that country get their directions?

Mr. HOWE: Beams have been installed, but they have been installed out of a war vote. The northwest staging route is a military expenditure.

Mr. MacNICOL: I am contemplating making a trip very shortly by plane away up to the far north country. I am anxious to know that the plane I am going in will have all the scientific directions and so on. So far as I know it will be a Canadian Pacific plane. There are no other planes that operate in that country. I am speaking now of to Aklavik at the mouth of the Mackenzie river. Does the Canadian Pacific Railway company have to finance everything itself in the far north country, whereas the government under these four items pays $4,000,000 for other air lines? I am glad they do it. I have no fault to find with it. But the Canadian Pacific is the only air line operating in that great north country. Some air line must operate in it; otherwise folks will not be able to get in there. Has the Canadian Pacific to supply all its aviation arrangements and beams and so forth?

Mr. HOWE: If my hon. friend is travelling over the northwest staging route he will travel on a military beam. All the facilities will be there but they are operated by the R.C.A.F. If he is travelling on the Mackenzie river route, these airports have just been taken over by the Department of Transport. They were built by the United States government. They have recently been taken over. I think he will hardly travel on beams between those airports at the moment. It is not a main route. It is a route built for a special purpose and it is not provided with radio beams.

Mr. MacNICOL: As I understand it, I shall be travelling on Canadian Pacific planes.

Mr. HOWE: That may be so.

Mr. MacNICOL: Paying my way as a passenger.

Mr. HOWE: You will be travelling on very good planes, with very good pilots and with a very good company, but you will have no radio beam.

Mr. ROSS (St. Paul's): How about the Toronto island airport? Is there a beam there?

Mr. HOWE: There is no beam at Toronto.

Mr. ROWE: Does the minister imply that there is no commercial planning in the Northwest Territories; that it is all R.C.A.F.?

[Mr. MacNicol.]

Mr. HOWE: No; there is plenty of planning and plenty of facilities but they happen to be operated by the R.C.A.F., because the traffic is ninety-five per cent military. There is very heavy traffic indeed on the northwest staging route, but it is chiefly military traffic, and as a matter of convenience the airports are operated by the R.C.A.F.

Mr. MacNICOL: Does that mean from Edmonton to Norman Wells, or to White Horse?

Mr. HOWE: Edmonton to White Horse.

Mr. MacNICOL: The route I was speaking of is from Edmonton to Norman Wells and on down to Aklavik.

Mr. HOWE: My hon. friend should travel in good weather on that route.

Mr. MacNICOL: I am not going to discuss that with the company. The company operates the plane; I pay my money and I expect that they will take me there and bring me back.

Item agreed to.

Air service—civil aviation division—
Airways and airports—operation and maintenance—
399. Meteorological aviation services, $475,000.

Mr. HOMUTH: Is there anything being done with regard to assistance to boys going through schools? This vote is for the purpose of advanced aeronautical instruction. In what way will it work out?

Mr. HOWE: This is the cost of the meteorological service for all Canada. It covers the cost of operating many hundreds of observation stations, the cost of war service and the appointment of staff. The training is arranged. I do not think it is by grants to schools particularly; I believe the department carries its own courses. During the war we have trained hundreds of new operators for this service and for military service.

Mr. HOMUTH: Does it mean that grants will be made to private clubs, for instance?

Mr. HOWE: I do not think we have come to that item yet. We are talking about item 399, meteorological service.

Mr. MacNICOL: Now the minister has me interested in this. I cannot go to Aklavik, for instance, except by Canadian Pacific Air Lines; I cannot go by R.C.A.F. Do the Canadian Pacific planes receive this meteorological service?

Mr. HOWE: Oh, yes.

Mr. MacNICOL: Then this item would—

Mr. HOWE: Help you quite a bit.

Mr. MacNICOL: —provide for the furnishing of meteorological service to Canadian Pacific planes, as well as any others in that area?

Mr. HOWE: Yes.

Mr. ROSS (St. Paul's): What is the difference between these two items? Here we have radio aviation services, and in the next item we have meteorological aviation services, $475,000.

Mr. HOWE: Item 399 is the aviation service. That is a short-term service, forecasting the weather for about eight to ten hours ahead, with great accuracy. The other vote is for a service to farmers and citizens generally, forecasting the weather for much longer ahead, and it is less accurate for that reason.

Mr. KNOWLES: Is the work of the two coordinated?

Mr. HOWE: Absolutely.

Item agreed to.

Air service—civil aviation division—
400. Grants for advanced aeronautical instruction and to aeroplane clubs, including grant of $5,000 to the Canadian Flying Clubs Association, $8,000.

Mr. ROWE: This seems a very small item. Surely we give more support to these clubs than $8,000?

Mr. HOWE: Before the war, many private flying clubs were assisted by the government. When the war began, the military undertook this training on a very much larger scale. Most of the flying clubs were made units of the military training, under an arrangement with the military authorities. Therefore this item has been cut down to the point where it merely pays the salary of the secretary of the association and a few administrative costs. There are no flying clubs operating to-day for the training of pilots except under military auspices.

Mr. ROWE: There would be but for the war, would there not?

Mr. HOWE: There will be when the war is over.

Mr. LOCKHART: The government has no commitments at all to private clubs?

Mr. HOWE: Not at the moment. As a matter of fact we give each club $100 a year to help keep the organization together.

Mr. ROWE: It seems a very small consideration.

Mr. HOWE: They are not doing any business.

Item agreed to.

Air service—meteorological division—
402. Grant to Kingston observatory, $500.

Mr. ROSS (St. Paul's): Is this for time?

Mr. HOWE: No; we had an old arrangement with Kingston to perform scientific work for the meteorological service. The university undertakes certain work for which we have been paying $500 annually for some years.

Item agreed to.

Air service—radio division—
403. Administration of the Radiotelegraph Act and regulations, $136,880.

Mr. COLDWELL: Is this the item under which radio stations are licensed?

Mr. HOWE: Yes.

Mr. COLDWELL: I wish to ask the minister something about the situation in connection with the radio station at Halifax. As the minister probably knows, I was a member of the radio committee; and on June 28 Doctor Frigon, acting general manager of the Canadian Broadcasting Corporation, made the statement before the committee that they were making a capital expenditure at Halifax to carry out essential services to the people of Nova Scotia and the maritimes generally, through their station there. Subsequently the newspapers carried the story that by some means or another an attempt was being made to block the erection of the C.B.C. station and to revive an old permit that had been granted to a private organization back in 1938. During the debate the Minister of National War Services did not seem very clear as to what really was the situation, and I thought under this item I would ask whether any licences have been granted at Halifax. It seems to me essential that the C.B.C., having arranged for the setting up of a transmitter there, should be the organization to go forward with the erection of this station. It is said that the other station might give satisfactory service to the community, but, after all, a private station gives only a certain part of its service to the community, while a C.B.C. station can render public service all day. I am not fully informed as to this situation, but I noticed the answer given by Doctor Frigon, and I followed very carefully the debate in which the senior member for Halifax took part, on the estimates of the Minister of National War Services. I should like to know the situation from the point of view of the Department of Transport, which is called upon to issue licences for the stations.

Mr. HOWE: The Department of Transport issues licences under the Radio Act, after having obtained the recommendation of the Canadian Broadcasting Corporation. The situation at Halifax is that the Halifax *Herald* has had a licence for many years. It is the broadcasting corporation in Halifax. In 1939, I think, just immediately before the war, a licence was granted to the Halifax *Chronicle*. The work was not proceeded with because they could not get the plant and equipment, and the application lapsed. Recently we were advised of a new application from the Halifax *Chronicle* which came with the recommendation from the C.B.C. that the contract had been revised. I may say that the contract specified that there were no commitments as to any network. To my knowledge the C.B.C. have not applied for a wave-length or for a licence to build a radio station in Halifax. I know nothing about that. I heard they were to build one there, but as far as I am aware—and my memory is fairly good—I have no recollection of any application coming through from the C.B.C.

Mr. COLDWELL: Doctor Frigon said:

> . . . we are providing now for a provincial outlet in Nova Scotia, Halifax. The report has gone to the minister.

Then the senior member for Halifax asked:

> Q. That is, you are making capital expenditure so as to carry out services of the second network?
>
> A. Right.
>
> Q. Are there any others besides the one in Nova Scotia?
>
> A. There is only one station, CJBC, which was not on the network before and which is being placed on the dominion network, and the one which we are building to provide an outlet in Halifax for the dominion network.

Doctor Frigon stated that they were providing an outlet.

Mr. HOWE: My officers confirm my memory that we have had no application from the C.B.C.

Mr. COLDWELL: Do they already possess a permit for a station.

Mr. HOWE: I am informed that the minister in charge of the C.B.C. confirms my understanding that no application for a frequency has been filed.

The ACTING CHAIRMAN (Mr. McCann): Shall the item carry?

Mr. HOMUTH: No, Mr. Chairman.

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

[Mr. Coldwell.]

Friday August 11, 1944

The house met at eleven o'clock.

DEFENCE OF CANADA

Second and final report of special committee on the defence of Canada regulations.—Mr. Bertrand (Laurier).

MONETARY CONFERENCE

RECOMMENDATIONS OF BRETTON WOODS MEETING

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, my hon. friend the leader of the Social Credit party mentioned yesterday that he would like to have a copy of the final report of the united nations monetary conference held at Bretton Woods, New Hampshire, from July 1 to July 22, and asked that this be printed. I have taken up the matter with the officials of the Department of External Affairs and I am informed that the official text of the document in French will not be available for some days yet. The document is highly technical and I think it would scarcely be appropriate to have one translation in French on our *Votes and Proceedings* and an official translation that might differ somewhat from the other translation appear later from the conference authorities. In the circumstances I think it advisable to table this document and await the official translation before having the English and French versions printed and available for distribution. The document contains the following:

1. Resolutions, statements and recommendations adopted at the conference.

2. Articles of agreement of the international monetary fund which are attached at annex A.

3. Articles of agreement of the international bank for reconstruction and development, which are attached as annex B.

4. Summary of agreement of the conference, which is attached as annex C.

INTERNATIONAL EXHIBITIONS

ORDER IN COUNCIL AUTHORIZING DENUNCIATION OF CONVENTION

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to table for the information of members of the house copy of P.C. 4666 of July 31, 1944, which authorized the Secretary of State for External Affairs to take steps in respect to denouncing the international convention relating to international exhibitions, which was signed at Paris on November 2, 1928. The purpose of the convention was to limit the number of inter-

national exhibitions and to establish a uniform code for their organization and administration. It applied only to exhibitions that were official or were officially recognized and lasted three weeks or longer. The contracting countries agreed to withhold subsidies from every international exhibition coming within the scope of this convention which did not comply with its provisions. The convention was administered by an international bureau at Paris and jointly controlled by the contracting parties.

The Canadian government has decided to withdraw from the convention in view of other denunciations of the convention by other governments and with a view to clearing the ground for a new convention dealing with the same matters. In pursuance of minute of council, notification was deposited on July 1 with the various other parties to the convention with which Canada maintains friendly relations, of the termination of the convention on behalf of Canada.

INTERNATIONAL AGREEMENTS

CANADA-UNITED STATES—EXCHANGE OF NOTES—DISCOVERY AND DEVELOPMENT OF OIL FIELDS IN NORTHWESTERN CANADA

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I wish to table three copies in English and three copies in French of an exchange of notes between Canada and the United States of America recording an agreement concerning the discovery and development of oil fields in northwestern Canada. This agreement was signed at Ottawa on June 7 and is No. 16 in the published series for 1944.

I might say that my colleague the Minister of Mines and Resources (Mr. Crerar) in the discussion of his estimates has already made a statement regarding this matter.

BUSINESS OF THE HOUSE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): While I am not hopeful that we can conclude the session to-morrow, in view of the possibility of it there is a matter with respect to the order of business which I think should be brought to the attention of the Prime Minister. There are some questions which the government should answer before the session concludes. May I ask the ministry, and in particular the Minister of National Defence to let us have an answer to-morrow to question No. 4 in my name on to-day's order paper, with respect to furnishing information to next of kin of members of crews of missing aircraft, in case by good luck or good management the session concludes to-morrow night. I believe the department is ready to give it.

Mr. RALSTON: I sent a note to the officials yesterday, and I thought the information would be ready.

Mr. GRAYDON: I do not want to let it go beyond the end of the session, because as the department knows it is important from several angles.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should be very happy to meet my hon. friend's wishes. He has referred to good luck and good management. My experience in public life has taught me there is nothing like cordial cooperation. If we have that I think there will be little doubt of our being able to complete the business perhaps by the end of this week without sacrificing any public interest.

As to the conclusion of the work this week it might help to make certain what otherwise would be a little doubtful if the house were agreeable to beginning its sitting an hour earlier this afternoon and to continuing its sitting for an hour after six o'clock. That does not mean that all hon. members will have to be in the house continuously. The British house, as one knows, sits through the dinner hour as a matter of ordinary procedure. If, when one o'clock comes, the house would be willing to adjourn until two o'clock, and possibly again at six agree to adjourn until seven, we would I believe make the progress which would help to ensure our completing the business late to-morrow night.

Mr. GRAYDON: I have no objection to that for to-day. I would like to make this clear, however, that if at the end of to-day's sittings it looks as if we cannot complete our business by Saturday night, we ought to revert to reasonable hours, so that we can complete the session in an orderly way next week, if that is the earliest possible time of conclusion.

Mr. M. J. COLDWELL (Rosetown-Biggar): For some days this house has been sitting continuously from eleven in the morning until eleven at night, including Saturdays. I think most hon. members are feeling the strain of these continuous sessions. I know that I am and the members of my party are. I do not think the house should assemble at two o'clock, and I certainly do not think we should continue until seven. If we can finish the business within the ordinary hours of the house as we now have them, that is all right, but we should not prolong the hours of sitting

beyond the present limits. It is physically impossible to stand this strain when we are giving to the house the attention which some of us are trying to give.

Mr. GRAYDON: I took it for granted when I made my statement that there was unanimity in the house on that point. If there are hon. members who feel that the work is being pressed too much, we had better come to the conclusion that it is impossible to finish on Saturday night unless these hours are extended, having in mind that we should not as a parliament rush things too much. I mentioned that yesterday. I was agreeable, if the rest of the members were, to having the hours extended, but if the hours are not to be extended by unanimous consent it is physically impossible to close on Saturday night.

Mr. MACKENZIE KING: When I made the suggestion I did, I had been given to understand that there was a general wish among hon. members that that course might be taken. However if there is any objection to it I would not press it for one moment. At the same time I do not despair of the house being able to conclude its business by tomorrow night, if hon. members will indicate immediately what particular matters they wish to have brought forward. There remain only the estimates after we have finished with the war services gratuities bill. The estimates have been before the house since the beginning of the year; they have been discussed in large part under war appropriation and at other times, and it is not necessary to have a fresh discussion or any discussion of every item. There may be a few items which hon. members would wish to single out and have brought forward for purposes of discussion. If so, the government would seek to arrange matters accordingly.

Having in mind that particular aspect, and knowing that hon. members are anxious to have the estimates of the Department of External Affairs discussed further—the leader of the opposition mentioned to me that one of his following was particularly anxious to speak on these estimates. I said I would bring them on as soon as the last of our legislation was down. I am prepared to go on this morning with the external affairs estimates. I mention this because unfortunately, while all my colleagues were remembered, in the matter of their estimates, I was overlooked by my hon. friend the Minister of Pensions and National Health in his announcement last night of this morning's business.

Mr. GRAYDON: I hope this does not mean that the Prime Minister's leadership is at stake.

[Mr. Coldwell.]

Mr. ILSLEY: With regard to the business of the house, I think I should mention, although it is not very important, that there is one small bill, which I think will be entirely non-contentious—it has not yet been placed even before the government—which I should like to introduce and get through; which will be in addition to the estimates.

Mr. GRAYDON: I think that pretty well settles for us the situation we were discussing.

Mr. ILSLEY: It should not take fifteen minutes.

Mr. GRAYDON: Well, Mr. Speaker, we desire to be very cooperative, but there is a limit to what we can do if cooperation implies the abandonment of our duties as an opposition. We have the right first of all to see the legislation. It is all very well for the Minister of Finance to say that it will only take fifteen minutes. It is partly our job to determine how long the discussion of a bill will take.

Could the Prime Minister indicate what the position is at the moment in connection with the report of the joint committee with respect to the city of Ottawa and the government?

Mr. MACKENZIE KING: That report is before the government for consideration.

LABOUR CONDITIONS

MONTREAL TRAMWAYS STRIKE—REPORT AS TO INTENTION OF COMPANY TO REOPEN LINES

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I desire to direct a question to the Minister of Labour. According to this morning's Montreal *Gazette*, the street railway company in Montreal seek guards to reopen their lines. If action of that kind is taken by the company I fear serious repercussions. Is the government considering any steps to offset a further tie-up in Montreal in the tramway situation? I am sorry I did not have a chance to give the minister notice of the question.

Hon. HUMPHREY MITCHELL (Minister of Labour): The policy of the government in connection with the Montreal street car strike will be known in due course.

FEMALE HELP FOR PROCESSING FRUIT AND VEGETABLES

On the orders of the day:

Mr. NORMAN J. M. LOCKHART (Lincoln): As a brief and final appeal to the Minister of Labour, is there any hope of

female help being brought in from outside points to the areas affected in the processing of fruits and vegetables?

Hon. HUMPHREY MITCHELL (Minister of Labour): All I can say to my hon. friend is that everything is being done that possibly can be done. I remember the pressure last year of the same description. We have a special division set up to attend to this matter. We canned the fruit last year and, with the cooperation of all concerned, the government and those engaged in industry and agriculture, we expect to can it this year.

Mr. LOCKHART: That is a great help.

INDUSTRIAL DEVELOPMENT BANK

PROVISION OF ADDITIONAL CREDIT FACILITIES FOR FIXED AND WORKING CAPITAL

Hon. J. L. ILSLEY (Minister of Finance) moved the third reading of Bill No. 7, to incorporate the Industrial Development Bank.

Motion agreed to and bill read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

EXTERNAL AFFAIRS

36. Departmental administration, $410,189.

Mr. DIEFENBAKER: At the risk of holding up the committee, there are a number of matters that I should like to direct to the attention of the Prime Minister with a view to securing explanations which have not so far been given concerning certain matters in these estimates. I shall refrain from repetition of any of the arguments that have been advanced with respect to the whole field of external affairs.

Several matters have arisen during the last few days on which I think the Prime Minister should give some information. The first has to do with a meeting that recently took place in London of the shipping representatives of the united nations to ensure continued availability of their tonnage resources for all purposes of the united nations. Canada was represented at that conference, the other governments being Belgium, Greece, the Netherlands, Norway, Poland, the United Kingdom and the United States, as well as Denmark and the French committee of national liberation.

According to a press dispatch of August 8, the governments concerned declared that they accepted as a common responsibility the provision of shipping for all military and other tasks necessarily arising out of the completion of the war in Europe and the far east, and for the supplying of all liberated areas as well as of the united nations generally and the territories under their authority. I should like the Prime Minister to indicate the extent of the decisions arrived at at this conference and generally the point of view taken by Canada in relation thereto. This is, I submit, an important link in the chain of decisions that show the determination of Canada to continue in this war until the destruction not only of Germany but also of Japan is achieved.

At the risk of introducing a matter with respect to which the Prime Minister has stated that no information will be forthcoming at this time, I ask him to reconsider the question whether he is in a position to advise the people of Canada as to the continued use in the war against Japan of the veterans who are to-day overseas in Italy and France and who have served so long, so nobly and so well. I ask that question not in any desire to bring before the country any matter concerning which information should not be furnished on the ground of disclosing our situation for the benefit of the enemy; but in the United States the situation is being freely discussed. It has been discussed in congress and by those in authority and the attitude taken has been that at the conclusion of hostilities in Europe there is bound to be a partial demobilization, and in particular that those who have served the longest will have an opportunity if they so desire to secure discharges from the army.

I wish also to ascertain from the Prime Minister whether he can furnish the committee with information regarding an international police force. He dealt at length with the question of international security and showed—and in this he represented the viewpoint of the Canadian people as a whole—the willingness of Canada to participate with the other nations of the united nations in a great scheme of international security. The experience after the last war showed that while in 1919 all the signatories to the league of nations accepted responsibilities, when it came to carrying those responsibilities into effect they failed to do so because there was not mobilized behind them the public opinion in their various counties. The United States have gone a long way in this connection in the last three years. A year ago when, as a member of the empire parliamentary association, I was in Washington, we met with Congressman Fulbright who introduced that now famous resolution in the House of Representatives setting out the stand to be taken by the United States to assure the united nations of a united front after the war

in order to prevent future wars. While we in Canada have made a declaration to the same effect, so far as I know we have no official declaration as to what contribution Canada is to make. These are not matters of a partisan nature. If there is one subject that must be discussed in a non-partisan way, in a national way, it is the subject of external affairs, upon which we must endeavour by collaboration and cooperation to arrive at a common and definite point of view representative of the people of Canada as a whole.

In dealing with employment after the war Doctor George Weir suggested some months ago that when the war is over a large number of the men in the navy, the army and the air force in Canada will be assured of the opportunity to continue their careers in those services. In particular he referred to the fact that in going up and down the length and breadth of Canada he found that the Canadian people felt that Canada should contribute to an international force and that this force should come in the main from her air force which has achieved so much in this war under the British commonwealth scheme. Is the government in a position to advise what Canada's contribution will be? It may not be definitely known at this time, but is it intended that there shall be set up an international force in which Canada will be represented to ensure peace in this world and punishment for all aggressor nations?

In view of the tremendous oil resources of the world and of the great importance of oil in war and peace, according to the Associated Press, Great Britain and the United States signed a pact on oil policy on August 8. According to the dispatch, this policy is designed to prevent peace-time disputes between these two allies and serve as a prime weapon to enforce peace. The dispatch goes on to say:

> The agreement, negotiated by the acting secretary of state, Edward Stettinius, for the United States, and Lord Beaverbrook for Britain, is the first pact dealing directly with post-war trade and security.
>
> Both countries agreed that it shall go into effect when each has notified the other "of its readiness".

The dispatch continues:

> The agreement emphasizes the view that world security must remain uppermost in all international considerations, and make the distribution of oil "to all peaceable countries" subject to a future world organization to check aggression and maintain peace.

To what extent is Canada a party to this pact, and to what extent has she been consulted in reference to this very important matter? Had there been a control over the oil resources of this world prior to the war, such as is contemplated by the agreement that was entered into recently by Great Britain and the United States, the possibilities of aggressive war on the part of Germany would undoubtedly have been obviated to a considerable degree.

Another matter that has arisen since the Prime Minister made his speech on the subject of external relations has to do with civil air transportation within the empire after the war. The Prime Minister said the other day that through the session, from January to the present, matters of external relations had been discussed and because of that I am not going to make any formal speech to-day. I am merely asking questions on matters on which we have as yet no information. The subject of air transportation was dealt with at great length for many days, but within the last few days the Prime Minister of New Zealand, speaking in the parliament of that country, indicated that an arrangement had been arrived at—at least that is the way I interpret his words—between Canada, Australia and New Zealand, under which a Pacific all-red air line would be established. He went on to point out that application had already been made to the United States for the privilege of securing landing rights in Hawaii. One factor that kept back the development of an empire air route or an inter-empire air route in the Pacific from 1919 to 1939 was the fact that the United States refused to allow the nationals of any other country to fly over the Hawaiian islands. It was felt that in the interests of the defence of the Pacific, information gained through flying over the islands should be denied to Japan, and all nations were excluded, although when war came events proved that the Japanese had full information with regard to the Hawaiian islands. The step has been taken by the government of New Zealand, I believe in cooperation with Australia, to establish an all-red air line. The press dispatch, which I have not before me, indicates that the United Kingdom may participate in it. I asked the Minister of Munitions and Supply a question with regard to this matter yesterday, but I did not receive very much of an answer. In fact I received less information than the Prime Minister of New Zealand gave when he spoke in the parliament of that country. This is a matter of very great importance to the people of Canada, and generally speaking to the people of the empire. It is important to know how far we have gone and how far we shall go in establishing within the empire or within parts

of the empire a united air line in order to bind the empire closer together by closer communications than have heretofore existed.

I should like to refer to the empire council. All of us are in agreement that the conference of prime ministers was a most successful gathering and one which did much, and will, I I am sure, in the years to come do more to bind the empire closer together than ever before. As a matter of fact, Mr. Chairman, as I read the speech of Lord Halifax of January last, and the Prime Minister's speech delivered in this chamber the other day, I believe the Prime Minister and Lord Halifax in their respective fields are much closer together to-day than they were in January last.

There is agreement among members on all sides of the house, particularly so far as the empire as a whole is concerned, that our external affairs policy must be consistent with our interest. And there is no inconsistency if we so proceed as to ensure that British commonwealth traditions and ideals, and its way of life, shall in the years to come continue to exercise their power for good.

All of us are agreed that this is no time for recrimination in connection with what happened in the past. The war has proven that so far as Canada is concerned, the days of convenient detachment in the affairs of the world at large are at an end. Yet that view represented the attitude taken in Canada—an attitude which I describe as one of convenient detachment—between 1935 and 1939. We have learned that no nation by abstaining from world cooperation and world collaboration can prevent its becoming involved in any widespread war. That is why many of us believe there should be set up, sitting from time to time in London, in Ottawa and in other capitals of the empire, an empire council to collaborate together and to exchange information of mutual interest to the security, defence and welfare of the empire as a whole.

Listening to the Prime Minister one might conclude that the question of an empire council had been decided finally. Prime Minister Curtin, upon his return to Australia, and as reported by the Canadian Press on July 17, said that he—

—echoed Marshal Smuts' declaration that "in an experience of forty years no imperial conference could compare with it in the magnitude of the issues raised and the spirit of mutual understanding which prevailed throughout."

Referring to his own proposal for a permanent empire consultative body, Mr. Curtin said the conference had agreed to consult with the respective governments on the suggested empire council and the possible centralization of empire cooperation on financial, economic and social questions.

Apparently therefore the decision as to whether or not a council or alternatively a secretariat shall be set up was not finally concluded by the conference of prime ministers. And if I am right in that assumption, from what Prime Minister Curtin said, I would ask the Prime Minister of Canada whether or not, representing Canada, he would be prepared to consent or to accept the set-up of an empire council or secretariat representative of cabinet ministers from various parts of the empire, meeting from time to time in order to arrive at unity of policy—if necessary meeting continuously, subject to this, that whatever decisions are arrived at by the council shall be submitted to the respective governments in the various parts of the empire.

I see no sacrifice of autonomy in that. We talk so much about sovereignty and loss of sovereignty, and about danger to our autonomy. But, Mr. Chairman, when met with that argument the question which always suggests itself to me is this: Are we not prepared to trust our blood and kindred within the empire, as we are prepared to trust the nations without the empire, in a great international organization in order to secure peace and assure its perpetuation? I believe this, that not only on the ground of sentimental ties—and sentiment means much in the life of a people as well as in that of an individual —but also on the strict foundation of common interest there must be a closer cooperation between Great Britain and the dominion, whereby machinery shall be established so that the highest measure of unity of policy and unity of action in international and empire matters may be attained.

Canada secured equality of status under the statute of Westminster. But, as Lord Halifax stated "there was hardly any equivalent effort toward securing what I call equality of function." As I listened to the Prime Minister in a speech which I am sure will rank as a very great exposition of Canada's constitutional position, I take it that he has arrived at the position where he believes that it would be—

—an immeasurable gain if on vital issues we could achieve a common foreign policy, expressed not by a single voice, but by the unison of many.

Those were the words of Lord Halifax in January last. In effect, as I understand them, they were the words of the Prime Minister of Canada in August 1944. And without there being any loss of sovereignty, and also without any suggestion of compulsion I believe that it should be extended as well to cover defence and empire communications.

I have already said that I do not share the view that closer ties with the empire mean domination by anyone, diminished sovereignty

or subservience to anyone. To me the hope for the future is in the extension of partnership in the empire and of its being fortified by closer collaboration, through common endeavour, common idealism and a common desire to assure that the future shall be brighter than it was in the days between 1919 and 1939; that we endeavour by common representation and collaboration to arrive at a policy for the commonwealth, of the commonwealth and by the commonwealth. We should not do as we did between 1919 and 1939 when, because of Canada's abstention from active participation, policies were determined by one part of the empire and in the result the other parts of the empire, having had little to do with that policy, nevertheless followed the course decided upon.

I have already asked the Prime Minister whether the door is permanently closed to an empire council or a permanent secretariat. I do not mean that there should be a rigid organization, for this empire and commonwealth have not been built upon rigid formalism. They have been built through cooperation and gradual growth, and upon the determination to collaborate with each other. Freedom of the dominions would not be lost if men from all parts of the empire met together continuously, to the end that through diversity of opinion a unity of idealism in inter-empire and international affairs might be arrived at. While it is always dangerous to speculate as to what might have been, how often the thought occurs that the course of history might very well have been changed had there been a common direction and common effort in the matter of defence, participated in by all parts of the empire, during the years when Hitler was rising to power. If Hitler had only known that the empire was united, that there was no division; if there had been a united voice for all parts of this empire, represented by such a council, to tell him what would happen if he were to transgress, the course of history might have been changed. This is speculation, and perhaps it is fruitless to indulge in it, but we should assure that in the future which we have in our making the mistakes of the past shall not be used as the foundation for our future policies.

There is just one other point in connection with the question of international security. On July 17, 1944, Mr. Cordell Hull, the secretary of state for the United States, announced that exploratory conversations on an international security organization for maintaining peace were under way and would culminate in a meeting in August in Washington. I do not know that the Prime Minister has yet informed the house as to whether Canada is indirectly represented at that conference, for it seems to me this is a most important conference as far as Canada is concerned. Canada has a special interest in any conversations that take place in connection with post-war security, occupying as she does the strategic position of neighbour to both the United States and Russia. In their declaration of common aims, in the great charter of the commonwealth, the dominion premiers used these words:

> We affirm that after the war a world organization to maintain peace and security should be set up and endowed with the necessary power and authority to prevent aggression and violence.

That is a great aim and a great dedication by all parts of the empire. But promises, unless they are fulfilled; hopes, unless they are translated into action, are dangerous in times like these. Having regard to that declaration I believe at this time the Prime Minister should be in a position to let the rest of the empire know that Canada intends to contribute her share of the necessary manpower and what we have in the way of strategic bases to the end that there may be set up a police force, and that some of the police beats shall be located in the strategic airports within this dominion.

There were other matters with which I should like to have dealt, but I appreciate the opportunity the committee has given me to discuss these matters and I shall not proceed much further at this time. As one reads the casualty lists each day one is impressed with the fact that, without regard to racial origin, Canadians are living and dying for their country and their empire. Yet when these young Canadians return to this country, what do they come back to? They come back to a Canada which insists that they shall not designate themselves as Canadians but shall prefix their paternal national origin, regardless of the number of generations their families may have been in this country. A Canadian returning to Canada from a visit to the United States or from any part of the world is met at the border of this country by an immigration inspector who insists that before that Canadian can enter the country of his birth he has to say what is his paternal racial origin. In this regard I think we can learn something from the United States. We want to unify this country. Time and again the Prime Minister has declared for national unity, for doing away with the things that separate us. I do not believe we could do anything that would go further toward uniting the people of this nation than to have parliament make a declara-

tion as to the right of an individual to call himself a Canadian, irrespective of racial origin. That is what they have done in the United States. As I have said before, no one thinks of Mr. Roosevelt as a Dutch-American. No one thinks of General Eisenhower as a German-American. No one thinks of Mayor LaGuardia of New York as an Italian-American. They are great Americans. We perpetuate this thing every ten years in our census, the excuse being that it is necessary to have the information as to ethnic groups. How authentic is the information thus secured? Not very; for when a woman is married, irrespective of her racial origin, in the census she appears as belonging to the ethnic group of her husband. The necessity for ethnic information may have been important at one time, but if I may repeat the thought I expressed in the first speech I ever made in this house, if parliament wants to do one thing that will bring together people in this country of all origins, let it enact legislation to give Canadians the opportunity and privilege of calling themselves Canadians. In that way parliament would do more to bind this country together in the common idealism of a common purpose and common dedication than by anything else that could be done. Those who serve in the Canadian armed forces are proud of the "Canada" on their shoulder-straps, and without regard to hyphenated considerations. While they serve, they are Canadians. I ask the Prime Minister to round out this great programme which he has placed before the house in the last few days for the benefit and rehabilitation of our men who serve by making the necessary amendments which will once for all and without regard to origin enable men and women of this country to call themselves Canadians, and by so doing unite this country as never before.

Mr. MACKENZIE KING: Mr. Chairman, may I say first of all to my hon. friend that I wholly agree with him that in these matters which relate to external affairs there should be as little of partisanship as possible. It is, however, inevitable that in our consideration of some international affairs we may look at matters from different angles. Some are strong in their conviction that centralization is the best way to build up the empire, while others of us are equally strong in our views that a measure of decentralization based on autonomy is as between all the parts a more effective way of preserving permanency and avoiding friction. I think we shall have to look to the record of the years to see which of the opposite points of view has on the whole most to commend it. These differences of view will exist and it is right that we should debate their merits, but apart from that I believe all hon. members will agree that the tradition which they have sought to follow in the British House of Commons whereby foreign affairs are viewed as something which relates essentially to the nation as a whole in its relations with foreign nations, and keeping discussion therefore as far as possible from partisan considerations, is the correct and proper attitude to follow. I have tried to follow that tradition. I may have differed in the point of view that I have indicated from some other hon. members but I have never tried to make any aspect of external affairs a major party issue.

I wish to say in regard to the questions which my hon. friend has asked me that I would like to give a direct answer to every question in the sense of disclosing fully all that I know, but my hon. friend will realize, as all members of the house will realize, that throughout the period of the war there have been conferences and negotiations, exchanges of communications and the like, not only between all parts of the British empire but between all of the united nations, more particularly those who are allied in the waging of war on the field of battle. From the beginning it has been essential for one to decide how far pronouncements should be made, in the first instance, from one or other of the dominions rather than from the government at Westminster, and how far announcements should be made by me in this House of Commons rather than by the President of the United States or the Prime Minister of Great Britain on matters which affect all their peoples just as completely as they affect the citizens of Canada. Knowing how meticulously careful both the Prime Minister of Great Britain and the President of the United States have been in making known major developments with respect to any aspect of the war or any aspect of the peace or of post-war policy without reaching agreement between themselves as to by whom the announcements were to be made, whether they should be made simultaneously, whether they should be made in several parts of the world—knowing that and much more which bears on the question of making decisions public, I have of necessity to exercise a degree of reserve in what I disclose which goes much further than my own personal inclination would go. I feel there is an obvious obligation which this government owes to the other governments having to do with these matters, and which our country owes to all the countries which are of the united nations. That is the sole reason why in some of these

matters I have not given and have felt that I was not entitled to give to the house as much in the way of what might be termed inside information as I otherwise would be ready and anxious to give.

I must add this further fact, that whatever is given out in this house on those matters is usually construed as something which necessarily immediately affects all different parts of the British empire, affects all the united nations if the question is large enough, and as such may give information to our enemies as well. I do not know how often I have heard in conferences the point of view stressed that by a little pronouncement here and a little pronouncement there those who are most skilled in these matters are able to piece together in a very short time a pattern which pretty well discloses the whole. It is that pattern which at this time no one who is interested in what is going to be for permanent good would wish to have known to those against whom we are fighting. I think that will be quite clear to all hon. members. For that reason in answering my hon. friend this morning I may have to reply to one or two questions that he asked less completely than I otherwise would wish. However, as far as I remember his questions I shall mention them and seek to deal with them.

The first matter my hon. friend mentioned was the meeting which is being held in London on the question of shipping. As the committee is aware there has been throughout the period of the war between the different allied nations the closest kind of cooperation with respect to shipping in relation to war matters that it has been possible to have. The meeting in London has been for the purpose of carrying on into the immediate post-war period that same kind of cooperation. There will of necessity be need for quite as close if not closer cooperation in the matter of shipping between the shipping interests of the different countries once the great work of the liberation of Europe and the restoration of those countries gets under way. This meeting is obviously desirable to anticipate as largely as possible what will most effectively help to meet the emergency that will arise just as soon as European hostilities end, and this other great task is assumed by the nations that have been cooperating together up to the present.

My hon. friend asked me a question with respect, I take it, to the extent to which our armed forces would be used against Japan. That is a matter which I am not in a position to disclose at the present time. Any matter that relates to the disposition of our defence forces would necessarily be one of which the department of defence would have the fullest knowledge and upon which it would not wish to give any information until the moment had come when agreement had been reached by all intending to contribute as to the extent of their contributions. But this I will say, as is well understood, that the government has always assumed and said that the armed forces of Canada would be used to the end of the war, whether against the enemy in Europe or against the enemy in Asia, and that it is well known to be the policy of the government that our armed forces will continue to take their part in the war against Japan. There is this always to be kept in mind, that from the beginning of the war our forces have been employed in many parts of the world, but mainly in Europe, and that the United States forces have not been in the war as long as our forces have, also that the United States have large forces already employed in Asia, to an extent greater than there are British and other forces employed there. What disposition therefore will be made of armed forces as between the United States, the British and those of the different dominions I am not in a position to say at the moment. But I would make it perfectly clear that the policy of the government is to see that our appropriate part is taken in the war against Japan to the very close of the war.

My hon. friend asked whether I would tell him about the return of some of those who have been longest overseas, whether they would be brought back first. I assume he was not in the house yesterday when the Minister of National Defence spoke on that matter. As I recall what the minister said, he made it clear that involved in this question was the matter of breaking up units, and that that was a consideration of which account would have to be taken before he could say who would come back first or who would come back later on. I think I should allow that matter to stand at the point at which the Minister of National Defence left it.

The next question asked by my hon. friend was the matter of an international police force. That question is bound up of course with the whole matter of post-war world organization and, as is well known, it is a subject which has been receiving for some time past the closest attention of the united nations, particularly those of the British commonwealth and the United States. The conference which is to be held in Washington relates to post-war organization and is an outcome of the Declaration of Moscow, at which it was agreed that representatives of the four great powers would

meet to discuss this matter in the first instance. There again, these matters follow a certain well-recognized procedure. From the beginning of the war it has been apparent that it would be impossible to have all the united nations taking exactly the same part or having the same voice in the discussion and settlement in a tentative way of some of these world questions. We have recognized that in the direction of the war, Mr. Churchill, the President, Mr. Stalin, and Generalissimo Chiang Kai-shek, as the representatives of the four great powers, were in a different position—enjoyed, I might say, a certain priority in the consideration and discussion of these problems which affect us all. We have, I think wisely, recognized that fact, and instead of seeking to embarrass the working out of problems by at all times asserting that we must have equal rights and opportunities, we have rather sought to make it perfectly sure that in no particular were Canada's interests being in any way overlooked; and being satisfied of that, being kept fully informed of what is taking place, we have proceeded on the lines of helpful cooperation, I might say behind the scenes, rather than out in the public arena. I would like to make this very clear, that I do not think there has been any matter of major concern—certainly none of immediate concern to Canada—in any of these international affairs in which we have not been kept very fully informed. There have been one or two or three or four slips here or there, where public announcements have been made by others a little sooner than perhaps they should have been made but, having regard to the vast organization which has had to carry on this work, I think the number of such embarrassing instances has been very few indeed. But we have been kept informed and we are informed to-day. We know the line which will be presented, for example, at Washington in regard to world organization by the officials who are discussing matters there. May I say that we know it in relation not merely to what may affect Canada but to what may affect any or all parts of the British commonwealth. At the meeting of prime ministers in London there was no question, unless it were questions related immediately to the conclusion of the war, which received more attention and discussion than matters relating to the post-war order, and particularly this great question of world organization; and there I think I might say, as the pronouncement at the end of the conference made clear, we were all in agreement on the general line that should be taken. There has been no difference of view that I can recall with respect to any authority that the officials at Washington will have at the present time. They have their instructions; they are following them along lines that are known to South Africa, Australia, New Zealand, Canada and the United Kingdom, and they will be presenting, with the other nations meeting at Washington, through the officials, points of view which have been fully discussed in advance.

Let me say at once that, had Canada insisted on being represented at the conference at Washington at this stage, Australia, New Zealand and South Africa, as well as the lesser nations of the united nations, would have had an equal right to demand a like representation. After all, what is being done now is to try to bring into being some form of world organization which will be the best that can be devised. It would be going too far to say that the whole business is still in a nebulous state, because it is beginning to assume a very definite form, and that form has not been concealed from the governments of any of the countries concerned but rather is well known to them. It will not be definitely settled until there has been some opportunity to see, as between the powers which are meeting together, how far they are in common accord and what differences may still remain to be ironed out.

Let me repeat, the whole question of organizing world security is receiving the most anxious study of all the united nations. We have made it clear that Canada will do its full part in carrying out agreed security schemes, whether they involve the creation of an international police force or, alternatively, of measures for seeing that there will always be an overwhelming preponderance of power available to protect the peace. That goes as far as I think I should go at the moment in indicating Canada's attitude toward a readiness to accept, with all the other nations that are united in the furtherance of world organization, such obligations as may be expected of them.

My hon. friend spoke about the agreement between the United States and Great Britain recently made with regard to oil resources, and asked if we were represented. That was an agreement between those two governments in a matter which is of vital concern to each of them. Canada is not in the same position as those two countries in the matter of oil resources. Canada is not a party to the United Kingdom-United States oil agreement, but we have been kept fully informed in regard to the discussions. We are not in fact an important oil producer, as we depend for four-fifths of our requirements upon imported supplies. The United States-United Kingdom agreement may well lead to a wider agreement,

including all oil-producing and all oil-consuming countries, in which case Canada would of course cooperate.

I think it must be clear that in these matters of agreements which affect many nations the right way to start is to begin with the two which are most concerned, and if agreement is concluded between them that of itself undoubtedly will help to further the next step. But if agreement is not concluded between the countries most concerned, it would serve very little purpose, I think, to have other countries intervene too soon in those matters.

My hon. friend has spoken about civil air transport within the empire after the war, and has referred to remarks of the Prime Minister of New Zealand, reported to have been made recently, as to some arrangement between Canada, Australia and New Zealand. I might point out that that rather helps to illustrate the danger of these matters being discussed prematurely in the parliaments of the different countries. I am not aware of any agreement, and I would want to see the statement made by the Prime Minister of New Zealand before commenting upon it in any way. We have discussed with New Zealand and Australia the importance of an arrangement which will ensure air transportation with these countries and an arrangement which will ensure that whatever we do is a part of a great cooperative effort.

The air routes which Canada should operate, or in the operation of which she should cooperate, is the subject of very thorough study and of examination with other interested governments and it would be premature to make any statement now with respect to the possibility of operating particular routes.

I think it would materially impair immediate and very important discussions that will be taking place if I were to say anything at this time which would lead anybody to gain from my words certain impressions which might not be justified at all. All I can say is that in this matter, as in everything that affects relations between countries of the commonwealth, there is, I believe, the strongest desire on the part of all to cooperate in the most effective way. Whether that cooperation will endure more effectively through some great centralized organization or by means of a series of cooperative organizations is something which I think will have to be considered very carefully.

The next question which my hon. friend asked was with reference to an empire council and a permanent secretariat. Here I must ask the hon. member whether, in presenting the views he has stated, he is giving voice to the official opposition, or speaking for himself, or speaking for the leader of the Progressive Conservative party. He was out of the house the other evening when the matter came up and, at that time, I placed before the house the answer to some of those questions as given by the leader of the Progressive Conservative party. Perhaps I had better read again what I read at that time so that the hon. gentleman will know, if he is not already aware of them, what the views of the leader of the Progressive Conservative party are in this matter.

I said there had appeared in *Maclean's* magazine on May 1, 1944, a statement made by Mr. John Bracken on these very questions of Canada's relationship to Britain and the British commonwealth, and on the question of an imperial council, and the question of the "one voice". I shall read again the questions and answers as they appear in *Maclean's,* because I think this is very important. I have noticed that certain hon. gentlemen opposite would seek to have it appear that I am taking a view that suggests an isolationist attitude on Canada's part in commonwealth and empire affairs, and they direct their arguments at me in that light, or some of them do at any rate. The present leader of the Progressive Conservative party has made his view quite clear. I find that on most of these points it would look as though he had read what I said in the house in the debate on the address, and had been careful to frame his views in accordance with what I there expressed. At any rate, I give the questions and answers:

What should Canada's relationship be to Britain and the British commonwealth?

Answer: It should be that of an adult member of the commonwealth family. She should cooperate generously but she should retain the right to make her own decisions. She is bound however to the other members of the family by the ties which hold together any household that is loyal to worthy traditions and which looks back with pride to a good heritage. Canada's attitude should be one of willing and cheerful cooperation with other parts of the British commonwealth, freely associating with them and seeking every possible means to further the trade and peace and progress of the world, but wholly autonomous in her relations with them.

The next question is:

Question: Should the commonwealth set up an imperial council—

My hon. friend has spoken of that.

—as suggested by Australian Prime Minister John Curtin? If so, should this council have executive or merely advisory functions. Should its decisions be binding on commonwealth members?

Answer: I am in favour of strengthening the ties which bind the nations of the commonwealth together and I believe that a technique of continuous consultation in matters of common interest should be developed. The present arrangements I regard as inadequate; we fight wars but we don't help to prevent them. I believe in frequent commonwealth conferences and closer cooperation toward common obpectives of a constructive character but I do not favour the establishment of any permanent agency which would unduly centralize the influence or increase the rigidity of the commonwealth structure.

Mr. GRAYDON: Unduly.

Mr. MACKENZIE KING: Yes, that is right. I continue with the answer:

Such conferences as are held should be advisory and consultative and their findings should not be binding unless approved by parliament.

Question: Should Canada be committed to fight in defence of the interests of any part of the commonwealth?

Answer: Does this mean a prior commitment? I do not think the Canadian people would agree to a commitment which might precipitate them into a war, the causes or consequences of which they could not foresee.

In the commonwealth councils our efforts should be directed toward preventing war. In the contingency you raise, that of war affecting the interests of any part of the commonwealth, our position would inevitably incline us to aid in preventing unjust aggression; but the decision should rest with the Canadian parliament. It would then know the existing circumstances.

Mr. GRAYDON: Hear, hear.

Mr. MACKENZIE KING: My hon. friend says, "Hear, hear." When I took the attitude that is now taken by the party he is leading in this house I was told on all sides—

Mr. GRAYDON: If you want to go back to what you were thinking before the war it would be very interesting too.

Mr. MACKENZIE KING: Would my hon. friend kindly address the Chair and not be carried away too quickly.

Mr. GRAYDON: I was following the Prime Minister on that too.

Mr. MACKENZIE KING: What I want to make clear to my hon. friend is this: Over and over again I was told, before the war, that it was my duty to say that Canada would go to war the minute Britain went to war. My hon. friend knows that that was the attitude of his party. Had I taken that position I doubt very much if this parliament would have entered the war unitedly.

Mr. GRAYDON: Were they not repeating what Sir Wilfrid Laurier said?

Mr. MACKENZIE KING: Will my hon. friend allow me to state my position? What I wish to make clear is this, and I think it is fundamental. I was attacked as strongly as any man in public life could have been attacked for the attitude I took before the declaration of war, for saying that I would wait to see what the war was about, and have parliament decide before any step was taken. I was told that leaving the matter to parliament was preposterous when we were dealing with a situation of the kind. Well, I held to my attitude. I claim that my attitude was wholly justified by the fact that parliament unanimously agreed to enter the war. If there ever was a policy that, in the light of subsequent events, was justified, it was the policy which was taken by myself and my colleagues, that, until we knew what the cause of the war was, and what it was about, and the relevant circumstances, we would make no commitment in advance, and that, when we came to make a statement of the government's view we would make it in parliament, and ask for the decision of the Canadian parliament on the issue. However, to return to Mr. Bracken.

It would then know, for example, whether the structure of the commonwealth was in danger, any international covenant to which we might have subscribed broken, and the degree to which our interests were affected. In the light of such circumstances it should make its decision.

That is exactly the position I took, and I am not at all sure that you will not find in what I have said on many previous occasions the exact words that appear there. Another question was:

At last year's session of parliament two opposing views on foreign policy became apparent—one, that commonwealth nations should speak with "one voice" in world affairs; the other, that Canada should develop her own foreign policy, which might not necessarily agree with the foreign policy of other commonwealth nations. What is you own view on this issue?

Answer: This question suggests there are only two alternatives. This is not necessarily so. In my opinion the best means for Canada to influence world affairs at the moment is in two directions: through her influence in the commonwealth family and through her individual relationships with all other nations, particularly the United States. These commonwealth nations should endeavour to reach common agreement with respect to peace, trade and other matters and I would hope they would generally succeed; but they should not be required to accept majority decisions except on the approval of their parliaments and they should not be denied consultation with other nations. In my opinion that is the most sane and practical mode of cooperation within the commonwealth and the most acceptable form of relationship with other nations. But our parliament must continue to be free to determine its own course.

Mr. GRAYDON: Would the Prime Minister complete the paragraph? He did not do so on the previous occasion.

Mr. DIEFENBAKER: The Prime Minister omitted the next paragraph.

Mr. MACKENZIE KING: I am very happy to.

Canada should take no steps toward further separation from the commonwealth. We should facilitate the freest possible consultation and collaboration of its autonomous parts.

That last sentence sets forth exactly the position that I have always taken. I take exception to the words: "should take no steps toward further separation from the commonwealth." I am not aware of any steps that have been taken toward separation from the commonwealth. All the steps that have been taken, so far as this administration is concerned, have been steps which we believed would help to make the commonwealth a permanent institution in the world. I wish to repeat here what I said on Monday last. So far as the British Commonwealth is concerned I believe it to be the greatest agency for the maintenance of peace throughout the world that this world has ever known; and I hope with all my heart that as the years go by the association between the different nations of the commonwealth will become closer and closer, and that it will be an enduring commonweath for the good of the world. I cannot express too strongly my feeling in that regard. It is a feeling that I have had all of my life. If hon. members would care to look at similar statements made at different times by me I shall be very happy to make them available; but I do not make a point of perpetually proclaiming my loyalty. I have not thought it necessary to do that. I have felt that actions were louder than words; and I should like to be remembered in this parliament in future years as one who in his every action in relation to affairs within the British empire has taken those steps which he believed would help to make that great cooperative commonwealth we know as the British commonwealth of nations an enduring instrument for peace, progress and prosperity throughout the world. I wish to see the British commonwealth endure and flourish, because I believe that this great community of nations joined by ties of similar ideals, aims and purposes and the great nation to the south, which share like ideals and aims, can work together, and that more than to any other nations, the world has to look to them for its future peace and security. That is the view I have always held.

My hon. friend referred to Lord Halifax, and the alleged difference of views between us, and in this connection spoke of secretariats. Let me read a few paragraphs from what I said at the meeting of prime ministers in London and also what I said publicly in the address I made to both Houses of Parliament in Britain, which was broadcast to the world. These are my views on this matter of centralized secretariats.

From time to time it is suggested that we should seek new methods of communication and consultation.

I believe very strongly in close consultation, close cooperation, and effective coordination of policies. What more effective means of cooperation could have been found than those which, despite all the handicaps of war, have worked with such complete success.

It is true we have not, sitting in London continuously, a visible imperial war cabinet or council. But we have, what is much more important, though invisible, a continuing conference of the cabinets of the commonwealth. It is a conference of cabinets which deals, from day to day and, not infrequently, from hour to hour, with policies of common concern.

When decisions are taken they are not the decisions of prime ministers or other individual ministers, meeting apart from their own colleagues and away from their own countries. They are decisions reached after mature consideration by all members of the cabinet of each country, with a full consciousness of their immediate responsibility to their respective parliaments. Let us, by all means, seek to improve where we can. But in considering new methods of organization we cannot be too careful to see that, to our own peoples, the new methods will not appear as an attempt to limit their freedom of decision or, to peoples outside the commonwealth, as an attempt to establish a separate bloc. Let us beware lest in changing the form we lose the substance; or, for appearance's sake, sacrifice reality.

I believe in the truth of those words as strongly as I believe in anything. I cannot understand how anyone, looking over the past twenty-five years, seeing how closely the different parts of the British empire have been brought together under the policies which have prevailed throughout this time, can wish to adopt any system which might prejudice, in any way, what up to the present has worked so successfully. The real test came when war came, and in the conduct of the war. In the course of this whole war where, I ask, has there been a single difference between Britain and Canada, between Australia and Canada, between New Zealand and Canada, between South Africa and Canada, from the beginning up to this very moment What finer cooperation could there possibly be? And that cooperation has come about, not through having some centralized secretariat in London directing the affairs of the war or any of the affairs of the commonwealth, but by the method that has grown up in recent years, whereby we have the freest and fullest day to day exchange of views and information between all these governments. As hon. members know, we have the services being rendered by our high

commissioners in other countries of the commonwealth and by their high commissioners in our country. We have the exchange of communications between Mr. Churchill and myself as the leaders of government, and between myself and Mr. Curtin, Mr. Fraser and General Smuts. In addition we have the communications that come day by day, yes, hour by hour, from the secretary of state for the dominions to the Secretary of State for External Affairs, and the replies and other communications that are sent from here. And these matters are considered by the cabinet as a whole, and the decision that is made, where a decision is necessary, or the opinion that is expressed, where an opinion is sought, is the decision or opinion of gentlemen who are seated here in this House of Commons day by day, who may be questioned as I am being questioned at this moment by hon. gentlemen opposite. I do not think the peoples within the British empire have awakened as yet to a realization of how closely knit we are through these agencies of representation and communication in considering all the affairs that are of concern to the nations of the commonwealth. I might go on at length, but I think perhaps I have made the position clear.

My hon. friend referred to what he called, "convenient detachment from world affairs from 1932 to 1939." May I say to him that history will be the judge as to whether the position taken in those years was sound. I have nothing to take back with respect to Canada's attitude in regard to world affairs during any period this government has had the responsibility for Canada's attitude. A great many people like to hear themselves say, "If Hitler had known that Canada was going into this war, there would have been no war." I must say these people can have very little knowledge of what had been going on in the German war departments for decades, or of the extent to which even Hitler himself has been made the tool of the German war machine. If anyone thinks that Germany went into this war because Canada had not declared, months in advance, that she would go into the war if Germany started a war against any country, he has a very limited view of the factors that weighed in bringing about this attempt to conquer the world. But may I tell my hon. friend that Germany had a very definite knowledge of what Canada's attitude would be in the event of war. I heard Mr. Anthony Eden, the British foreign minister, tell hon. members in this very chamber that he for one could not be too grateful for the part the Prime Minister of this country had taken in going to Germany and telling the German government what he did. I have never sought to make any capital one way or the other out of matters of this kind, but I do tell this House of Commons to-day that my visit to Germany had as its objective to make it perfectly clear that, if there was a war of aggression, nothing in the world would keep the Canadian people from being at the side of Britain. That was known to the German government at that time, and my action in the matter was fully known to the British government; but I did not talk about it at the time, for it is just as well that some of these matters should not be spoken of until later years.

The attitude of this government and of Canada—I do not say it is the point of view of this government only, because it was held by Sir Wilfrid Laurier and by Sir Robert Borden as well as the present administration—was that our relations at the League of Nations and the positions that were to be taken there required the utmost caution and care. To have committed Canada, for example, as has been suggested, to instituting sanctions against Italy; to have been the country immediately responsible for such action, and to suggest that if we had been prepared to take it we might have averted this war, is not to appreciate the facts and to fail to realize what would have been said of Canada's action if as a consequence war had followed. Anyone who will look over the events of the last twenty-five or fifty years will not have any occasion to blush at the sane, rational, reasonable and helpful attitude Canada has taken on these matters.

The question of international security has been referred to. I have mentioned the exploratory conversations which are under way. Then in regard to any reference made by Mr. Curtin in London or elsewhere, let me repeat that while in London I made it clear that our government would be only too happy to explore any suggestions that might be made by Mr. Curtin or any of the other prime ministers on any subject whatever. I think perhaps what Mr. Curtin had in mind has never been quite fairly represented as far as he is concerned.

Mr. GRAYDON: Perhaps the Prime Minister would permit me to ask one question, which I intended to ask previously. It has never been quite clear to hon. members of this house, I think, and certainly it has never been quite clear to me just what the Prime Minister of Australia had in mind with respect to the matter of a secretariat. We hear the word used a great deal, but we do not know whether it means an unduly centralized organization or whether it is something entirely

different, and I was going to ask the Prime Minister to clarify the point, because a good deal hinges upon what was really meant.

Mr. MACKENZIE KING: I would much prefer that Mr. Curtin should give his own explanation, but I will give an interpretation of what I think Mr. Curtin had in mind, though here again I do not know whether I am disclosing more than I should. I think Mr. Curtin felt very strongly, at one stage, in regard to his own country, that he should have had more information than he had about the plans with respect to the war as they affected the far east. Not having had that information he felt very much embarrassed, and he had hoped that somehow there might be brought into existence some organization that would ensure that all the nations of the commonwealth were immediately informed on matters that were of concern to them; and particularly that there might be somewhere what might be regarded as a research bureau which could be working on questions affecting any part or all parts of the empire, and to which any part would have access. So that, if a question should come up, questions, for example, such as some of those we have been discussing this morning, each part would get the benefit of the research. It would be like a reference library from which one could get information immediately.

Mr. GRAYDON: There would not be much objection to that.

Mr. MACKENZIE KING: None at all. In fact, I should be delighted to see it furthered. But that is a different thing altogether from advocating a permanent secretariat in London which would be dealing with questions or programmes for all parts of the empire, and attempting to settle matters there. And it would be different from what was suggested this morning by my hon. friend, that we should have a council where cabinet ministers would be meeting in London. I think he went so far as to say that they might even meet continuously.

I feel particularly strongly, from a close study of this question, and after having to do with questions of the kind in a practical way, that while conferences are a good thing, the best place for a prime minister to be is in his own country at the time he is most needed there, and not to be away at a time which may be of most inconvenience to him and possibly prejudicial to his own nation.

I wish to conclude by referring to what my hon. friend said about hoping that we might, in some way, find it possible to have the citizens of this whole nation bound together as Canadians and so recognized and recorded in all government records and registrations. He said that, without regard to racial origin, Canadians are living and dying for their country, and that, above everything else, we should see particularly as respects those brave men who have been fighting overseas, that upon their return they should be all classed as Canadians. He hoped that, irrespective of racial origin, they would be recognized as Canadians without having to put any prefixes before their names.

May I say to my hon. friend that in that I am in entire and wholehearted agreement with him. I cannot express too strongly the feeling I have that some of these practices which have been carried on by the census branch for statistical purposes, or possibly for ethnological purposes—I believe that is the way it is described—might be done away with. I would be happy to join with my hon. friend and with any others in seeking to do my part to see absolute recognition, or recognition made in an absolute way of men and women who were born in this country, and those who have become Canadian citizens being regarded as Canadians first, foremost and all the time.

And may I say this to my hon. friend, that he has touched upon a very real subject, when he speaks of men who have fought and died as Canadians, irrespective of race and religion. I regret much to see in this country at the present time some gentlemen who are in positions of high respect, and who know better, seeking to raise matters of creed and race, with the suggestion that things are being done for people of one area rather than for those of another. May I say to this committee that if anyone wishes a battle on the question of whether we are to have one part of this country singled out as non-Canadian as against what of others is said to be Canadian, no one would welcome that fight any more than I would.

And anyone who raises the question of race to prejudice anyone of another race in this country is doing the greatest disservice that can be done to Canadian unity and to Canadian nationality. And not only do I wish to see our people recognized as Canadians, but I also wish to see a Canadian flag recognized in this country. I would like to see it the flag that our Canadian men are fighting under to-day. We have a Canadian flag unfurled in battle to-day by our very brave men in Italy and in France. I think in time the people of this country of Canada will say we want to have as a Canadian flag the flag they are carrying in battle to-day.

And what is more, I would like to see a Canadian anthem, recognized as a Canadian

national anthem. I think we should sing "God Save The King" as the anthem of the British commonwealth or the British empire wherever in all parts of the empire the King is recognized as the sovereign head; but as a Canadian I also feel that as the Canadian national anthem I might rise and sing "O Canada".

Mr. DIEFENBAKER: One reference I wish to make at the outset: The Prime Minister asked me whether I was speaking for myself or for the Progressive Conservative party. The views which I expressed to the committee regarding the empire—for, after all, in a matter of Canada's external relations there cannot be rigidity of view—are also the views of Mr. John Bracken, the leader of the party to which I belong.

The Prime Minister read an excerpt from *Maclean's* magazine to-day, and I wish to place on record, alongside of it, the statement made by the Hon. John Bracken in the early part of this year on the matter of empire policy of this party. This is what I read, as reported in the press on April 18, 1944:

John Bracken, national Progressive Conservative leader, outlining his party's policy on empire relationship last night urged "even closer" cooperation with other commonwealth nations.

Then he said:

"I am in favour, therefore, of Canada acting, as an autonomous power, to strengthen the ties which bind the members of the commonwealth together and to this end I believe that a plan for continuous consultation in matters of common interest should be worked out by us all" he said in a statement.

"By that I mean consultation not just for purposes of thought whether described as exchange of views or as verbal collaboration, but definitely with a view to a meeting of minds on matters of practical policy. It has not been suggested, as it could never be considered, that there should be such rigidity to any plan as would subtract from our sovereign rights."

There was one question I asked the Prime Minister, as to the stand he now takes on empire affairs, that he did not face. Is there any difference between that and what Lord Halifax spoke of in Toronto in January? Lord Halifax never said there should be a unity of viewpoint which would deny the right to various parts of the empire to their autonomy. But what he did ask was whether an empire policy could be achieved by a unity of ideas in respect of defence, communications and certain other matters, in order that a united front might be established in the empire. He went on to say:

Mr. Bracken denied that Lord Halifax had asked Canada to fall in line in any event.

Just in that connection the general idea which the government endeavoured to leave with the people of Canada so far as Lord Halifax's speech was concerned was that he was trying to reduce Canada to the level of colonial status, and that she would be dictated to by other parts of the empire. On the contrary the attitude taken by Lord Halifax was that the empire should endeavour to secure equality of function. Mr. Bracken said:

Lord Halifax made no such request or even suggestion. Very definitely he recognized our completely autonomous position. He asked us to seek to agree with the other members of the commonwealth and invited our full cooperation at the table of the British nations in the determination of those features of commonwealth policy in which all of us are concerned.

The Prime Minister objects to a phrase that I used in relation to the pre-war days. Canada refused in those days to sit down with the other parts of the empire and discuss imperial defence, according to Mr. Duncan Hall in his book on the British commonwealth. The Prime Minister says that it is idle to speculate on what would have happened, that it is foolish to think that things would have been different had Hitler known Canada's stand. I say, Mr. Chairman, that Hitler was entitled to rely on the speech made in the House of Commons on March 30, 1939, which indicated that Canada's attitude was this, that the Prime Minister thought it was foolish to expect that Canada should go to war to save Europe every twenty years. Everybody knew in 1938 what Hitler was going to do, and yet it was in 1938—was it not?—that the matter of the commonwealth air training plan came before this country.

Mr. MACKENZIE KING: My hon. friend asked for time to reply in regard to one concrete matter. I did not know that he was going into the general field. If he intends to take in the general field I shall be happy to follow him later on.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. MACKENZIE KING moved that the committee rise, report progress, and ask leave to sit again this day.

Mr. NEILL: I protest against that. The Prime Minister said this morning that it was highly desirable to get on with the business of the house. He suggested we should add two more hours to our sitting, and said that it was not necessary for every hon. member to be present, that a member needed to attend only on those items with which he was concerned. I have been sitting here for two days waiting for the item to come up. I gave way this morning to the hon. member for

Lake Centre, although I think I was on my feet before he was. Then, of course, the Prime Minister had the right of way after that. Then I had the floor, but the hon. member for Lake Centre wanted to say just those last few words in answer to the Prime Minister, and he took advantage of the situation to introduce some totally irrelevant and extraneous matters, which of course would call for a reply from the Prime Minister. Now we are told that we are to drop this order of business and go into some other subject. We were not told we were going on this morning with the estimates of the Prime Minister. It practically means that every hon. member who is interested in any subject has to sit here in this sweltering heat from eleven in the morning to eleven at night on the off-chance that something may come up in which he is interested. Now that we are going on with this other subject may I ask the Prime Minister when we may definitely expect to go on with the estimate which was before us at one o'clock?

Mr. MACKENZIE KING: I am sorry that the hon. member for Comox-Alberni has been inconvenienced, and I extend to him my deepest sympathy. The announcement which was made last night was definite in this particular, that it stated certain matters for the morning, and then was quite clear in the announcement that—

in the afternoon we shall take up the second reading of the war grants bill and continue until it is concluded.

The reason for that is that the government is anxious to get its bills over to the other house as rapidly as may be possible. We would have taken the war grants bill first thing this morning except for the fact that I understood hon. gentlemen opposite would prefer to go on with it in the afternoon, the bill itself not having been distributed quite soon enough. It is for that reason that I am asking now that the committee rise and progress be reported, so that we may go on with the second reading of the war service gratuities bill.

As to my hon. friend's request, I wish I could give him some assurance as to when the estimates of the Department of External Affairs will again be to the fore, but that will necessarily depend upon the progress which is made with other matters, and for that reason I cannot give him the assurance he asks. Any inside point of view I may gain I shall try to let him have it.

Motion agreed to.

Progress reported.

[Mr. Neill.]

WAR SERVICE GRATUITIES

CANADIAN ARMED FORCES ACTIVE SERVICE PERSONNEL—PAYMENTS ON RETIREMENT OR DISCHARGE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of bill No. 184, to provide for the payment of war service gratuities and for the grant of reestablishment credits to members of His Majesty's forces in respect of service during the present war.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I really do not know that there is very much that one can add on the second reading of the bill to the discussion which has taken place on the resolution. The resolution was purposely made as full as possible in order that hon. members might get a general outline of what the plan is.

I can assure the house—and I am speaking now particularly with regard to the first part of the bill, which has to do with war service gratuities, but it also applies to the general scheme of the measure—that this measure is the result of long and earnest study. We have examined all the information which has been available regarding planning in the United Kingdom, in the United States, and in other dominions. We have studied the provisions of the measure on the same subject which was brought down after the last war. The plan which is covered by the bill is the outcome of no less than ten different plans which have been considered. That is to say, from time to time certain features have been adopted or discarded or changed, and this bill is the result of the tenth—and the final—draft of a plan with regard to war service gratuities and rehabilitation.

I want to put in concrete form and on record an outline of the plan.

First, as to its application. It applies only to those who have enlisted or who have been at any time obligated to service anywhere; that is to say, service without territorial limitation.

Firstly, it applies to the man who has enlisted, whether he is in Canada or overseas, but at different rates depending on where that service may have been rendered.

Secondly, it applies to men who may be obligated by being called up under the National Resources Mobilization Act for service anywhere, that is to say without any limitation as to territory. There again different rates apply to the portion of the service which may be in Canada and the portion which may be overseas.

Thirdly, it does not apply to men who are called up for service in Canada unless and until they have enlisted for general service, or the area of their service has been extended under the National Resources Mobilization Act to include overseas.

Fourthly, it includes those who served in the offensive operations in the Aleutian islands, for the period of that service.

The plan, as has been indicated by the resolution, is divided into two parts: first, a cash grant as a war service gratuity, payable in monthly instalments, plus certain pay and allowances the rates of which will appear; secondly, in addition to those, a reestablishment credit which a man may take advantage of for certain specified purposes at any time within ten years. This reestablishment credit is an amount equal to the war service gratuity.

The basis on which the war service gratuity is paid is, first, $7.50 for each thirty days of service in respect of service in the western hemisphere; secondly, $15 for each thirty days of service in respect of service overseas and in the Aleutian islands; and thirdly, in addition, for each six months of service overseas or in the Aleutian islands, a man gets seven days' pay and allowances of rank.

That last feature is based on the fact that those serving overseas or in the Aleutian islands, or at least those serving overseas, have had no opportunity of obtaining leave to visit their families. This seven days' pay and allowance for each six months is to give them the equivalent of the leave they would have had if they had been in Canada and had had the opportunity to visit their families. Fourteen days a year is exactly comparable to the leave given as annual leave to those serving in this country, with a few exceptions. There are some special exceptions in which it is twenty-eight days per year.

The basis of the rehabilitation grant is one month's pay and allowances of rank. That grant, as has been indicated in the discussion on the resolution, is already in effect, and that will continue to be paid in addition to the payments I have already mentioned.

Then there comes the reestablishment credit, and as I have already said, that credit is an amount equal to the amount of the war service gratuity on the basis of $7.50 per month or $15 per month as the case may be. That is essentially a reestablishment matter, and the Minister of Pensions and National Health (Mr. Mackenzie) will be the minister who will deal with that in the discussion that will ensue. As I have already indicated to the committee, the long-term administration of the act, and that applies particularly to the reestablishment credit, will be under him.

In connection with the reestablishment credit, as has been indicated in the discussion in the committee stage of the resolution, there have been a great number of other reestablishment benefits already provided for, and the minister of pensions will I am sure indicate them to the committee if that is desired.

Mr. GRAYDON: I take it that when the minister speaks of the minister of pensions he means the present minister, who will no doubt be given some identification, perhaps in relation to the Department of Veterans Affairs.

Mr. RALSTON: My hon. friend is perfectly right. The act provides that it is the minister of pensions or the minister of the Department of Veterans Affairs which has been established at this session. That reestablishment credit, I may say, provides an alternative to these other forms of reestablishment, and there is a considerable list, as the house will see in the bill, of uses to which the reestablishment credit can be put, and which it is hoped will assist materially in getting the individual settled in his community in post-war life.

Perhaps I should mention the principles on which the plan is founded. There were two alternatives in connection with war gratuities. One was a flat rate irrespective of rank; the other was a gratuity according to rank and based on pay and allowances of rank. No doubt good reasons could be advanced for either of these systems, but the government felt that to adhere rigidly to either of these plans could not be regarded as the fairest thing to do, and the plan therefore, as indicated in the resolution and in the bill, combines both principles. First, there is the basic gratuity of a flat rate of $7.50 and $15, which gives a flat amount, regardless of rank, for all ranks with the same lengths of service in the western hemisphere and overseas; and, secondly, rank is given consideration in providing for pay and allowances of rank, for a certain number of days for those with overseas service and also in connection with the rehabilitation grant of one month's pay and allowances, which is already in effect.

Then there were two other principles, either of which might be considered: a simple cash grant and call it a day and say to the men, "That is the payment we are going to make; do what you like after that"; and the other would be to devote everything to rehabilitation measures, assistance in kind, rather than in cash, so to speak. Those two principles have been combined in the bill and we have therefore a substantial cash grant and along with that a credit for reestablishment purposes of an amount equal to the basic gratuity. It is felt again that the combination of the two ideas would be better than the adoption exclusively of either of them.

In making a comparison with the gratuities payable at the time of the last war, I want it understood that I am offering no criticism whatever. The gratuities then were based on what I have no doubt was regarded as the best form in which the matter could be worked out. A grant was made almost immediately at the close of the war. But there are some anomalies in the provision made in the last war and we have had the benefit of an examination of those anomalies and a thorough exploration of the possibilities for improvement, and I should like to refer to some of these.

The first point is that gratuity in the last war was based entirely on pay and allowances of rank. In other words, the first alternative I mentioned a moment ago was adopted. That last war plan was one month's pay and allowances of rank for each year of service for those who served in Canada and two months' pay and allowances of pay and rank for each year for those whose service was partly overseas. The result was that there was a great disparity between the gratuity payable to officers and that received by the men.

I may say that the United States in this war, as was indicated in the previous discussion, provided for mustering-out pay based on a flat rate for all ranks up to the rank of colonel, I think it was, and we have adopted the flat rate irrespective of rank for the basic gratuity and have given recognition to pay and allowances of rank in respect of payments for seven days for each six months of service overseas and in respect of the rehabilitation grant.

The second point to be noted is that in the last war there was a floor of $70 for single men and of $100 for married men. In other words, that was the minimum which was provided for each man.

Mr. GRAYDON: Was there any clothing allowance at that time?

Mr. RALSTON: At that time it was $35, the same as our original clothing allowance in this war.

We have not adopted that principle of the floor in this bill. It provides for allowances based on actual length of service and does not provide any floor.

A third point is that in the last war no one got pay and allowances in respect of service beyond three years. There was a ceiling. That is to say, the gratuity for four years' service was the same as the gratuity for three. Here again we have avoided that anomaly by putting in no arbitrary limitation on the period of service in respect of which the gratuity will be paid.

A fourth point is that in the last war the gratuity was so much per year of service and there was no proportionate gratuity allowed for parts of a year. A man serving twenty-four months received a gratuity of two years' service and a man serving twenty-three months received a gratuity for one year's service only, that is to say, only half of what the first man received, notwithstanding that both periods of service were almost identical in length. This measure endeavours to assess the service much more equitably by estimating the amount to be received in months and not in years.

One other difference in the provision made in the last war was that if a man got overseas his whole service was regarded as overseas service. That of course did make a substantial difference in a man's gratuity. In this bill we double the overseas rate, but provide an additional amount for actual overseas service in the form of seven days' pay and allowances for each six months overseas, and we have felt that it would be better and fairer that the rate to be paid should depend on just what service is actually rendered in each particular theatre. Therefore $7.50 is provided for such service as is in Canada and the western hemisphere and $15 for such service as is overseas. In other words, there is not an artificial service created by reason of the fact that a man has at some time been overseas.

Mr. BURTON: Suppose a man has offered to go overseas. Suppose he has volunteered to go overseas but the department has considered that he is better in Canada than being overseas. He remains in Canada, therefore. What provision is made for him?

Mr. RALSTON: That was what I had in mind yesterday when I spoke of the luck of the draw. It is not his fault, and there are thousands of men in the same position. That man would be shut out in the same way under the provisions of the last war unless he actually got overseas, and I have no doubt there were many men in that class in the last war. But notwithstanding the fact that he was willing to go overseas, and every man who volunteers for general service has the will to go overseas, there is this feature to be considered, that he has the benefit of non-separation, at least by long distance, from his family, and he does have the opportunity of visiting his family from time to time and keeping more closely in touch with employment and domestic conditions in Canada while he is here. That is the reason for providing that he shall be paid in accordance with the rates for Canadian service.

Mr. BRUCE: Does the same regulation apply to men who have gone active and

remained in Canada, as to those in the home defence army who have not been willing to go active?

Mr. RALSTON: When a man enlists, whether he may have been an N.R.M.A. man, or whether he may have enlisted off the street, so to speak, he becomes an enlisted man and is entitled to the Canadian rate so long as he is in Canada, but only from the time he enlists.

Mr. BRUCE: Whether he is in the N.R.M.A. or not?

Mr. RALSTON: He is out of the N.R.M.A. when he enlists. His time counts only from the day he actually enlisted. That was dealt with when we were discussing the resolution yesterday.

Now, with regard to other countries, in New Zealand what appears they intend to make for post-war is a retroactive increase in pay of one shilling to be paid to all ranks going back to the date of enlistment. In other words, while it is called a retroactive increase in pay it is really a credit of a shilling for each day that the man has served. The amount is credited in pay accounts and it will be paid in a lump sum at the time of discharge. That means, of course, a flat rate for all ranks.

Mr. SENN: The minister spoke about this dating from the time of enlistment. I know of a number of boys who tried to enlist and who were not called up for a month or six weeks after they had offered. When would the time begin in a case like that?

Mr. RALSTON: I do not know what was done in that case. The service would count from the time of the signing of the attestation paper. I could not tell, unless I was given the particular case, when they were attested. If they were sent away to come back in six weeks' time the time would not apply until attestation. Were these air force men?

Mr. SENN: Yes.

Mr. RALSTON: There were cases in the air force in which men were attested and given leave, perhaps indefinitely. In such a case it would be regarded as service.

Mr. SENN: They were accepted, but I do not know whether they were attested.

Mr. RALSTON: I do not imagine they were attested until they came back.

Australia has not as yet completed a war service gratuity plan. I have some information with regard to plans that were under consideration, but the information is confidential at the moment. As I indicated yesterday, South Africa has provided for a flat rate for all ranks regardless of the area of service; whether they serve in South Africa or anywhere else it is the same—thirty shillings a month for each month of service for European men; fifteen shillings a month for European women; ten shillings a month for coloured personnel and five shillings a month for native personnel. The payment in these cases is to be made in union loan certificates. The house may be interested in this. In going over the reports of 1918 and 1919 I happened to find—the government claims no pride of authorship of this plan—but as a matter of fact it was after we had evolved the plan that we found that a similar plan was proposed by the late Colonel J. W. Margeson, of Nova Scotia by the way. He presented it to the civil reestablishment committee in 1918 or 1919. He proposed a plan whereby everybody would be paid up to $500 in cash, and—

Mr. GRAYDON: That was a Canadian committee?

Mr. RALSTON: Yes—also proposed that some provision should be made for a credit whereby a man might be paid up to $1,500, and he designated certain purposes to which this credit might be applied, purposes similar to the purposes set out in sections 8, 9 and 10 of this bill. As a matter of fact the purposes he mentioned to the committee were not nearly as comprehensive as the purposes in this bill, but it was the same idea—part cash and part reestablishment credit. That plan was not accepted at the time. I should say that proposal was made to the reestablishment committee after the war services gratuities had been passed by the government.

I do not think there is anything further I can add in explanation of the bill.

May I just add this. Having regard to my responsibilities, to me this bill is just as important as, if not more important, than any other measure that has come before this house. We have dealt with many other important measures, but I think this one takes second place to none. All our efforts in this war are directed toward the defeat of the enemy. That is the thing we are driving for, and the point is that the enemy cannot be defeated without fighting men. The culmination and summit of our activities against the enemy is the presence to-day of the fighting forces of Canada on sea, on land and in the air, adding their weight to the blows which are being rained on Hitler and the German army, in the east and in the south and west. The casualty lists that I have the sombre opportunity of reading every day tells the story of the courage and devotion of those men, and I may say of the women too. It is those men and women, and those in Canada who are doing their part by

backing them up in the way of training, equipment and reinforcements, that this bill seeks to recognize. Many of those who have gone into the battle lines in the navy, the army and the air force will, alas, not come back, and it may be that more will join that heroic army of the fallen. Many will have suffered wounds, but most of them, whether or not they have been fortunate enough to escape injury, will have suffered ills or hardship, physical, mental or financial. They cannot escape that. These men and women who come back will, I hope and believe, be the backbone of post-war Canada. It seems to me we cannot dwell on that too much, because men who have done the things they have accomplished, and have gone through the hardships they have endured, and have shown the resolution they have displayed, are going to be a potent force in this dominion. We cannot hope either to repay or to make up to them in any material way what they have lost in those years in the separation from their homes and from their peace-time occupations. But we do say, and we try to say it in this bill, that this country must do all in its power to make sure that the change-over to civil life, when it comes, shall be as speedy and as successful as we can make it. It is with that objective in mind that I commend this bill to the house.

Mr. GRAYDON: May I be permitted to ask one question? I had intended asking permission to make the inquiry before the minister came to the general part of his remarks. Did the government give consideration to a payment in the form of a battle line bonus for those who have actually been in contact with the enemy, over and above this standard gratuity that has been provided for? It would seem to me that that involves an element that should not be completely disregarded in a bill of this kind.

Mr. RALSTON: As I indicated yesterday, the committee which was dealing with it considered very carefully the matter of what some people call a combatant gratuity or bonus, and endeavoured to see if it were possible to draw any line or make any distinction or adopt any definition which would give special recognition in that respect. As I indicated, it finally came back to discussion of a flat amount regardless of pay and allowances for those who were overseas, no matter in what theatre of action. The view was that they all were more or less in a theatre of action, and the idea of a distinction in degrees of danger was discarded and the principle was adopted of double gratuity and the seven-day pay and allowances based directly on service over there, and rank so far as pay and allowances were concerned. That one item of the seven days pay and allowances amounted to something like $50,000,000. I endeavoured to explain to the committee yesterday some of the difficulties of endeavouring to draw any line. I have no doubt that a lot of people would try, as we have tried, to see if they could reach any definition which would help and which would not at the same time have elements of hardship or elements of unfairness or elements of inequity. I think there is no way in which it can be done unless you took the individual man and had a board try his individual case to find out exactly what danger he was in at a particular time; because I can conceive of occasions of a man in a unit being at a particular time in danger when the rest of the unit was in comparative safety for the time being. Certain troops may be further up than the rest of the troops with whom they are serving, and consequently may be in more danger. You cannot adopt any rule having regard to actual contact with the enemy which will be fair and which will not include some who would not be entitled on the basis of that test, and would not at the same time exclude others who might be entitled. Therefore the provision of the bill distinguishes between overseas and Canada, first on the basis of risk and second on the basis of separation, to mention only two of the features. These are the fairest tests, the two principal tests that may be applied; and as I indicated we seem to be backed up in that by the fact that the United States have adopted the same idea. South Africa has not even gone that far but has made the allowance absolutely flat, regardless of area of service; and if I remember correctly New Zealand has done the same. They have not even attempted to differentiate between service overseas and service in the country. There is also the point that after the last war exactly the same distinction was adopted in the Canadian war gratuity scheme.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, the purpose of this bill is to recognize the service of members of His Majesty's forces who have been on active service, and we support the government in this recognition. I should like to make a plea this afternoon, however, in behalf of those who bear the real brunt and pay the real cost of the war, but who are not recognized under this legislation. I am going to ask the government if they will not give consideration to the granting of gratuities to the next of kin of those who pay the supreme sacrifice. Parents who are actually dependents now come under the act and receive gratuities, but in thousands of

cases the father is still earning a living, and because the boy has made no request for dependents' allowance his parents do not qualify under this legislation. All the mothers and fathers of our boys know anxiety and worry. If you have watched them, as I have, listening to the news over the radio, knowing that their boys are on bombing raids over enemy territory if you have seen their anxious expressions every time the mail man comes or the telegraph boy passes by, you must retalize something of what these people are going through. We can never repay them for the loss suffered when their sons pay the supreme sacrifice; a gratuity of any kind can be only a sort of token, but in many cases it would help a great deal.

I have in mind parents who are approaching the time when their ability to earn a living will be greatly diminished. I am thinking of fathers who have been incapacitated since their sons have gone on active service, and who have not had the opportunity to apply for dependents' allowance. The payment of a gratuity to the next of kin, I should say not less than that which would be paid to a soldier who had spent two years on active service, would do something to recognize the service of those who have lost their lives. Perhaps some of the parents would not want this money; they might prefer to donate it to a fund for the purpose of waging war against the causes of war, but in many cases where the parents are reaching their declining years, when they might have depended upon their sons to assist them in some degree, the payment of a gratuity of that kind would be of great help. I do not think the expense would be very great, since the payments would be comparatively small, and if the government would give consideration to expanding the payment of these gratuities to take in the next of kin I am sure that action would be very favourably received. At least it would be a gesture; in some cases it would be a great help—

Mr. MACKENZIE (Vancouver Centre): Is that not covered by section 4?

Mr. CASTLEDEN: Not as I read it. If the minister will give me his assurance that the next of kin are covered, I shall be very happy, but I believe this deals only with those who have been recognized as dependents.

Mr. RALSTON: Or who have received assigned pay.

Mr. CASTLEDEN: That is so, but there are some cases in which the pay has not been assigned. I do ask the government to take this suggestion into consideration, for I am sure it would receive the unanimous support of this house, and in many cases it would relieve definite hardship. The cost of the war in blood can never be paid, and these are the real costs. A battleship sinks; no one loses very much as a result, because those who have lent their millions are guaranteed the return of their money, but the men who go down with that ship can never come back. I am sure this gesture on the part of the government would be gratefully received, and I should like to know if the government could not find some way in which a regulation could be added to make such payments possible.

Mr. KARL K. HOMUTH (Waterloo South): I think hon. members generally regret that this bill has come before us in the dying hours of this session, for it is perhaps the most important measure to be brought before the house; it will mean so much to those who are doing so much for this country and for the world generally. Had the bill been brought in earlier it would have been given more publicity, and I believe the government would have changed their ideas in regard to some of its provisions. As the minister said yesterday, this is at least a gesture of appreciation on the part of the Canadian people of the service rendered by the men who have enlisted for active service and gone overseas. Yet we have imposed so many conditions upon the payment of these gratuities that in my opinion the scheme looks rather ridiculous.

Let us take the case of two men who enlisted for active service, and who served one year in Canada and two years overseas. As the Minister of National Defence for Naval Services (Mr. Macdonald) said yesterday, each will receive a gratuity of $450; each will have a credit set up of another $450, making a total of $900 payable to each of them under certain conditions. Under section 9 of the act the credit must be used for one of the purposes there set out. A single man coming back may have no interest in a home, or in furniture, or in buying tools for a trade, or in furthering his education, or in any government scheme of insurance, or in any of the other matters dealt with in section 9. In that case he does not get any of that money. Yet someone else who wishes to buy a house or to do one of the things provided in the section will get twice as much money as the one who has no intention of doing any of those things.

Surely if we are going to give these men something in appreciation of what they have done for us and the country we should not hedge it in with provisions as to how they should spend the money. We should not say: We are going to supervise the spending of it; we are going to take charge of that part which is marked as credit; and if you do

any of these things you will get so much money, but if you do not you will get only half as much as the other soldier who has seen the same length of service.

If we wish to treat these men right and fairly and equitably the only way we can do it is to give a lump sum. We must not say to them: We cannot trust you to spend this money in a proper way. We should say: This money is yours; do with it as you like. Had this bill been introduced earlier in the session I believe some of its provisions could have been given more consideration, and some of these things would have been changed. I protest against any government paying gratuities to men in our fighting forces and then saying to them, through legislation: We will give you this money, but we are going to see how you spend it. We had faith enough in them to let them go over there to risk their lives for us and for the country. Surely we can have the same faith in them, if they are given this money in a lump sum. Surely we need not hedge them in with a lot of provisions and stipulations as to how they must spend it.

Mr. G. RUSSELL BOUCHER (Carleton): Mr. Speaker, the hon. member for Yorkton (Mr. Castleden) spoke to-day on the point I raised yesterday when the resolution was under consideration. I notice that in section 4 of the bill provision is made for the dependent, of those who have paid the supreme sacrifice, in the event of their receiving dependents' allowance or assigned pay. There are two problems coming within the scope of section 4 which I think the minister should take into serious consideration. I have in mind the case, for example, of the young airman who has paid the supreme sacrifice, but who may have served overseas only one month. After that length of service the grim reaper calls him, and in calculating his gratuity he would be entitled to payment only for a very limited period of service overseas. Although this young man has paid the supreme sacrifice, his dependents will be cut off from allowances by virtue of his death. The fact that the sons, brothers or husbands of these people have lost their lives on the field of battle, after only short service, should not deprive them of compensation. Young boys may have left to join the armed forces before making any financial contributions to the home; their parents may not have been dependent upon those young men at the time they enlisted. In such cases the next of kin, not having qualified as dependents, will lose a considerable portion of these benefits. In my view section 4 does not go far enough in dealing with such cases.

[Mr. Homuth.]

The dependent whose son returns is much more fortunate than the one whose son will never come back. In considering the provision for beneficent tokens of appreciation, limited as they are and inadequate as they must of necessity be, we should have given our first thought to the next of kin of those who have paid the supreme sacrifice. The fact that they have been killed in battle early in their term of service should not militate against the receipt of benefits by their next of kin. I suggest that these two points should be covered more fully than they are in section 4 of the bill.

Mr. RALSTON: Mr. Speaker, almost all this discussion has been directed to the different sections of the bill. It would be much more convenient for hon. members, and I am sure for the ministers, if we were to go into committee immediately after the bill is given second reading.

Mr. GRAYDON: There are some others who wish to speak on second reading.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, on second reading there are some points I should like to bring to the attention of the house. May I say at the outset that there have been some grave errors made in connection with this bill. Under paragraphs (a), (b) and (c), now incorporated in parts I and II of the bill, members of the forces shall receive $7.50 for each 30-day service on the western hemisphere and $15 for the same length of service overseas. Those payments are deferred. As I read the bill the mistake made is that these men will have to wait for their discharges before they receive those benefits. Many of the men will be wounded, and they will not get their discharge papers immediately.

While this bill is commendable in many respects, I am afraid that in the larger cities it offers no direct assistance to the men until discharge papers are obtained. My contention is that the principle of the bill is all wrong. It involves process of gratuity and credit, together with rehabilitation, where it should be based on one broad principle, namely that upon discharge the soldier should be put back into the position he held when he signed up for war, in his attestation papers. I find no such principle in this bill. There are many mistakes in it. There is the large amount of $350,000,000 allocated to the soldiers. But that is not the correct amount at all, because we have to take out those who are qualifying under the housing act, those who are qualifying under the veterans' land act, those who are going to universities or who are taking

other forms of training in vocational pursuits. So that this sum will be reduced to only a portion of $350,000,000 in direct aid.

The worst feature of the bill is the manner in which it gives the aid to the soldier when he arrives on the streets of his village or town, or on the farm. How will it help? This provision puts me very much in mind of the man who makes a will in which he gives a grant of $5,000 but ties it up so completely that it is not worth a five-cent piece until the beneficiary dies or until somebody else gets it. The same principle is found in this bill. Too many lawyers have had something to do with it—and I am not referring to the three able lawyers who are ministers of the crown; far from it. But there has been no attempt to do some direct and final things for these soldiers who come home. I see them on Yonge street and I see them in Ottawa, in other parts of the country and on the trains. I talk to them, and some of them tell me they have not received a cent yet for clothing. And yet there are some who are walking around the streets of Ottawa, who have five or six uniforms, but have never been out of Ottawa.

This allowance of $100 is not enough to buy an overcoat. I do not know where these men are going to get outfits for $100 in these days. In the first place that is not enough money to buy them, and in the second place the supplies and equipment are not available. They cannot be fitted, and there are many other difficulties.

This bill is drawn up in such a way that it does not include certain young Canadians who should be included. Let us consider, for instance, those who after Munich, but before the war broke out, rushed to Great Britain when her rearmament began. Many of those men had just graduated in 1938 from Canadian universities. What did they do? They thought war was coming. Everybody knew it was coming. We in this House of Commons knew it was coming, but if we said so we would be called warmongers. I can tell you this, that these following classes should be added to the bill: First, those young Canadians who went overseas to join the British forces, many of them in cattle boats, at their own expense. Second, the merchant marine. There are a great many others who should be included. For instance, those who are serving with the imperials. Surely we should learn something from the last war, when many went overseas and served with the imperials, then came back to Canada, where they had owned a home before the war. They are not included at all.

I have calculated what the $7.50 in respect of service performed in the western hemisphere and the $15 in respect of overseas service will amount to for a soldier who has been fighting in Africa or in France or Normandy for three years. It means that he will get a cash grant of $480 for three years when he comes home. What good will that be?

The resolution and this bill have been drafted by the three defence ministers, the Minister of Finance, the Minister of Pensions and National Health and I believe the Secretary of State for External Affairs. Five or six ministers have combined in drafting the bill and its terms of payment. The bill itself is a short one. It starts with a clause of definitions, defining "credit", "dependents' allowance", "overseas service", "forces", and so on. The definitions are not very long. Then we come to part I, which deals with the actual gratuity, and this part dealing with the terms of payment is very important. One section deals with the payment of gratuity in case of the death of a member of the forces. The dependents of every member of the forces who has been killed in this war should get the benefit of this cash gratuity as well as other benefits, particularly housing. In the city from which I come only one per cent of the houses are vacant. As the hon. member for Davenport said, the government gave a courteous hearing to the deputation which waited upon them from the city of Toronto with respect to housing. But you cannot build houses without all kinds of necessary municipal services, light, power, water, sewers, transportation and so on. That is the key to the whole housing situation, as everybody knows.

As I read the bill, the widow and children of a member of the forces who has been killed in this war will not qualify for the reestablishment credits provided for in part II of the bill. When the resolution was under discussion I referred to the way in which this country has been dealing with material needs. Parliament this session has provided $1,050,000,000 for material needs. We have provided for the soldiers only $350,000,000. A great many who should have been eligible to receive the benefits of this gratuity I am afraid will not come under the bill.

The Minister of Pensions and National Health has got out a splendid booklet and fifty copies have been ordered by the city council of Toronto for distribution among the heads of departments. I find in it a great

deal of useful information in support of this bill. I have often spoken of university training. In the last war only about twenty per cent of the members of the forces had had secondary school education. The percentage is much higher in this war. I know that a great many enlisted in the city of Toronto who were attending our high schools and the university there. We had 900 young boys of seventeen, eighteen, nineteen and twenty years of age killed already who entered the forces from the secondary schools of Toronto. Some others of them, not home yet, have been only a year in the service and they will not get a very large cash gratuity, but they will qualify for the university training with small pay. This splendid booklet got out by the Minister of Pensions and National Health explains the principles in dealing with university education.

The sections of this bill which deal with reestablishment and rehabilitation credits cover a whole lot of people who will not actually get any benefits under the bill. The Prime Minister referred to a maintenance allowance for veterans and their families who are out of work. A great many of them will be out of work, particularly those who have come back and are not one hundred per cent physically efficient. I advocated when the war started that we should have a national system of insurance to take care of unemployment of soldiers, because I know what our experience was in the last war. A wounded soldier who was not one hundred per cent physically efficient had great difficulty in getting employment because employers did not want labour which was not one hundred per cent efficient. This class will have the same trouble in getting work after this war is over, but they would have been looked after if my resolution for a national system of insurance and to provide against unemployment for three years after the war had been adopted.

The bill is not broad enough. It does not give cash at the time it is needed to the soldier when he arrives back home and goes to his own city or town or farm. That is when he needs the cash, and three or four hundred dollars will not help him very much, especially if he has a bill of sale or chattel mortgage on which these shark loan companies are charging two or three per cent a month under legislation passed by this parliament. I hope that this bill will be a success but it does not reach all the people to whom I have referred and who should be included under the bill. It does not adopt the principle that this parliament ought to put the returned soldier back into the same financial position he was in when the war started. It does not provide for maintaining him if he is out of employment.

[Mr. Church.]

Mr. G. T. FULFORD (Leeds): Mr. Speaker, I merely wish to go on record as completely and entirely in favour of this bill. In my opinion it is the finest and the most humane bill that has been brought down in this chamber since I have been a member of the house. This bill is after all but a small token of the appreciation of Canada of the services of those who have offered their lives to defend this country in this time of crisis. I know that it is the general desire of the house and the country that we should in a concrete form express our appreciation of the sacrifices that our men and women have voluntarily made in this war. At the same time I wish to state that there is no one in this chamber who regrets more than I do that the government have not seen fit to implement the terms of the National Resources Mobilization act and draft all who are enrolled in the army for overseas service. I am glad, however, that expression is given in this bill to our desire to assist those who have voluntarily enlisted and show them that we appreciate their efforts and the sacrifices they have made. I wish to compliment all the ministers who have been responsible for bringing forward this measure on the thought that has been put into it, and I trust that it will soon be passed.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I did not say anything on the resolution stage, because something the Prime Minister said during the course of his able speech in introducing this bill recalled to my mind the sons of four of my neighbours. One was a young hero named Robert Lockhart, one named William Winter, one named David Duncan, one named Murray Fitzpatrick. All these four boys have passed on, and in the presence of such tragedies, words seemed empty of meaning. However, if I do not say something in support of the bill my silence might be misconstrued.

The bill proposes a much better system of benefits for the soldiers who come back from this war than were available to those who returned from the last war. I remember very clearly what took place at that time. I used to come to Ottawa on many occasions in those days on behalf of the returned men of the riding in which I lived and from which a very large number enlisted. With that experience in mind, I compliment those who framed and those who were associated in framing this bill upon what it proposes. I do not feel competent to say that it is perfect, but it goes a considerable distance in the right direction, and I have no doubt that if it does not do all that is intended, future administrations will see that the situation is remedied.

There are some aspects of it which I like very much. I compliment whoever is responsible for allowing ten years to the returned soldier to decide whether to apply for the re-establishment credit. Many of the boys who came back from the last war were anxious to get out of khaki and be done with the whole business, and I am afraid that many of them lost what were their rights. The allowance of a period of ten years in this measure is a step in the right direction.

Much has been said as to whether these heroes and heroines, when they come back, should be given all these benefits outright. I am of two minds on the matter. In two speeches yesterday the view was expressed that everything should be given to them at once and that they should do what they liked with it. I remember, following the last war, calling one day at a home where the young man had come back from overseas. He had been over there four years, and knew little more about what to do with money than a child would know. If my memory is correct he received something over $600. While I was talking to his mother he drove up to the door on a motorcycle with a sidecar. The mother said, "Where did you get that?" "Oh," he said, "I bought that to take you out." He had paid nearly six hundred dollars for that motorcycle. It was his right; he could do what he liked with the money, but the family were in humble circumstances and had a heavy mortgage on their home, and I have often wondered whether it was just right to distribute money in a lump sum or whether it would have been better for the government to try to protect such men against themselves.

Later on I had much to do with reparations connected with men of the merchant marine, and I came to Ottawa to make representations to the authorities on behalf of these men. I do not remember which government was in power; it makes no difference. Among those who received a grant was one woman whose husband had been killed in the discharge of his duty as a sailor of the merchant marine. I do not know how the amount of the grant was arrived at, but I understand that where ships are captured, those who are serving on the vessel which makes the capture draw large sums of money, as in the old days when sailors divided prize money among themselves. This lady—she was a fine woman, who lived in a humble home in my end of the city—received as her share $26,000. I pleaded with the authorities not to give her all the money outright, but rather to supply her with some ready cash and provide her with the interest on the money, or give her perhaps a thousand dollars a year; for I feared she would not know how to handle such a large amount of capital. However, whoever was in charge of the distribution of the money did not want to be bothered with it; his attitude was, "Let them have it, let them squander it, let them tear it up or burn it, let them do what they like." The woman had no sooner got the money than someone, if I remember rightly, sold her a house for $17,000, and a furniture company sold her a large quantity of furniture for the house. To make a long story short, I am sure that both her house and her furniture were gone long before five or six years, and she was back where she had been when I first knew her. There is no sense to that, is there? An income of a thousand dollars a year for the rest of her life would have been a much more satisfactory provision. However, I am not going to say how much should be given, or whether it should all be given at once.

I am pleased with the provision for an outright cash gratuity which amounts to about $900 to a soldier or woman participant who serves overseas four or five years. It is a fairly substantial gratuity, and I assume that they can do as they like with it. I also approve the part of the bill which provides a credit, under section 9, to assist them to an equal amount to buy homes, et cetera. Many returned veterans of the last war who received gratuities put the money in small houses and so were able to become possessors of their own little homes, and that was a fine thing. Some men, like the young man I mentioned, did not do so, but the rest should not be condemned because a few spent their money unwisely. I strongly support section 9, which provides for the acquisition of a home, for its repair or modernization, for the purchase of furniture, the provision of capital for a business, the purchase of tools, the purchase of a business, the payment of premiums, the purchase of special equipment, and any other purpose authorized by the governor in council. This must be all to the good. I hope that in framing these provisions, whoever drafted the bill conferred with and obtained the approval of the Canadian Legion and other returned soldier organizations, because they are far more competent than any civilian to suggest what should be done. If they have approved all this, it must be good.

The problem is huge. I am not going to say much about it because I am not competent to do so. Nothing can compensate these men for what they have undergone. I have two nephews who are in the services. One of them was not nineteen when he enlisted. He is a pilot in the fleet air arm, and I have been told that casualties amongst these lads are heavy. I know that it is God's providence

that in many cases the boys get back on their ship again from a fight. The other young man gave up a big position as a statistician in New York city. Like his cousin, he has the martial spirit, his heart was in the fight, and he came home and volunteered and is overseas. The other boy, of course, volunteered too.

What is one to say about these young men? No one can possibly figure in dollars and cents what they have gone through. Those who come home are happy in their good fortune; those who do not return—well, nothing can compensate them. The hon. member for Yorkton, however, made a suggestion which I rather support and I do so partly because of the fact that at present I do not know exactly what the bill provides for.

As regards those who die leaving no next of kin who are entitled to their share, what is to be done with the contribution that would have gone to those men? If a large sum accrued to the honoured memory of such boys perhaps it could be set aside for the building of schools to educate the sons of those who do come back and who later on require assistance. In the last war three boys whom I knew very well were all killed—they were Scotch—and their mother would not take anything all her life since the great war. She has just plodded along on a small farm and to this day has refused the compensation to which she is entitled of $40 a month. I suggest that there is no reason whatever why anyone should refuse to take that money. They are entitled to it.

It would only be taking up the time of the house if I spoke any longer. In fact, Mr. Speaker, I could have sat down at the outset by merely observing that I fully support this measure. I support the best intentions of the bill, and I sincerely pray that it will bring the greatest possible comfort to all those who do come back, to their relatives and friends and to all who are entitled to it. I hope that what is planned for the rehabilitation of these young men will succeed in reestablishing them properly and that every one of them from the time he comes home and has received from his country that to which he is justly entitled, will try to forget the days that have gone and will concentrate on building up this great country, the richest in the world, with incomparable resources. I hope they will all make good and I hope too that a multitude of others from the old land will come with them and be equally successful.

Mr. CLARENCE GILLIS (Cape Breton South): I do not intend to discuss this bill in all its ramifications. I merely rise to clarify something in my own mind. We are dealing with the principle of the bill, and in section 4 the principle of making the gratuity available to certain classifications of next of kin is established. Those who had assignment of pay, or assignment of pay and allowance, and who may lose their lives during the war must be considered. The gratuity can be paid to dependents coming within the classifications mentioned, but that is all contingent upon certain discretionary powers given the minister, who may determine what the administration of the regulations shall be.

What I wish to have clarified is this. In making these payments, is the question of necessitous circumstances to be one of the governing reasons why the minister may use his discretion to make the gratuity available to the classes here set out? Or will the bill be so administered that the Minister of Veterans Affairs shall be required to check dependents' allowance files and to pay to all those set out as dependents within the meaning of the regulations as indicated in clause 4? Or will this discretionary power give the minister such latitude as will enable him to determine whether the classifications for whom we are attempting to legislate here may be eligible or otherwise? I am afraid there is some ambiguity about this provision. If we are going to pay the gratuity to dependents as set out here, there is no necessity for discretionary powers on the part of the minister, and when such powers are set out I am led to believe that there may be certain qualifications that will determine the question whether a dependent may be brought within the scope of the regulations.

With regard to the point raised by the hon. member for Yorkton, that service personnel who may lose their lives overseas should also be included in this principle, I am not so much concerned about that because I think the great majority of service personnel to-day in any of the services have an assignment of pay on coming back home. The number of those who have not an assignment is very small, and if I read this clause correctly I think we are protecting everyone who needs protection. There may be an isolated case here and there that should be taken care of by those administering the regulations, but if I am not right in assuming that this question of necessitous circumstances, with all the ramifications of the pension act in determining eligibility in regard to dependents, will form a part of the picture: if it is mandatory and obligatory on the part of the minister who will administer the regulations to take all the files of those coming within the meaning of dependent as defined in the dependents' allowance regulations, and set out in this clause, then the clause is all right. What I wish to have explained is this discretionary power.

Hon. H. A. BRUCE (Parkdale): I wish to join in the many expressions of approval of the principle of the bill to do the very best we can for our returned men and for their dependents. Nothing that we can do in a material way will ever repay them for the sacrifice and suffering which they have undergone. I hope that at this time we shall do better for them than we did after the last war. It is a very depressing thing to see returned men begging on our streets, as I have seen on more than one occasion. I do not know whether or not the provisions of this bill can definitely prevent that. I believe it is wise not to give them a lump sum at once, but if possible to spread it over in the form of an annuity to ensure that if employment is not provided for them they will at least be taken care of adequately for the rest of their lives.

This morning the hon. member for Lake Centre (Mr. Diefenbaker) brought up the question of demobilization and the plan of demobilization and spoke of the principle "first in, first out." That would seem to be a desirable thing. The minister has, however, indicated that he and his associates have not yet been able to decide upon a plan of demobilization. May I express the hope that before long such a plan will be devised because, nothing could be more helpful to the morale of our men.

I notice that a distinction is made in this bill between men called up under the National Resources Mobilization Act and those who have enlisted for active service, although the latter have not gone overseas. A definite distinction is drawn in regard to the grants that each will receive under this measure. This shows clearly that when the government said that these men of the home defence army were performing a very useful service in Canada by remaining in Canada, they realized there was a distinction between them and the active army; for otherwise the government's attitude is inconsistent when it denies the home army equal treatment with those who have enlisted but are still in Canada and not serving overseas although willing to do so. I cannot reconcile the attitude of the government in saying on the one hand that these men are doing a useful service for their country by remaining here in the home army, and on the other hand in not giving them the same compensation or consideration that they give to the men who remain home doing similar service but who have expressed their willingness to become active.

Mr. RALSTON: Does my hon. friend advocate that the N.R.M.A. men called up for service in Canada should have the same as the enlisted men?

Mr. BRUCE: I am not saying that, Mr. Speaker.

Mr. RALSTON: I think that is what my hon. friend is saying.

Mr. BRUCE: No, I most certainly am not saying that, because my view is that they should all be made to go active by the government, which so far has not had the courage to pass the necessary order in council to make everyone in the home army available for active service anywhere, where the fighting is going on.

Mr. RALSTON: It is not a matter of courage; it is a matter of necessity. It is a question of when it is necessary, not a question of courage.

Mr. BRUCE: I do not know. There will be a difference of opinion as to when it is necessary.

Mr. RALSTON: Of course.

Mr. BRUCE: When we read in the press of the tremendous casualties overseas—

Mr. SPEAKER: Order. I hope that the hon. gentleman is not going to go into a subject which is entirely outside this bill, namely, the question of the desirability of passing an order in council to enforce conscription. I hope that issue is not to be raised on this bill.

Mr. BRUCE: May I say that I did not raise this issue?

Mr. RALSTON: Yes, you did.

Mr. BRUCE: The minister did.

Mr. RALSTON: No.

Mr. BRUCE: Surely I have a right to answer.

Mr. RALSTON: I asked the hon. member if he advocated that the N.R.M.A. men be paid the same gratuity as the men who enlisted. My hon. friend refused to answer that question, and launched into a discussion as to whether or not it was necessary to call up men for active service.

Mr. CASSELMAN: Somebody asked a trick political question and did not get an answer.

Mr. BRUCE: I think it is perfectly proper for me to say this, that when appraising the value of the service of our men, which we are doing in this bill, we have to remember what sacrifices and dangers these men have

made and the terrible risks to which they have been exposed. I think the minister and the government should indicate to the house what it intends to do later on with respect to another battle in the Pacific, about which I made an inquiry yesterday. I cannot imagine anything more likely to cause trouble and disunity in this country when the war is won in Europe than to ask our men, who are now fighting there, to return home and cross Canada when they will see thousands of men of the home defence army wearing the same uniform but doing nothing to win this war and not being made to go and fight the battle in the Pacific. I should like to refer to that because it has a bearing on what we are discussing here.

I asked a question yesterday in regard to this matter, which question was as follows:

When the European war is terminated will the government ask those who have won that war to fight another war on the Pacific without in the meantime making the home defence army available for that task?

I received the following inadequate answer:

It would be utterly improper for the government to make any announcement with respect to matters which relate to the strategy of the war—

Mr. SPEAKER: Order. I must insist upon the hon. member confining his remarks to the bill before the house. If the hon. member will show me or explain to me the relevancy of the remarks he is making to the provisions of the bill, I shall be glad to hear it. I must say there is no connection between his remarks and the provisions of the bill.

Mr. BRUCE: Well, I do not know. We seem to be making a lot of regulations here to prevent hon. members from expressing their views.

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. SPEAKER: Order. The hon. member must not reflect on the Chair. I invited the hon. member to give me the relevancy of the remarks he is now making to the provisions of the bill. If the hon. member can show me or satisfy me that what he is now saying is relevant to the provisions of the bill he will be allowed to proceed, but so far as I have heard his remarks in my judgment they are not relevant to the bill.

Mr. BRUCE: I submit, Mr. Speaker, that they are, because we are speaking about the welfare of our soldiers and are making provision to take care of them when the war is over. I am introducing something that has to do with the morale of the army. We all agree that our first consideration is the winning of this war, and I am of the opinion that nothing would be more likely to improve the morale of our men overseas than to hear over the radio to-morrow that the government has voted this large sum of money for them when they return home, and in addition has passed the order in council which will provide adequate reinforcements when they are required.

Mr. D. G. ROSS (St. Paul's): Nothing we do here under this measure can repay the men who have gone overseas; the most we can do will be too little. My greatest criticism, however, is that the bill has been brought in too late in the session. Such an important measure should have been brought in much sooner, at least two or three weeks ago, and hon. members would have had an opportunity to study it. It is all very well for a few groups of people to get together to study a matter, but after all the members of this House of Commons have their fingers on the pulse of their constituents all the time; they receive suggestions, which they are only too glad to pass on, and as we know from experience measures of this kind are often altered after being introduced. This is a non-partisan bill; we all want to do everything we can for our soldiers, but I should like to mention one or two points about it which do not seem quite right.

In the first place, the men who are discharged from the army want jobs more than anything else. We have the provision which states that a man shall be taken back into his job, and that his position shall be not worse than it would have been if he had not enlisted. That is not the way the clause has been interpreted, however. It has been held to mean that a man is to get his old job back again. On several occasions I have asked the government to clarify that provision, but so far nothing has been done. Then some parts of this bill contain too many restrictions of one kind or another, and it is hard to decide just what section 4 does mean. If a man lives he will be entitled to his gratuity; there is no doubt about that. If he dies, however, in certain circumstances his dependents will not receive this gratuity. I think that should be clarified. This gratuity belongs to the individual soldier, or to his heirs no matter who they are, to use as they wish.

Then, to deal with the other provision which was mentioned by the hon. member for Waterloo South (Mr. Homuth), why should we tell these men what they may do with this money? Why should we not let them have it to use as they wish? Heaven knows they have been over there long enough to deserve at least a portion of this money to spend as they see fit. In addition, there are

not nearly enough of these classifications under which they may spend this money. These men may want to do many things, but unless they come within the terms of section 9 they fall under the other provision, which says, "and any other purpose authorized by the governor in council," so that they have to go to the governor in council to find out how they may spend their gratuity.

Those are one or two points that occur to me in connection with this measure, but of course my greatest objection is the short time we are given to discuss this matter. We received this bill only this morning, and we cannot give it proper study in this short time. We do not know what its ramifications are; we do not know how far it goes, or what is really in the mind of the government. That is the principal criticism. I venture to say this bill will have to be altered before it has been in force very long, and I suppose that will have to be done by order in council. That ought not to be necessary; the bill should be discussed at much greater length, and we should be given a much better opportunity to study it. On many occasions we have asked the government to let us know what they were going to do, and only now are we given an answer.

In connection with the clothing allowance, those returned men who were discharged and given only $35 will get nothing more. Those who were discharged and given $65 will get nothing more. Those discharged from now on will get $100. What will be paid those discharged six months from now—$120? The men who were discharged earlier need the clothing just as much as anyone else. How is this measure going to work out? I certainly support the bill, so far as that is concerned, but with these reservations.

Mr. N. J. M. LOCKHART (Lincoln): I have three points I should like cleared up so that when we get into committee we may be able to deal with one or two of the clauses. Perhaps I might make one general comment. As I said previously, we are hedging this bill about with a great many restrictions. When we passed the family allowance measure a day or so ago I did not notice that it had any restrictions of this kind. Perhaps I am out of order in making reference to that measure, but I am wondering why we can pass one bill of such magnitude with very few restrictions, while in this measure we must impose numerous conditions upon the returned soldier or his dependents.

I should like some particular information before we reach the committee stage, and perhaps I may illustrate my point by mentioning a specific instance. It will be recalled that immediately after war was declared one division or part of a division was sent overseas. Take the case of a young man who went overseas at that time; he had assigned his pay, and an allowance was being made. He was in the army only three weeks before being sent overseas; he was in England for only two weeks when, during the course of training, he was killed when a truck overturned and rolled down an embankment. How are the dependents of that young man going to get any compensation under this legislation? If the gratuity to the next of kin is based upon the length of service, which was only three weeks in Canada and two weeks overseas, it will be infinitesimal.

The next point on which I should like some information is in connection with the real meaning of this reestablishment credit. Could I be informed whether the credit to be set up is to equal the total of the gratuity, pay and allowance, and clothing allowance?

Mr. RALSTON: No.

Mr. LOCKHART: It is equal to the gratuity only?

Mr. RALSTON: Yes.

Mr. LOCKHART: Then I am opposed to that principle. Perhaps I will have more to say on one of the sections of the bill, but take the case of a man who enlisted for active service and went overseas. Six months later his wife became actively interested in army work over there and rose to a high rank. Will they both receive gratuities and allowances as though they were separate entities or separate individuals?

Mr. RALSTON: Not as though they were separate individuals. There are certain rules with regard to dependents' allowances which are applicable where both husband and wife are in the services. That rule would still apply in connection with gratuities. They would both receive gratuities. Any wife who is in the Canadian Women's Army Corps and who gets more than $2,100 does not receive dependents' allowance in respect of her husband who is already in the service. But subject to a distinction of that kind I think they would be treated separately.

Mr. LOCKHART: As separate individuals?

Mr. RALSTON: Yes.

Mr. LOCKHART: I think that covers the point. When we come to the committee stage I may have some further questions.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Bradette in the chair.

Section 1 agreed to.

On section 2—Definitions.

Mr. LOCKHART: May I now have an answer to my question? I am referring of course to the 10th Battery, which was enlisted immediately and in three weeks went overseas. They were there at Christmas of 1939, and there were casualties. I have one in mind where a truck, in training operations, rolled down a bank and there were one or two serious casualties. What happens in such a case, under this word "credit"? What comes to the next of kin? I know of three or four instances of the kind, and I have no doubt other hon. members know of others.

Mr. RALSTON: My hon. friend is putting forward an individual case. He must see that the provision would be simply the provision for service in this particular bill. I do not think the rehabilitation grant would apply in the case the hon. member has mentioned, because, if I remember correctly, it is payable in respect of service of more than 183 days.

Mr. LOCKHART: And in this particular instance, then—

Mr. RALSTON: In which particular instance I do not think this bill would provide any substantial compensation.

Mr. LOCKHART: And where there are next of kin, they would be out of luck.

Mr. RALSTON: There would be very little gratuity. I understand the case to be that of a man who enlisted very early in 1939, who served in Canada only a few weeks—

Mr. LOCKHART: The 10th Battery went over almost at once.

Mr. RALSTON: —and who within two or three weeks of arriving overseas was killed. I have no doubt the dependent is receiving a pension.

Mr. LOCKHART: No, there is no pension; but there was payment of dependents' allowance.

Mr. RALSTON: But there must be a pension.

Mr. LOCKHART: Assigned pay was being paid.

Mr. RALSTON: But there also must be a pension, if there was a dependent.

[Mr. Lockhart.]

Mr. LOCKHART: No, there is no pension being paid, because perhaps of particular circumstances. But assigned pay was sent home to meet certain family obligations. There are two or three other cases—

Mr. RALSTON: Let us stick to this one. This case interests me.

Mr. LOCKHART: The young man went overseas and assigned pay to his mother, although the mother was not particularly dependent upon him. That is, there was a husband in question—or, shall I say, a kind of husband. But the young man did provide as assigned pay all he could possibly afford, to be paid to his mother. He was there only a very short time when he was killed through an accident, caused I believe by a truck running down a bank, or something of the kind.

Mr. MACKENZIE (Vancouver Centre): Was the mother dependent upon the boy?

Mr. LOCKHART: Only partly so.

Mr. MACKENZIE (Vancouver Centre): Then that is why the pension is not payable.

Mr. LOCKHART: In that case it would appear as though next of kin would not get anything.

Mr. MacNICOL: Why would not the mother get something?

Mr. LOCKHART: I am wondering if there is any provision whereby under which in a case of that kind some relief might be given. I can bring to the attention of the committee other cases involving men who enlisted in the early stages of the war, before Christmas of 1939. In those cases there might be no pension rights, or it would be difficult to show any pension rights, although there might be a certain amount of dependency because of the irresponsibility of, perhaps, a father.

Mr. MACKENZIE (Vancouver Centre): Could she establish that she would have been dependent upon him if he had returned from overseas service?

Mr. LOCKHART: The way circumstances have developed since, she could have established it.

Mr. MACKENZIE (Vancouver Centre): Then she is entitled to pension.

Mr. LOCKHART: We will take it up, then.

Mr. MACKENZIE (Vancouver Centre): I shall be very glad to deal with it.

Mr. LOCKHART: That covers the point.

Mr. STIRLING: Is it right to assume that paragraph (i) is the one place in the bill where the dividing line is drawn between enlisted and enrolled men?

Mr. RALSTON: No; there really is not a dividing line. The word "enlisted" is used there to make sure that the volunteer is recognized. The enlisted man is, of course, obligated to serve. But we put in the word "enlisted" and the expression "obligated to serve". There is no dividing line.

Mr. STIRLING: In paragraph (d) the word "forces" means the naval, military or air forces of His Majesty raised in Canada. That clearly covers N.R.M.A. men, does it not? Then, "overseas service" applies to service of members of the forces, and therefore could include N.R.M.A. men?

Mr. RALSTON: Yes.

Mr. STIRLING: And when we come to paragraph (i) we have the word "enlisted", which led me to suppose that that indicated a dividing line. What is there in this bill to show that the N.R.M.A. man is not entitled?

Mr. RALSTON: What is in this bill is that there is no provision for entitlement of a N.R.M.A. man who is not obligated to serve without territorial limitation.

Mr. STIRLING: But he is a member of the forces?

Mr. RALSTON: Yes, but he must have service; and "service" is defined in paragraph (i), which states that service must be either while enlisted, or obligated to serve without territorial limitation.

Mr. STIRLING: Then, paragraph (i) is therefore the one place where the dividing line is drawn.

Mr. RALSTON: I did not understand my hon. friend in the first instance. I thought I made that clear, that this constituted the only eligibility for gratuity.

Mr. CASSELMAN: Is there any difference between the two expressions, "enlisted" and "obligated to serve"?

Mr. RALSTON: I think there is no difference legally. The enlisted man is certainly obligated to serve, by contract. The N.R.M.A. man would be obligated, pursuant to action taken under the National Resources Mobilization Act. It was thought better to include the word "enlisted" as well as "obligated".

Mr. STIRLING: Those two terms—"enlisted" and "obligated to serve" cover everybody in the services?

Mr. RALSTON: No. It reads "obligated to serve without territorial limitation"—and there is a big difference. That is the limitation, and that is the difference. If we said only "obligated to serve" a man who had been called up for service in Canada would be considered as "obligated to serve"; but it is "obligated to serve without territorial limitation"—which means anywhere.

Mr. GRAYDON: I wish to return to my favourite subject, and I hope the minister will understand my motives. I feel pretty keenly in respect of one feature which in my opinion works an injustice. I do not suppose one can have a measure of this kind where there would not be some injustice. But the whole matter of gratuities having been decided on the basis of geography and of service in certain theatres, I think an injustice arises in respect of those who are actually in contact with the enemy in a major way. There cannot be much fault found with the proportionate manner in which the gratuities are to be given in certain instances, but I think in this legislation we are losing sight of one of the most powerful factors.

I draw to the attention of the committee and of the ministers this one case. Perhaps it is not fair to single out a particular case and I do so only to illustrate my argument. But take the air force. I am not sure that we are dealing justly with the air force by giving every person who happens to be serving in the force outside Canada exactly the same treatment without regard to the degree of danger in the service that he performs. I suppose that one of the most hazardous tasks of the air force is the bombing of enemy territory, and I am sure that there is hardly a night when the majority of the citizens of Canada are not concerned when they go to bed for the safety of the lads who are going out on these bombing raids over Germany. It is a terrifying experience to the ordinary civilian even to think of it. It is a job that calls for the highest kind of courage and heroism on the part of the man who undertakes it.

I am just wondering whether this bill meets that situation as it should be met. Without interfering with the present set-up of gratuities I think it would be possible to add something by way of a battle bonus which would recognize extremely hazardous service such as is performed by aircrew where it is found. I realize the difficulties which the government might have in arriving at what is actually

battle-line service and what is not in all branches of the service; but even if errors were made in the direction of more liberal treatment and greater generosity I am sure that that would not worry many of the taxpayers in this country because, as I said when speaking on the resolution, it is not a question of what this nation can afford; it is a question of what these men and these women deserve, and having that thought definitely in mind I would ask the government if it is not possible for them to give consideration now, before this bill goes through the committee, to ironing out that type of injustice which I have just brought to the attention of the committee.

If we pass this bill without giving consideration to that and without amending the bill in such a way as to give some sort of battle-line bonus, I believe that the government and this bill are going to be in for some heavy criticism not only from those directly concerned with the gratuity but from the public generally. I think the government will realize that the argument I have put forward has a strong appeal to the public generally, and the government will have to provide a pretty powerful argument as an antidote because frankly I feel that this bill as it stands, in order to render justice to the men who have really come into contact with the enemy, needs amendment. Unless we do something along the lines I have suggested, I think we are doing less than justice to the general situation. I do not wish to appear too insistent, but I really feel that the government will be making a mistake if they do not include in this legislation something in the way of a battle line bonus.

Mr. RALSTON: I have already dealt with that at length. I understand, and nobody understands better than the ministers and the officials who had to do with the matter, the difficulties in making a distinction. I sympathize with the idea put forward if it could be worked out and if you could make fair distinctions. But you have to have some sort of rules to work on unless you are going to make a different ruling for each different case and assess the degree of danger in which each particular man was. Nobody can express, not even the eloquence and earnestness of my hon. friend, the admiration we all feel for the great heroism of these airmen, but at the same time these men return to their bases to find their comrades suffering from robot bombs and from the blitz. Are those who suffer from robot bombs entitled to the bonus that my hon. friend speaks of? He says that the taxpayers would not worry about that. All right. Are the anti-aircraft men entitled to the bonus?

[Mr. Graydon.]

Mr. GRAYDON: I have given consideration to that point. If my hon. friend brings that up his argument is not tenable because he would have to bring in all the civilians as well. They appear to be suffering from the robot bombs just as much as anybody else.

Mr. RALSTON: Is that not making my hon. friend's argument less tenable, not mine? He gets into a class where there may perhaps be as much right to compensation from the state as/or any other class so far as robot bombing is concerned. Surely my hon. friend sees the difficulty the minute you start to make a separation into degrees of danger because a man will come along and say: I was just as much exposed to danger as that man, but I happened to be in a different classification, or I happened to be in a different territory. Just the other day we had thirteen men killed at a training centre in Canada by a premature bomb explosion and thirty-seven men wounded. Perhaps it would be said that a battle-line bonus for them would be fair because they had lost their lives in connection with the war. They might say: We took some risk; we did not know how much. I only mention these things to indicate how impossible it is to start making these distinctions, but if my hon. friend has any definition to suggest I am sure that we will look at it here. But I can assure him that we have worked at this thing with great care. This is no overnight plan. It is the principle we have adopted not because it is perfect but because we believe it is the most practicable principle to apply.

I come back to this. It is some testimony to the bill when I say that other countries have just had to adopt the same kind of test as we are doing. No doubt they all had before them the thought which my hon. friend has suggested. They have all been in exactly the same position and have had the same problems to consider and the same sort of service to reward.

Mr. STIRLING: May I just finish what I was discussing before? On the resolution stage it was made quite clear in the course of the discussion that the enrolled men as the minister described them, the N.R.M.A. men, were not included in this measure. When the bill came into my hands I therefore looked through it to find the wording used to ensure that, and the only thing in the bill that I could find was section 2 (i) where there is a dividing line. It seems to me strange that in that rather involved sort of way the matter is disposed of, and I understand the disposal of it to be that the N.R.M.A. man is not included. The military forces in Canada are, surely, the active army, the enrolled army, and the reserve army

or those that used to be N.P.A.M.—non-permanent active militia. I do not think I have overheard the enrolled men described as the active army. Are they?

Mr. RALSTON: Yes.

Mr. STIRLING: It is a portion of the active army? Then still more, it seems to me, in this bill a definite dividing line should be laid down between the enlisted man and the enrolled man. I do not think it is at all clear.

Mr. RALSTON: I shall have to fall back on the lawyers. I had nothing to do with the drafting of this section or the form in which it was put. The instructions were that N.R.M.A. men for service in Canada would not receive any gratuity. This is the bill which was evolved. I as a one-time lawyer now read the bill, and I find in section 3 that the only thing for which a man is given a gratuity is for every thirty days of service, and according to section 2 (i) the word "service" means—

> time served on active service in the forces while enlisted or obligated to serve without territorial limitation, or time served on active service in the Aleutian islands.

I know that the N.R.M.A. personnel called up for service in Canada are not "obligated to serve without territorial limitation" and therefore I conclude that they are not entitled to the gratuity under section 3. They are just not in there; that is all. The only service which is recognized by this bill as entitling a man to a gratuity is service without territorial limitation or time served in the Aleutians. That is all that is provided for. You do not have to put in a negative.

Mr. STIRLING: I must accept that if that is the minister's explanation of my difficulty. Would he tell me this: where else, other than the Aleutian islands, have enrolled men served? Anywhere else?

Mr. RALSTON: Yes; they have served in the western hemisphere, in Jamaica, Newfoundland, Labrador, Bermuda, I think, and some as a matter of fact in South America; Alaska, too.

Mr. STIRLING: They will be entitled, just as those who served in the Aleutian islands?

Mr. RALSTON: No; the Aleutian islands is regarded as a special operation. It was an offensive operation. The others were defensive operations; that is coast defensive operations, and were not regarded as being out of the class of other service in the western hemisphere.

Mr. STIRLING: So these N.R.M.A. men who served in the Aleutian islands are the only N.R.M.A. men who receive it?

Mr. RALSTON: Except those who might be obligated to serve without territorial limitation.

Mr. STIRLING: In the future?

Mr. RALSTON: Yes.

Mr. MACDONALD (Kingston City): I think I can see the difficulty of the hon. member for Yale. Men who are now N.R.M.A. do not come within the ambit of this bill, generally speaking, except those who have served in the Aleutian islands. But there may be a time when they will come under this bill, and consequently it is necessary to have such a definition of "service" as will include these men if and when certain events occur.

Mr. STIRLING: And of course that will not be retroactive. That will refer to that period of service.

Mr. MACDONALD (Kingston City): Only from the date when they are placed on full and unrestricted service.

Mr. MACKENZIE (Vancouver Centre): Universal service.

Mr. MACDONALD (Kingston City): I think if you defined "service" and excluded them completely you might run against that difficulty; you would need a whole set of new sections dealing with it, eventually, whereas it is dealt with now at one stroke by that definition of "service".

Mr. GILLIS: On the resolution stage several hon. members raised the question of the merchant marine. We were in hopes that they would be included in this bill. However, I notice from the definitions that they are still on the outside looking in. There is only one observation I have to make in that connection, namely, that it is the branch of the war which has been carried on by private enterprise, and I trust that the shipping companies throughout the world with which Canadian and allied merchant service men have served during this war will take cognizance of the generosity of the government in the matter of gratuities and make some of the profits which they have amassed during the process of this war available to the personnel who have served them so faithfully in this branch of the war.

On this matter of definitions, there is something I should like to ask. The army medical corps is included within the meaning of "member of the forces". There is an auxiliary of

the army medical corps which serves under that corps, namely the V.A.D. section. There is no limitation on their service; they are employed in the hospitals in Canada, and overseas if necessary. Do they come within the meaning of service personnel as defined here?

Mr. RALSTON: No, they would not.

Mr. GILLIS: I mean the St. John Ambulance Association, the V.A.D.,—

Mr. RALSTON: Nor the Red Cross.

Mr. GILLIS: They do not?

Mr. RALSTON: None of these are enlisted personnel, nor are they obligated to serve.

Mr. GILLIS: But they are serving under the army medical service.

Mr. RALSTON: When my hon. friend says they are serving "under" the army medical service, they are serving alongside, serving in hospitals. I am not sure about the V.A.D. I know the Red Cross are. I know the Red Cross are in Italy at the present time, but I do not know about the St. John Ambulance Association. But if they are serving, they are serving as auxiliary services, and are not obligated to serve, as a part of the armed forces.

Mr. GILLIS: They are definitely ruled out?

Mr. RALSTON: They are just not in. They are not included.

Mrs. CASSELMAN: What about the nursing sisters?

Mr. RALSTON: The nursing sisters are members of the forces. The Women's Division of the air force, the W.R.C.N.S. in the navy, and the C.W.A.C. of the army are all members of the forces.

Mr. MacNICOL: The men serving in the forts at Halifax may or may not have been under fire in this war, but they were under fire in the last war. If the men serving in the Halifax forts have been under fire in this war, would they be included in the bill?

Mr. RALSTON: No; they would still have been treated as serving in Canada and be subject to the lower rates.

Mr. MacNICOL: The hon. member for Yale mentioned a moment ago to myself a question which was brought up by the hon. member for Vancouver South, as to those who have been flying out over the sea in the Pacific for the last two or three years searching for Jap submarines and so forth. Are they included?

Mr. MACDONALD (Kingston City): They are included.

Mr. RALSTON: Under subparagraph (h) they are included.

Mr. MacNICOL: And the same applies to those flying off Newfoundland?

Mr. MACDONALD (Kingston City): Those who are flying outside the territorial waters of Canada.

Mr. MacNICOL: If they are out twelve miles they would be included?

Mr. MACDONALD (Kingston City): That is right—whatever the territorial waters are. Those who fly outside the territorial waters get the same treatment as if they were overseas.

Mr. MacNICOL: Anybody flying a distance of twelve miles from shore would be outside territorial waters?

Mr. MACDONALD (Kingston City): I am not sure whether three or twelve miles is our limit now.

Mr. RALSTON: In the old rum-running days it was twenty-one miles for a while, I think.

Mr. MacNICOL: What is the distance?

Mr. RALSTON: As a matter of fact I thought it was three miles.

Mr. MacNICOL: I understand that our men are flying not twelve miles only but sometimes as far as 300 miles.

Mr. MACKENZIE (Vancouver Centre): It is three miles for certain purposes and twelve miles for other purposes.

Mr. MacNICOL: Many of them fly farther than that.

Mr. RALSTON: Oh, yes.

Mr. MacNICOL: Will they not be protected by the bill?

Mr. RALSTON: Yes.

Mr. LOCKHART: May we take it that in all phases fire-fighters are definitely out?

Mr. RALSTON: I would rather say they are definitely not in.

Mr. GRAYDON: With respect to fire-fighters and merchant seamen, there is a possibility later, under some subsequent legislation which will not deal with the armed forces, seeing that these men are not technically in the armed forces, that some hope will be held out for these men to get some consideration in the days to come.

Mr. RALSTON: I do not know whether my hon. friend heard what the Prime Minister stated to the house, that the possibility was not ruled out of consideration; but, as he indicated then, he considered that this measure should be passed as a measure dealing exclusively with the armed forces. It would take some considerable time to deal with these other matters. Perhaps the hon. gentleman was not in the house when the Prime Minister spoke to that effect, but if he reads *Hansard* he will get the best apprehension of what the views of the government are.

Mr. GRAYDON: I was in the chamber when the Prime Minister spoke, and I interpreted his statement in the sense that I have just stated and very much in the sense that the minister himself has indicated. There is no difference between us. The door has not been closed.

Section agreed to.

On section 3—Gratuity payable to members of the forces.

Mr. MacNICOL: Someone made the suggestion, after I had spoken a little while ago, that I was opposed to a gratuity in cash being given to the returned soldiers. He drew that inference from what I said. Certainly that is not what I said at all. I am not opposed to any such thing, because I understood by this section that every returned soldier who had served for four or five years would receive up to $900 in cash to do what he liked with.

Section agreed to.

On section 4—Payment of gratuity in case of death of member of the forces.

Mr. GILLIS: On the second reading of the bill I asked the minister to clarify this question of discretionary power in the minister. Can he make a statement now?

Mr. RALSTON: As I understand it, it is this. You have to find out whether or not there was a person who was entitled to dependents' allowance, not necessarily the person actually receiving it but the person who was entitled to it. In that regard, may I repeat what I said. In connection with the members of the C.W.A.C., even though they may not be entitled by reason of the fact that they are getting pay and allowances which puts them out of the dependents' allowance; nevertheless that disqualification does not apply in this case, and if they would have been entitled had they not been members of the C.W.A.C., then the amount of gratuity would be payable to the dependent. A third case is that the person gets the gratuity if there has been an assignment of pay to the individual. What my hon. friend is asking is, to what does the exercise of discretion by the minister apply? I am always chary about giving legal opinions on the construction of statutes, because I recollect that there are courts all the way from the supreme court of a province to the Supreme Court of Canada and to the privy council to decide that I am wrong. However, I suggest that what this means is that the only discretion which the minister has is, after he finds one of these situations existing, namely, a person entitled to dependents' allowance, including a member of the C.W.A.C. in the circumstances I have spoken of, or a person to whom pay has been assigned, to decide for whose benefit the gratuity should be paid and whether to pay the gratuity direct to the dependent or person who would have been a dependent under ordinary circumstances, or whether the situation is such that it would be provident and proper to designate someone else to receive the gratuity. That is the only feature I know of to which discretion would apply.

Mr. CASTLEDEN: Does that cover the case to which I referred on second reading, the passing on of the gratuity to next of kin?

Mr. RALSTON: I would think so, yes; but it must be next of kin who are entitled to dependents' allowance.

Mr. CASTLEDEN: That is, the minister has the discretion of deciding whether or not they would be entitled to dependents' allowance.

Mr. RALSTON: No; the statute fixes that. The statute does not give it to next of kin who are not entitled to receive dependents' allowance. Take a single man who has been killed. He may have a next of kin who is not entitled to dependents' allowance, perhaps an uncle. The minister has no discretion to decide that it be paid to the uncle. It is only persons who are entitled to dependents' allowance or to whom assigned pay has been made.

Mr. CASTLEDEN: It would not cover the case of a young man who has been killed, who had parents at home but had not made an assignment of pay to them, even though the parents were really in a position where they might be dependent upon him if he came back.

Mr. RALSTON: Not unless they were persons who were entitled to dependents' allowance. They might try out the question whether or not they were actually entitled, notwithstanding that it was not being paid. They are not ruled out simply because they were not actually receiving dependents' allowance at the time of death. There would have

to be an investigation to see whether they were entitled to dependents' allowance. My attention has been called to the fact that a man might have more than one dependent entitled to gratuity, a mother and a wife, in which case the gratuity might be divided. That also might be a case in which the discretion of the minister might be exercised.

Mr. CASTLEDEN: Can the minister give us any figures from which we can get an idea as to the percentage of men in the armed forces who are making an assignment of pay?

Mr. RALSTON: Under this section or some other section I was going to put on *Hansard* a statement showing the amount which would be received by persons of different ranks and with different lengths of service. It might be useful to members now and in the future. Perhaps I might indicate now what this table is. It is of the same nature as the tables the Minister of Finance sometimes files to show amount of taxation payable having regard to certain incomes. It applies first to length of service; one year in Canada, three years in Canada; five years in Canada; then a combination of service Canadian and overseas: one year in Canada and one year overseas; one year in Canada and two years overseas, and so on.

I commend to the committee the following examples: a private, unmarried, with one year's service in Canada and two years' service overseas would receive a basic gratuity of $450; plus $77, being seven days' pay and allowances for every six months of service overseas; plus rehabilitation grant of $45; plus clothing allowance of $100, or a total of $672. A private, married, with two children, with one year's service in Canada and two years' service overseas would receive a basic gratuity of $450; plus $135.90, being seven days' pay and allowances for every six months of service overseas; plus rehabilitation grant of $108.12; plus clothing allowance of $100, or a total of $794.02. A lieutenant, unmarried, with one year's service in Canada and two years' service overseas would receive a basic gratuity of $450; plus $187.60, being seven days' pay and allowances for every six months of service overseas; plus rehabilitation grant of $150; plus clothing allowance of $100, or a total of $887.60. A lieutenant, married, with two children, with one year's service in Canada and two years' service overseas would receive a basic gratuity of $450; plus $255.84, being seven days' pay and allowances for every six months of service overseas; plus rehabilitation grant of $223.12; plus clothing allowance of $100, or a total of $1,028.96. In all these cases there is in addition the reestablishment credit in an amount equal to the basic gratuity.

The table is as follows:

THE WAR SERVICE GRANTS ACT, 1944

Table Showing the Gratuity Payable Under Part 1 of the Act for Certain Ranks with Varying Length of Service.

The Rehabilitation Grant payable under R.O. 4415, and the Clothing Allowance of $100.00 are shown separately in each case.

BASIS OF GRATUITY

1. For every month of Service in the Western Hemisphere..... $ 7.50
2. For every month of Service Overseas..... 15.00
3. For every six months of Service Overseas—Seven days pay and allowance, including Dependents' Allowance and Subsistence Allowance.
4. In addition to the above an amount equal to the sum of 1 and 2 will be available for certain specified benefits. This amount is not included in the total below, but in each case it is the equivalent of the "gratuity".

Length of Service	1 year Canada	3 years Canada	5 years Canada	1 year Canada 1 year O/S	1 year Canada 2 years O/S	1 year Canada 3 years O/S	1 year Canada 4 years O/S	1½ years Canada 1½ years O/S	2 years Canada 1 year O/S	2 years Canada 2 years O/S	2 years Canada 3 years O/S
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Private—											
Single—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	38 50	77 00	115 50	154 00	57 75	38 50	77 00	115 50
Sub-Total	90 00	270 00	450 00	308 50	527 00	745 50	964 00	462 75	398 50	617 00	835 50
Rehabilitation Grant	45 00	45 00	45 00	45 00	45 00	45 00	45 00	45 00	45 00	45 00	45 00
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	235 00	415 00	595 00	453 50	672 00	890 50	1,109 00	607 75	543 50	762 00	980 50
Married (2 children)—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	67 95	135 90	203 85	271 80	101 93	67 95	135 90	203 85
Sub-Total	90 00	270 00	450 00	337 95	585 90	833 85	1,081 80	506 93	427 95	675 90	923 85
Rehabilitation Grant	108 12	108 12	108 12	108 12	108 12	108 12	108 12	108 12	108 12	108 12	108 12
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	298 12	478 12	658 12	546 07	794 02	1,041 97	1,289 92	715 05	636 07	884 02	1,131 97
Sergeant—											
Single—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	48 30	96 60	144 90	193 20	72 45	48 30	96 60	144 90
Total	90 00	270 00	450 00	318 30	546 60	774 90	1,003 20	477 45	408 30	636 60	864 90
Rehabilitation Grant	66 00	66 00	66 00	66 00	66 00	66 00	66 00	66 00	66 00	66 00	66 00
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	256 00	436 00	610 00	484 30	712 60	940 90	1,169 20	643 45	574 30	802 60	1,030 90
Married (2 children)—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	77 75	155 50	233 25	311 00	116 63	77 75	155 50	233 25
Sub-Total	90 00	270 00	450 00	347 75	605 50	863 25	1,121 00	521 63	437 75	695 50	953 25
Rehabilitation Grant	129 12	129 12	129 12	129 12	129 12	129 12	129 12	129 12	129 12	129 12	129 12
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	319 12	499 12	679 12	576 87	834 62	1,092 37	1,350 12	750 75	666 87	924 62	1,182 37

Length of Service	1 year Canada	3 years Canada	5 years Canada	1 year Canada 1 year O/S	1 year Canada 2 years O/S	1 year Canada 3 years O/S	1 year Canada 4 years O/S	1½ years Canada 1½ years O/S	2 years Canada 1 year O/S	2 years Canada 2 years O/S	2 years Canada 3 years O/S
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Warrant Officer I—											
Single—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	76 30	152 60	288 90	305 20	114 45	76 30	152 60	228 90
Sub-Total	90 00	270 00	450 00	346 30	602 60	858 90	1,115 20	519 45	436 30	692 60	948 90
Rehabilitation Grant	126 00	126 00	126 00	126 00	126 00	126 00	126 00	126 00	126 00	126 00	126 00
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	316 00	496 00	676 00	572 20	828 60	1,084 90	1,341 20	745 45	662 30	918 60	1,174 90
Married (2 children)—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowance	.....	.....	.....	108 08	216 16	324 24	432 32	162 13	108 08	216 16	324 24
Sub-Total	90 00	270 00	450 00	378 08	666 16	954 24	1,242 32	567 13	468 08	756 16	1,044 24
Rehabilitation Grant	194 12	194 12	194 12	194 12	194 12	194 12	194 12	194 12	194 12	194 12	194 12
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	384 12	564 12	744 12	672 20	960 28	1,248 36	1,536 44	861 25	762 20	1,050 28	1,338 36
Lieutenant—											
Single—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	93 80	187 60	281 40	375 20	140 70	93 80	187 60	281 40
Sub-Total	90 00	270 00	450 00	363 80	637 60	911 40	1,185 20	545 70	453 80	727 60	1,001 40
Rehabilitation Grant	150 00	150 00	150 00	150 00	150 00	150 00	150 00	150 00	150 00	150 00	150 00
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	340 00	520 00	700 00	613 80	887 60	1,161 40	1,435 20	795 70	703 80	977 60	1,251 40
Married (2 children)—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	127 92	255 84	383 76	511 68	191 88	127 92	255 84	383 76
Sub-Total	90 00	270 00	450 00	397 92	705 84	1,013 76	1,321 68	596 88	487 92	795 84	1,103 76
Rehabilitation Grant	223 12	223 12	223 12	223 12	223 12	223 12	223 12	223 12	223 12	223 12	223 12
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	413 12	593 12	773 12	721 04	1,028 96	1,336 88	1,644 80	920 00	811 04	1,118 96	1,426 88

Captain—											
Single—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	114 80	229 60	344 40	459 20	172 20	114 80	229 60	344 40
Total	90 00	270 00	450 00	384 80	679 60	974 40	1,269 20	577 20	474 80	769 60	1,064 40
Rehabilitation Grant	195 00	195 00	195 00	195 00	195 00	195 00	195 00	195 00	195 00	195 00	195 00
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	385 00	565 00	745 00	679 80	974 60	1,269 40	1,564 20	872 20	769 80	1,064 60	1,359 40
Married (2 children)—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	151 25	302 50	453 75	605 00	226 88	151 25	302 50	453 75
Sub-Total	90 00	270 00	450 00	421 25	752 50	1,083 75	1,415 00	631 88	511 25	842 50	1,173 75
Rehabilitation Grant	273 12	273 12	273 12	273 12	273 12	273 12	273 12	273 12	273 12	273 12	273 12
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	463 12	643 12	823 12	794 37	1,125 62	1,456 62	1,788 12	1,005 00	884 37	1,215 62	1,546 87
Major—											
Single—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	132 30	264 60	396 90	529 20	198 45	132 30	264 60	396 90
Sub-Total	90 00	270 00	450 00	402 30	714 60	1,826 90	1,339 20	603 45	492 30	804 60	1,116 90
Rehabilitation Grant	232 50	232 50	232 50	232 50	232 50	232 50	232 50	232 50	232 50	232 50	232 50
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	422 50	602 50	782 50	734 80	1,047 10	1,359 40	1,671 70	935 95	824 80	1,137 10	1,449 40
Married (2 children)											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	171 08	342 16	513 24	684 32	256 63	171 08	342 16	513 24
Sub-Total	90 00	270 00	450 00	441 08	792 16	1,143 24	1,494 32	661 63	531 08	882 16	1,233 24
Rehabilitation Grant	315 62	315 62	315 62	315 62	315 62	316 62	315 62	315 62	315 62	315 62	315 62
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	505 62	685 62	865 62	856 70	1,207 78	1,558 86	1,909 94	1,077 25	946 70	1,297 78	1,648 86
Lieutenant-Colonel—											
Single—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	163 80	327 60	491 40	655 20	245 70	163 80	327 60	491 40
Sub-Total	90 00	270 00	450 00	433 80	777 60	1,121 40	1,465 20	650 70	523 80	867 60	1,211 40
Rehabilitation Grant	300 00	300 00	300 00	300 00	300 00	300 00	300 00	300 00	300 00	300 00	300 00
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	490 00	670 00	850 00	833 80	1,177 60	1,521 40	1,865 20	1,050 70	923 80	1,267 60	1,611 40
Married (2 children)—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowance	.....	.....	.....	204 92	409 84	614 76	819 68	307 38	204 92	409 84	614 76
Sub-Total	90 00	270 00	450 00	474 92	859 84	1,244 76	1,629 68	712 38	564 92	949 84	1,334 76

Length of Service	1 year Canada	3 years Canada	5 years Canada	1 year Canada 1 year O/S	1 year Canada 2 years O/S	1 year Canada 3 years O/S	1 year Canada 4 years O/S	1½ years Canada 1½ years O/S	2 years Canada 1 year O/S	2 years Canada 2 years O/S	2 years Canada 3 years O/S
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Rehabilitation Grant	388 12	388 12	388 12	388 12	388 12	388 12	388 12	388 12	388 12	388 12	388 12
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	578 12	758 12	928 12	963 04	1,347 96	1,732 88	2,117 80	1,200 50	1,053 04	1,437 96	1,822 88
Major-General—											
Single—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	303 80	607 60	911 40	1,215 20	455 70	303 80	607 60	911 40
Sub-Total	90 00	270 00	450 00	573 80	1,057 60	1,541 40	2,025 20	860 70	663 80	1,147 60	1,631 40
Rehabilitation Grant	600 00	600 00	600 00	600 00	600 00	600 00	600 00	600 00	600 00	600 00	600 00
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	790 00	970 00	1,150 00	1,273 80	1,757 60	2,241 40	2,725 20	1,560 70	1,363 80	1,847 60	2,331 40
Married (2 children)—											
Gratuity	90 00	270 00	450 00	270 00	450 00	630 00	810 00	405 00	360 00	540 00	720 00
Pay and Allowances	.....	.....	.....	344 92	689 84	1,034 76	1,379 68	517 38	344 92	689 84	1,034 76
Sub-Total	90 00	270 00	450 00	614 92	1,139 84	1,664 76	2,189 68	922 38	704 92	1,229 84	1,754 76
Rehabilitation Grant	688 12	688 12	688 12	688 12	688 12	688 12	688 12	688 12	688 12	688 12	688 12
Clothing Allowance	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00	100 00
Total	878 12	1,058 12	1,238 12	1,403 04	1,927 96	2,452 88	2,977 80	1,710 50	1,493 04	2,017 96	2,542 88

Mr. CASTLEDEN: Could the minister give us the percentage of men in the army who made pay assignments?

Mr. RALSTON: I have made a note of that and I shall try to secure the information.

Mr. CASSELMAN: Would there be a possibility of widening that section in this way? Let us assume there is a mother who is receiving assigned pay or dependent's allowance from her son. The son is killed and within the next few years the father dies. Will it be possible for that mother to come back after the lapse of a few years and be included in this section?

Mr. RALSTON: My hon. friend knows, I think, that what would happen in that case would be that the mother, the prospective dependent, would be entitled to pension as I understand it. I do not think it is contemplated under this legislation, and was not contemplated under the 1918 legislation in fact, that war services gratuity should revive and become payable. As one can readily realize, you have to provide for a great many other contingencies of different kinds. There might be a case where somebody became dependent or would be in a position where, if the soldier had been living, he would have contributed to their support, but you cannot provide for that in a war service gratuity. When you find somebody who is actually entitled to the dependents' allowance, it does seem that the person to whom you might pay this gratuity could be clearly identified in that way or as the person to whom pay had been assigned, which indicates that the deceased had some interest in his or her welfare.

Mr. CASSELMAN: In view of what the minister said a few moments ago I think I am correct in assuming he is not anxious to give a legal opinion, but, having protested that, he then gave an opinion. I should like to place before the minister a set of facts. This is an actual case of a soldier, a father, who died in the service. He had enlisted for active service. His dependents were his wife and his son.

Mr. RALSTON: Excuse me; you are referring to the husband.

Mr. CASSELMAN: The husband.

Mr. RALSTON: The soldier died who was the husband and the father?

Mr. CASSELMAN: The husband and father died. He left surviving him a wife and a son. The son is now in active service. The mother has died. Is the son entitled to receive the benefits under this act?

Mr. MACDONALD (Kingston City): Is the son in the service now?

Mr. CASSELMAN: Yes.

Mr. RALSTON: The question is, who was entitled to receive the dependents' allowance at the time the father died, or who was receiving the assigned pay? One would have to know that. Was it the son or the wife? If the mother was receiving the dependents' allowance and is now dead, that leaves her out, as I understand it.

Mr. CASSELMAN: Yes.

Mr. RALSTON: There may have been dependents' allowances on account of the boy. If he were under sixteen, there would be dependents' allowance payable in respect of him. It would depend altogether on who was entitled to dependents' allowance, whether the boy was entitled to dependents' allowance at the time of death or before, or whether the boy directly or indirectly—I suppose indirectly—was receiving asssigned pay. I do not suppose it is effective now because he is a member of the forces.

Mr. DIEFENBAKER: Why is this amount of gratuity after death made discretionary? Why is the minister given discretionary powers? This is the way the section reads:

> If a member of the forces dies on service or after discharge but before he has been paid war service gratuity in full, payment of all or any part of the gratuity or of the unpaid balance thereof may, in the discretion of the minister, be made. . . .

The minister is not in the same position as the governor in council. If the power rested with the governor in council the permissive "may" would be used, but as far as the minister is concerned, if it is to be mandatory should not the word be "shall"?

Mr. RALSTON: I should not have thought so. I thought the discretion of the minister applied to those he was selecting to whom the payment should be made, and to the question of whether or not he should pay to that person or to somebody else on his or her behalf.

Mr. DIEFENBAKER: The words "in the discretion of the minister" are so separated from that portion of the paragraph which deals with the discretionary power that I think it is indifferently worded and not very well drafted. If the minister will just read it over he will see that it says:

> If a member of the forces dies on service or after discharge but before he has been paid war service gratuity in full, payment of all or any part of the gratuity . . . may, in the discretion of the minister, be made . . .

I think that should read "shall be made in the discretion of the minister" to the person named in the alternative. As it is worded at the present time, the discretionary power is in the minister as to whether all or a portion is to be paid.

Mr. RALSTON: In the first place I want to say quite frankly that I think the hon. member for Grenville-Dundas is right when he suggests that my opinion was wrong in calling attention to the position of the words "in the discretion of." I am not sure that this does not mean there is absolute discretion in the minister in regard to making the payment, and that the discretion is not necessarily only in respect of the person to whom the payment shall be made.

Mr. DIEFENBAKER: That is exactly the point I make. The discretionary power, as the section is constituted at the moment, appears to me to be one that determines two matters. The first is whether or not a payment shall be made at all.

Mr. MACDONALD (Kingston City): And you want that first one eliminated.

Mr. DIEFENBAKER: That is the point.

Mr. RALSTON: We will take the suggestion into consideration.

Section stands.

On section 5—Deductions from gratuity.

Mr. RALSTON: I am suggesting an amendment to this section, to provide that the only amount which may be deducted from the war service gratuity is an overpayment of pay and allowances. As it stands at present, a deduction may be made on account of a debit balance standing in the service pay account of the member of the forces, or action might be taken under the act respecting debts to the crown. I am proposing an amendment which leaves out those two features and simply confines it to the overpayment of pay and allowances. I will ask my hon. friend the Minister of Pensions and National Health to move the amendment:

That section 5 be deleted and the following substituted therefor:

"The amount of any overpayment of pay or allowances made to a member or his dependents may, pursuant to the regulations of the governor in council in that behalf, be deducted from the war service gratuity."

Mr. MACKENZIE (Vancouver Centre): I move accordingly.

Mr. LOCKHART: At least we have a couple of hurdles removed.

Amendment agreed to.

[Mr. Diefenbaker.]

Mr. CASTLEDEN: What deductions are made from the pay of a soldier, or from the balance due to the next of kin, in the case of a man killed in action? Are there any expenses in connection with his burial?

Mr. RALSTON: None at all.

Mr. MACDONALD (Kingston City): There might be a mistake of some kind; an overpayment might have been made, and in that case we would be allowed to make the deduction. It would be an unusual case.

Mr. CASTLEDEN: There are no burial expenses?

Mr. RALSTON: No.

Section as amended agreed to.

On section 6—Pay and allowances supplementary to gratuity.

Mr. GRAYDON: Perhaps this point is not sufficiently important to mention, but I do not think the draftsmanship of this section is very good. It says:

Every member of the forces whose service included overseas service shall, upon discharge, be entitled . . .

I believe it should read, "Every member of the forces shall be entitled upon discharge."

Mr. RALSTON: I am strong on the way it is now; I like splitting verbs.

Mr. GRAYDON: I know the theory of splitting infinitives had a powerful sponsor somewhere in the government, and now I have found out who it is.

Section agreed to.

On section 7—Manner of payment of gratuity.

Mr. LOCKHART: I wonder if we could not remove some more hurdles here by giving the minister discretion to make these payments under certain circumstances. He is given a great deal of power all the way through this bill, and if a young man wanted to go home and set himself up in domestic happiness he should be able to get this money a little faster than is now provided. I wonder if there would be any objection to giving the minister discretion here.

Mr. RALSTON: I imagine my hon. friend would be willing to move that amendment provided that he was sure he would not be the minister himself. I cannot conceive of any power which would give a minister greater difficulty.

Let us take the case of a private, a married man with two children, who has one year of service overseas and one year in Canada. His

gratuity is $270.00; plus $67.95, being seven days' pay and allowance for every six months of service overseas—or total of $337.95. He gets that in a little over 3 months, in monthly instalments of $108.12 each. I am taking the $108.12 because that is the amount of the rehabilitation grant and I presume that is equal to one month's pay. In addition he gets a rehabilitation grant, and a clothing allowance of $100 right away, so that he does not do too badly. His total is $546.07.

Mr. DIEFENBAKER: Is the payment of war service gratuities over a period of three months?

Mr. RALSTON: Yes, it might be four months, but not more. You can take any of them. The large ones, of course, generally come from the fact that the pay and allowances are larger, as well as the length of service. Therefore the monthly instalment is greater, and your divisor is greater, even though your quotient is correspondingly greater.

Mr. LOCKHART: Has the minister the information with respect to a corporal? I have in mind the case of a corporal who was one year in Canada and four years overseas. His wife has been to see me twice about what I thought could be done to get a little home together as soon as he gets back. This man has two children. Where would he stand?

Mr. RALSTON: Well, if I promote him to sergeant for the time being I can give the information.

Mr. LOCKHART: All right.

Mr. RALSTON: The total amount he would get, outside of the reestablishment credit, would be $1,350.12. His gratuity alone would be $810. Then he gets $311, being seven days' pay and allowances for every six months of service overseas. That makes a total of $1,121. He would get his rehabilitation grant of $129.12 at the time of discharge, plus clothing allowance of $100, making $229.12. The next month he would get $129.12, divided into his $1,121. So that he would be about eight months in drawing that amount.

Then, he knows that the Dominion of Canada is good for it and his money will be coming in at that time in monthly instalments. In addition to that, he has $810 reestablishment credit which he can draw down for any of the purposes indicated. That does not have to be over a given period. If he has a purpose to which it ought to be devoted at once, he can draw it down immediately.

Mr. GRAYDON: With respect to section 7 may I point out that there was nothing in the resolution to indicate whether part of this gratuity was paid in instalments, or whether it was to be paid in cash. I think most people felt that those who will be returning would have at their disposal a little more ready cash than is envisaged in this legislation.

I realize there are arguments on both sides in the matter, and I rise only to have one point clarified for my satisfaction. The minister said, in respect of men coming out of the forces on demobilization that, in so far as war service gratuities are concerned, three or four months would be required before the cash would be fully paid to them.

Mr. RALSTON: In one case it was six months.

Mr. GRAYDON: That is the estimate, in any event, for a certain category. We have not yet come to the reestablishment credit mentioned by the minister as a cash possibility. My understanding, however, is that there are special strings attached to that. I am wondering whether or not this will not be a sort of let-down to our men who may have expected to be able to lay their hands on some cash as soon as they come out, for the purpose of reestablishing themselves.

I am not pressing the point specially, but I suggest that it should be made a little clearer than it has been, so far as reestablishment credits are concerned. I do not think that is a cash payment which could be called such. It looks to me as though the whole thing is on a sort of credit or instalment basis. There are three or four months for gratuities, and strings attached to the rehabilitation credit, and I am wondering what the man who comes out of the service and has an opportunity to utilize some cash quickly will think. We must remember that the civilian will have his victory bonds he can cash right away, and this may be a let-down for the men who have been in the services. Perhaps the minister might have some explanation?

Mr. RALSTON: I have made all the explanation I can make in the matter. The gratuity is absolutely sure. It is sure within a reasonable length of time. It is sure in specified amounts; it is sure to be paid; it is easily computed and quickly payable. It is exactly what he has been getting all along. It ensures no let-down in family income of any kind, and it provides payment over a reasonable number of months.

On the other hand, I think it is probably useful in the Canadian economy not to have it paid out in one lump; that is to say, to

have a tremendous amount of money in circulation immediately—and I am not blaming the men for spending it, at all. They have a perfect right to do that. But it would send everything sky-high if that were done. Spreading it over a reasonable length of time gives at once the assurance that he will get it, and enables him to get credit, and bank on it, in fulfilling whatever obligations he may wish to make. In addition to that, the reestablishment credit could be drawn down in cash, if the purposes were complied with.

Mr. GRAYDON: I do not agree with the minister when he talks about everything going sky-high. We were told that with respect to family allowances that obstacle, with which we were concerned, did not enter into the matter. Therefore the question of any inflationary development—

Mr. RALSTON: They are paid monthly, just as these are.

Mr. GRAYDON: I am not arguing otherwise. I am only saying that when the minister talks about sending everything sky-high I take issue with him, because this could not enter into the cost of production, and could not possibly lead to inflation, as the minister's words might indicate. I took it from what he said, when he referred to "sky-high"—

Mr. RALSTON: I did not suggest that.

Mr. GRAYDON: Perhaps I misunderstood the minister. But when he spoke about things going sky-high in Canada, I naturally thought he was talking about the inflation of prices. And, that being so, while I did not wish to press or urge a change in the legislation, I would say that there are cases where, without question, the cash would come in extremely handy when the men leave the services. There are other cases which by his legislation the minister is evidently attempting to avoid. Those would be cases where men might get all their money at once and perhaps it was feared that it might not be utilized to the best advantage. I take it that, having weighed in the balance the possibilities of both methods, the government has decided that this is the better.

Mr. RALSTON: That is so. But I just wish to say this word about family allowances. If this gratuity were paid in a lump sum at the time of discharge it would be just the same as paying from four to six months' family allowances at one time.

This is not a matter of anything entering into the cost of production. It is a matter of trying to take account of the limited amount of goods on the market, and preventing the driving up of prices of goods by making an enormous amount of money available for spending at one time.

Mr. GRAYDON: I think the comparison made by the minister was not a fortunate one. In one instance the payments will be regarded as income to the family. But in this particular case it is not just a matter of income, because this will be regarded by the many who will be rehabilitated as a first step toward gathering together some capital with which to rehabilitate themselves in a normal course of business. There is a distinct difference between family allowances and this gratuity which, in my opinion, is in an entirely different position.

Mr. RALSTON: But it is money nevertheless, and if it is available it can be spent.

Mr. DIEFENBAKER: What is meant by the words "payable in arrear".

Mr. RALSTON: That is to say the first one would be payable one month after discharge. The rehabilitation grant is payable immediately upon discharge, and the first instalment of war services gratuity is payable one month after.

Mrs. CASSELMAN: There would be no time between the cessation of a soldier's pay and some income? There would be no time when he would have no income?

Mr. RALSTON: The first month is taken up with the rehabilitation grant, and his war service gratuity does not begin until the beginning of the second month. But along with the rehabilitation grant is the $100 for clothing grant.

Mr. GRAYDON: What it really amounts to is the continuation for a while of the soldier's army pay into the peace-time period.

Section agreed to.

On section 8—Reestablishment credit.

Mr. BRYCE: I was pleased to hear the minister say yesterday in reply to the hon. member for Edmonton East that men and women in the armed forces were to be treated alike, but line 23 of page 3 of the bill says "the total amount payable to him." If this is to apply to women and men equally we shall have to say "the total amount payable to him or her."

Mr. STIRLING: "Him" means "her".

Mr. BRYCE: May I have the assurance of the minister that men and women are to be treated equally?

Mr. MACKENZIE (Vancouver Centre): Yes, "him" includes "her" in this case.

Mr. CASTLEDEN: Would the minister explain why it is that any member of the armed forces who elects to take benefits under the Veterans' Land Act, or any educational, vocational or technical training benefits provided by parliament, shall not be eligible for the reestablishment credit?

Mr. MACKENZIE (Vancouver Centre): The section outlines the various forms of reestablishment assistance that are provided, but there may be those who do not wish to avail themselves of existing reestablishment provisions such as the Veterans' Land Act, educational, vocational or technical training. The idea underlying this is to provide for those who are unable or do not wish to avail themselves of the benefits already in existence such as possibly $2,320 under the Veterans' Land Act, or benefits in commercial fishing, and four or five different benefits under P.C. 7633. There are only three major benefits: educational, vocational or technical, and the Veterans' Land Act, including commercial fishing. Under the provisions of P.C. 7633 it is quite possible that a boy coming back from overseas, if he is exceptionally brilliant, because of a graduate or post-graduate course might be in receipt of four or five thousand dollars from the state, and a boy going on the land may possibly get $2,320 from the state. It was felt that in fairness to the others coming back and not going to the university or engaging in farming or fishing or taking vocational training, alternate benefits should be provided, and therefore these benefits are provided in section 9. That is the basic primary reason for the distinction here.

Mr. CASTLEDEN: Suppose that he does not qualify under the educational, vocational or technical training benefits and becomes eligible for reestablishment credit; could he then of his own volition use that credit for educational purposes?

Mr. MACKENZIE (Vancouver Centre): Yes, for "any other purpose authorized by the governor in council".

Mr. ROSS (St. Paul's): What does that mean? There may be lots of things.

Mr. MACKENZIE (Vancouver Centre): The words mean exactly what they say—for any other constructive purpose which would be of service to the returned fighting man and which the governor in council would approve.

Mr. ROSS (St. Paul's): He may not want to use it for any of these things. Does the credit not belong to him?

Mr. MACKENZIE (Vancouver Centre): My hon. friend is confusing two things. He is confusing the cash gratuity principle with the reestablishment credit. There are nine alternatives now, and there is a possibility of extending these alternatives. They are all concerned with the essential principle of reestablishment.

Section agreed to.

On section 9—Purposes for and time within which available.

Mrs. CASSELMAN: I should like to see enumerated among these purposes doctor's and hospital bills which may have been piling up in the meantime.

Mr. MACKENZIE (Vancouver Centre): We welcome suggestions such as the one made by my hon. friend. The government will be glad to consider any suggestion made by any hon. member.

Mr. ROSS (St. Paul's): In some circumstances this reestablishment credit would not be used at all.

Mr. MACKENZIE (Vancouver Centre): That is quite possible, but I think in practically every case it will be used because there is a period of ten years in which it may be used, and the man who may not want to use it when he comes back may have to use it or be very glad to use it within two years time.

Mr. EDWARDS: Has the soldier to show that he is entitled to it? Has he to produce documentary evidence?

Mr. MACKENZIE (Vancouver Centre): The mere fact of his service is sufficient.

Mr. EDWARDS: Will he have to produce a certificate to that effect? He may have a proposition that he will want to go into. What will he need to have in tangible form to show to the person with whom he wants to do business, that he is a returned man and entitled to the credit?

Mr. MACKENZIE (Vancouver Centre): His discharge certificate.

Mr. EDWARDS: Will that indicate how long he has been in the service, and where, and the amount to which he is entitled?

Mr. BOUCHER: Take the case of a returned man who goes back to his old employment. I do not see how he can take advantage of this credit.

Mr. MACKENZIE (Vancouver Centre): He may bring back a war bride who wants to buy furniture.

Mr. GRAYDON: The minister did not do that.

Mr. BOUCHER: A great deal of credit is due to the man who returns to his old job and we should give him any benefits that we can. He may want to set up house or enter into business or a profession, but perhaps that is all covered by the clause "any other purpose authorized by the governor in council".

Mr. HOMUTH: The fact of the matter is that under clause 9 the man can manoeuvre to get this money unless you have a gestapo to look after him. The man may want to go into business, buy a small gas station on the corner. But the government says to him: We must first of all look into this and check up. Here we are by this bill saying to the returned men: Here is something of value to you, but we are going to see how you spend the money. I think it is ridiculous, nonsensical for us to say to the men: We are willing to trust you to go overseas and fight the battles of the country, to risk your life in preserving democracy, but when you come back we cannot trust you with this credit. There will be so much red tape, so much checking before the soldier can spend the money, that it is practically saying to the soldier: We cannot trust you to spend the money yourself. If this is a gratuity let us give it to the soldier.

Mr. RALSTON: We do.

Mr. MACKENZIE (Vancouver Centre): We do. My hon. friend used extreme language. He called this ridiculous. We had a committee of twenty-five veterans of the last war working on this for two and a half years and they were unanimous in preferring the principle of credits for reestablishment as against the principle of cash gratuities. Now they have both; they have the cash and the credit. After all, if we follow out the argument of the hon. member for Waterloo South, we can ask a man to go on the land to-day without seeing what the land is like; we can give freedom of action as to the type of farm he shall take up and where he will settle. But we are trustees for the national welfare, acting in the national interest and in the man's own interest, and we are applying to him the same rule we did in the case of the Veterans' Land Act—the security and the welfare of the man himself.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Progress reported.

[Mr. Ian Mackenzie.]

LIFE INSURANCE COMPANIES

EXTENSION OF AUTHORIZED INVESTMENTS IN UNITED STATES SECURITIES

Hon. J. L. ILSLEY (Minister of Finance) moved for leave to introduce bill No. 185, to amend the Canadian and British Insurance Companies Act, 1932.

He said: With the consent of the house I wish to introduce this bill, which I mentioned this morning. It is a very brief bill, entitled "An act to amend the Canadian and British Insurance Companies Act, 1932," and if I get leave to introduce the bill I will explain it.

Mr. GORDON GRAYDON (Leader of the Opposition): Before the bill is introduced it should, to say the least, be in proper form. There is no explanatory note to the bill; I do not know why, because this is a bill which falls within the purview of the rules which require an explanation for a bill of this nature. An explanatory note is, I think, particularly important and significant in a bill which amends an act like this, originally introduced in 1932. Perhaps the minister has an explanation, but I do not think the omission should pass without some comment and protest.

Mr. ILSLEY: I think that technically it is in violation of the rules, in not having an explanation. I was not aware of the fact that there was no explantory note until the point was called to my attention this afternoon. But it is so self-explanatory that such a note could hardly add anything. All this does is to add to the list of investments authorized for life insurance companies. The Canadian and British Insurance Companies Act, 1932, authorizes investments in certain securities and in certain types of real estate. This bill will authorize the insurance companies to invest in bonds or notes secured by mortgages or hypothecs on real estate or leaseholds which mortgages or hypothecs are insured by the federal housing administrator of the United States of America, and also on the security of real estate or leaseholds if the mortgage or hypothec thereon securing the loan is insured by the federal housing administrator of the United States of America.

For some time the Canadian insurance companies have been at a disadvantage in the United States—a competitive disadvantage—because United States insurance companies with which they are in competition are authorized to invest in this type of security. This is a desirable type of security. The Canadian insurance companies have to buy securities in the United States for the purpose of keeping

reserves in the United States against their liabilities. If they buy United States bonds they get at the most two and a half per cent or thereabouts, but under these types of securities, which are guaranteed by the United States government, they can get from three to four per cent; and their competitors are in that position. So that this simply puts them in the competitive position with United States companies which they should be in for the purposes of their United States operations.

Mr. GRAYDON: Why should there be such a great difference between the return on United States government bonds and United States guaranteed securities?

Mr. ILSLEY: I do not know what the reason is, but that is the fact.

Mr. GRAYDON: There must be an impairment of security or else there would not be such a great difference, surely, in the return of interest.

Mr. ILSLEY: I cannot give the answer to that question, but I was talking to the superintendent of insurance a couple of hours ago and he gave me these rates of interest as being the rates realizable from those respective classes of securities. It may be that for some reason or another people would prefer to have United States bonds rather than bonds insured by the federal housing administrator of the United States of America. I believe there has always been a difference, although I am not sure about this, but it seems to me I remember having heard that there is often a difference between the return on dominion government securities and the return on railway securities guaranteed by the dominion government.

Mr. GRAYDON: There is some difference, but there is not such a big spread as the minister indicates there is in the United States.

Mr. BLACKMORE: Would the minister tell us what the urgency is which justifies bringing the bill in this evening?

Mr. ILSLEY: If it is not passed this session it cannot be passed for another year; that is all. There has really been considerable urgency for a long time, and we have delayed it. I feel that I should not like to allow a grievance outstanding to remain unremedied, particularly since we are going to ask the insurance companies for their cooperation in our housing legislation; and this is really something which just should not exist; that is all. I do not know of a single argument which anybody can raise against removing this inequality or inequity.

Mr. MacNICOL: Is this a situation which has cropped up just lately, or has it gone on down the years, and if it has gone on down the years why was it not like this ten years ago?

Mr. ILSLEY: I am trying to get that information. It is not "down the years", ten years ago, or anything like that. The guarantee by the federal housing administrator of the United States of America of bonds or notes secured by mortgages on real estate there is, I feel sure, of fairly recent date—two or three years ago, I would say.

Mr. GRAYDON: Before the bill is introduced, the government will understand, and the minister particularly, why we cannot allow this bill to be introduced without some special explanation, and the minister has been good enough to accede to that request. Is there a single reason why this bill should not have been brought down early in the session?

Mr. ILSLEY: Not a single one. Not one at all.

Mr. GRAYDON: At least the government has taken the wind out of my critical sails; I will say that much. But if there is no reason why this was not brought down before, I think I am free to criticize the government with respect to this particular point, because they admit they have no defence with regard to it. Having disposed of their defence, may I lay my case? It is, in my opinion, a deliberate flaunting of the parliament of Canada to bring this sort of thing in at the last minute.

Mr. ILSLEY: "Flouting", isn't it?

Mr. GRAYDON: Let the minister keep quiet, because he has admitted he has no argument.

Mr. ILSLEY: Just for the record: "flouting" is the word, not "flaunting".

Mr. GRAYDON: Perhaps "flouting" is the word, and I am glad the minister corrected me. I knew he felt in his own mind that that is what he was doing, so that perhaps he had the word on the tip of his tongue. I say to the minister that if the present situation, with the legislation which has come down in the last two or three weeks, does not make parliament appear ridiculous in the sight of the public, it will be the public's fault for not judging this parliament as it should be judged, because the government has put parliament in a most awkward and embarrassing

position with respect to this legislation which has just been brought in. As far as I am concerned, this is the last straw which breaks the camel's back. I am willing to cooperate and I think our party has cooperated to the fullest extent we can, but actually to fly in the face of parliament by bringing this legislation in at this time, when the government is attempting to close the session to-morrow night, seems to me to be an act which no leader of an opposition or anyone sitting on this side of the house—indeed it applies also to private members in every quarter of the chamber—can regard otherwise than as a direct slap in the face. I do not feel at all contented about the position which we are in with regard to this legislation. Too much of this legislation has been handed to us to attempt to analyse it in principle and in detail when the printer's ink is hardly dry on any of the bills. Yet one wonders afterwards why flaws are found in the other place or, perhaps, by those who are operating under this legislation which is so passed. It is no wonder that errors arise under the circumstances. For the moment I content myself with pointing this out to the minister and the government. There is not much use in saying they ought to do better again, because they will not have an opportunity.

Mr. GILLIS: I would judge that this grievance, if there is one, must be an outstanding one going back to 1932.

Mr. ILSLEY: I will get the exact dates.

Mr. GILLIS: You are changing the statutes back. That is where I got the idea. There are half a dozen different statutes affected by this measure, and what is uppermost in my mind is this. This in no way affects our Canadian housing. I would judge that Canadian insurance companies investing money in the United States in housing projects must be tied up in some way because of the lack of legislation of this kind. Am I right in that? If that is not the assumption there is no need of this.

Mr. ILSLEY: This affects their revenue.

Mr. GILLIS: It is all applicable to the United States?

Mr. ILSLEY: It affects their revenue, yes.

Mr. GILLIS: Canadian companies invest their money in housing projects in the United States.

Mr. ILSLEY: In mortgages on property, in the United States, yes.

Mr. GILLIS: Well, I will not quarrel with it because I do not know enough about it, but it certainly opens up a wide field. If you are going to take the insurance companies and make a proper analysis of them, I do not know whether this is right or wrong.

Mr. ILSLEY: I do not ask the house to pass the bill to-night. I merely wish to introduce it and have it given first reading so that it may be circulated. Let any member call up anybody or interview anybody, the superintendent of insurance or anybody else—

Mr. GRAYDON: You would have to get them out of bed before this belated bill could be dealt with.

Mr. ILSLEY: Ask anybody if there is anything wrong with the bill and, if there is, do not give consent to its going through. It is in the hands of the house. I would not at the last minute introduce a bill on a subject which would prove controversial.

Mr. ROSS (St. Paul's): Properly speaking, should not this bill have gone to the banking and commerce committee first?

Mr. MACKENZIE (Vancouver Centre): We must try to have it introduced into this house first. It could not go to that committee unless it were first introduced here.

Mr. ROSS (St. Paul's): That is right; I beg your pardon. Well, does it go to the banking and commerce committee?

Mr. ILSLEY: I do not think there is any need of that.

Mr. HOMUTH: The committee have all gone home.

Mr. ROSS (St. Paul's): Is this the resolution, or is it the bill?

Mr. MACKENZIE (Vancouver Centre): The motion is for leave to introduce the bill and have it given first reading.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall the bill be read the second time. Now?

Mr. ILSLEY: That would not be fair, Mr. Speaker. It should be to-morrow.

Mr. GRAYDON: You are not giving it second reading?

Mr. SPEAKER: No.

Mr. GRAYDON: It is bad enough to give it first reading.

Mr. MACKENZIE (Vancouver Centre): No, it is not.

Mr. GRAYDON: I disagree with you.

Mr. SPEAKER: Next sitting of the house.

WAR SERVICE GRATUITIES

CANADIAN ARMED FORCES ACTIVE SERVICE PERSONNEL—PAYMENTS ON RETIREMENT OR DISCHARGE

The house resumed consideration in committee of bill No. 184, to provide for the payment of war service gratuities and for the grant of reestablishment credits to members of His Majesty's forces in respect of service during the present war—Mr. Mackenzie King—Mr. Bradette in the chair.

The CHAIRMAN: We are on section 9.

Mr. HOMUTH: Just before the committee rose for the dinner recess the minister of pensions said that a group of twenty-five men, many of them veterans of the last war, had been studying this bill for two and a half years.

Mr. MACKENZIE (Vancouver Centre): Oh, no, not this bill.

Mr. HOMUTH: Or these recommendations.

Mr. MACKENZIE (Vancouver Centre): No; the question of cash gratuities.

Mr. HOMUTH: Well, this bill is the result of those things.

Mr. MACKENZIE (Vancouver Centre): Not necessarily.

Mr. HOMUTH: I do not care whether twenty-five men studied this proposal or not. Twenty-five men can be wrong. We have a government of over 170 people and the people think it is wrong, so that I do not hesitate for a moment to express my views with regard to this section 9. I said that there were certain men who had served an equal length of time in Canada and overseas who cannot or do not wish to comply with any of the provisions of the bill and therefore will not get the credit gratuity. In other words, they will not get as much as someone else who has served a similar length of time. They will get only half as much.

If this is being done as a token of appreciation to the men who have served in the armed forces, then surely we should not put any man in the position where he cannot get this money. A man may come back and have a home or a business to go to. He may desire nothing that is set out in section 9, but he may wish to buy a car so that he can enjoy the pleasure of taking his family out. Under this section he could not buy a car.

Mr. MACKENZIE (Vancouver Centre): Who says so?

Mr. HOMUTH: Simply because there is no provision for buying a car for pleasure purposes.

Mr. MACKENZIE (Vancouver Centre): What about subparagraph (i)?

Mr. HOMUTH: That will give the minister an opportunity to say to Tom and Dick, "This is what you can do," but to Harry he can say, "You cannot do so and so." It is putting a tremendous power into the hands of the minister and we have done too much of that this session. Here is a single man who comes back from overseas and goes into a hospital in Canada. He may never get out again; he may spend the rest of his days there. He cannot go into any business or live in any house; he has no one dependent upon him for whom he would like to purchase a house; he does not get that extra money; he does not get that credit; yet lying in that hospital there might be times when he would like various little things that he cannot get under the clauses of this bill. If the minister says that he can under subparagraph (i), then why put the thing in at all? Why do so if it is to be made possible for them all to get it?

A week ago we passed legislation in this house for baby bonuses amounting to $250 million. There are men here who were called for service and who rushed into the bush and are in hiding until this war is over. When the war is over they will come out and will be granted an amnesty from any penalty. They will get married and raise babies and get the baby bonus, and there will be no check up on them as to how much baby bonus they get except the limitation as to the number of children in the family. There will be no check-up as to how they spend the money.

Mr. RALSTON: What has that to do with war service gratuities for soldiers?

Mr. HOMUTH: It has this to do with it, that those men who sneaked away are going to be in the public treasury with no check-up unless someone puts in a complaint to the department. The men who went over there and fought are told that if in certain circumstances they want this money they can get it. I think it is very unfair that the government should tell these men how they are to spend the money that a grateful country is giving them as a token of what they have done. If, as the minister says, it can be done under subparagraph (i) of paragraph (a) of section 9, then there is no use in having the limitations at all. I would trust the men to spend their money. They know how to spend it. If there are a few who waste their money, let them go ahead and waste it; it is their money. There-

fore, Mr. Chairman, I move, seconded by the hon. member for Kootenay East (Mr. MacKinnon):

That all the words after the word "therefor" in the twenty-eighth line on page 3 be deleted from section 9.

Mr. MACKENZIE (Vancouver Centre): Speaking to the amendment, Mr. Chairman, this means the depriving of the veterans of Canada of some $350,000,000. If the mover of the amendment and the party to which he belongs are supporting that, then we want to know here and now. It means that the alternative benefits under this scheme are absolutely wiped out by the amendment of the hon. member for Waterloo South, because this scheme, as has been pointed out, means $350,000,000 in straight cash gratuities, $50,000,000 for pay and allowances, and $350,000,000 for reestablishment benefits. The hon. member now wishes to strike out the portion of section 9 which deals with the rehabilitation gratuities. If that is what he wishes, then I wish to have a vote at once to see what position the Progressive Conservative party takes in this house with regard to depriving our Canadian soldiers of $350,000,000.

Mr. HOMUTH: That is all rot.

Mr. GRAYDON: The minister, of course, jumps to his feet. I wish to say to him that he had better read the amendment. I think the purpose of the amendment ought to be clear to the committee generally. What the hon. member for Waterloo South has in mind—and I think the minister knows full well what he has in mind—is that he wants to give $350,000,000 to the men who come back without any strings attached to it, as have been attached by this government. That is the motive behind the amendment and that is the meaning of the amendment. Let us be clear on that. When the government and the government's followers vote against this amendment, let me point out to the minister that this government is voting to put strings on this money and to attach conditions to it rather than to allow the money to go in cash to the veterans who come back. Therefore, may I throw back into his teeth the same language that he used when he was trying to accuse this party of depriving the soldiers of $350,000,000. Let me say to the government of this country that the soldiers, the sailors and the airmen who come back will know that the government is on trial to-night with respect to this matter. May I make clear and plain the motive and the meaning of the amendment which has been moved, namely, to give the money to the soldiers, sailors and airmen without strings attached to it. Let not the minister or anyone else misrepresent the terms, the motives or the meaning of the amendment which my hon. friend has moved.

Mr. MACDONALD (Kingston City): I should like to say a word on the amendment. First of all I should like to point out to the hon. member for Waterloo South, who, I am bound to say, made a very strong case this afternoon from his point of view, that ever since the last war there have been certain strings attached to certain benefits granted to returned soldiers. My hon. friend must know that; the leader of the opposition must know that. Ever since the last war, in addition to the gratuities which were payable to returned soldiers on their return to Canada, there were such things as vocational training and training allowances; there were such things as medical care, hospital care, surgical appliances and treatment; there were such things as benefits under the Soldier Settlement Act. In all of these cases there were certain strings attached, if my hon. friend wants to put it in that way. At all events, there were certain conditions that had to be fulfilled before the ex-service man would put himself in a position to take advantage of those benefits. I would point out this also, that to-day, before this bill is passed, there are a great many additional benefits available to returned soldiers. They were cited yesterday morning by the Prime Minister in his speech on the resolution. They are to be found in *Hansard* at page 6200. Some of them are the Veterans' Land Act—there is a string attached to that, if my hon. friend wants to call it that—out-of-work benefits, vocational and technical training benefits, the benefits of university training which a returned man may have, correspondence courses which he may take. There is the right to reinstatement in his former job. There is the right to preference in the civil service, and so on. These are all benefits which may accrue to an ex-service man, which do not accrue automatically, which can accrue only if certain conditions are complied with.

Speaking frankly to this committee, I am bound to say that when this whole matter was discussed—and it has been discussed for nearly six months—no fewer than ten separate schemes of treatment of ex-service men were suggested, some drawn up here, some suggested by the Canadian legion, some suggested by the services, the one that we are now presenting to the committee being the tenth in a series of schemes—I am bound to say to the hon. member for Waterloo South, who, as I have already said, made a very strong

case this afternoon from his point of view, that my own judgment for a long time was not in accordance with the principle of this bill. My feeling was that the benefits already provided for ex-service men in the statutes and in the orders in council of this country, plus one or two additions, to take care to some extent of the small business man and to take care of any professional man starting out on his career, up to the present rehabilitation schemes, made what was virtually a complete rehabilitation programme. But I had thought that—and here is where I agreed with the hon. member for Waterloo South for a long time—more money should be given to the soldier in the way of cash gratuities. I did feel that the gratuities should be considerably higher than they are in this bill, and that these higher gratuities with the schemes under our statutes and under our orders in council, together with some assistance to the small business and professional man, would give us an excellent general plan. But on reflection and after full discussion with my colleagues of the government, with members of the civil service, returned soldiers and others, I came to the point of view which is expressed in this bill. The gratuities are considerably smaller than I originally hoped, but there are, in addition, these large credits available over a period of ten years.

The point that I rose to make on speaking to the amendment is that it is incorrect to say or to suggest that strings are now being attached for the first time to these benefits that are available to returned soldiers. I am as keen for the welfare of the returned soldier as anyone in this house. But I do not think it is unfair to suggest that if we are going to pay out money over a period of ten years we should lay down certain conditions, which I suggest are not onerous, and do not work any hardship, and which I am sure every returned soldier can readily accept if he wishes.

Mr. DIEFENBAKER: I should like to ask a question with regard to this section, which reads:

> All or any part of the reestablishment credit herein provided for may, within a period of ten years from the date of the coming into force of this act, or of the date of his discharge, whichever is the later, be made available to or for the member of the forces eligible therefor for such of the following objects as, in the opinion of the minister or of such person or persons as he may designate for that purpose, are desirable in respect of the reestablishment of such member.

What is the reason for the insertion of the words "in the opinion of the minister or of such person or persons as he may designate for that purpose, are desirable in respect of the reestablishment of such member"? Does this mean that every soldier will not be entitled to these benefits in the matter of the reestablishment credit, even if he qualifies and comes under the provisions of paragraphs (*a*) to (*h*) inclusive, unless the minister or some undetermined individual or individuals decide that he shall be so entitled? Personally I see no reason for those words in the section at all. The purposes in respect of which reestablishment credits will be considered and permitted are set forth in this section. Why is it necessary to add a further string, if you will, by providing that a soldier shall not be entitled to this reestablishment fund, even if he intends to use the money for one of the purposes set forth in these paragraphs, unless the minister or some other person so determines? In the first place I think those words should be deleted. They confer power upon the minister, or a person as yet undetermined, to decide each case on its own merits. As far as the amendment is concerned I certainly am not of the opinion, and I submit there is no justification for the opinion, that it is intended to take away from the ex-service men and women of this country some $350,000,000. I imagine that statement was made by the minister perhaps in a moment of thoughtlessness, for to-day our irritation point is rather low, no doubt due to the temperature of this chamber. In any event I feel that the words to which I have referred should be deleted.

Mr. MACKENZIE (Vancouver Centre): May I point out to the hon. member for Lake Centre that this committee has already passed section 8, and I believe the mover of the amendment has completely lost sight of the fact that section 8 deprives the recipient of these gratuities of the benefits of vocational training and the provisions of the Veterans' Land Act. Section 9 merely sets up other alternative benefits for those who are unable or do not choose to qualify for the benefits of the Veterans' Land Act, or vocational or technical training, as I pointed out before six o'clock. That is an important point. This is only an alternative series of benefits, I think about nine or ten in all, with the last one very generic in its terms.

Coming to the point raised by the hon. member for Lake Centre, I believe there is some merit in the second part of his remarks in regard to persons to be designated; but you must have advice and direction. This measure is essentially concerned with reestablishment, with the rebuilding of the lives of the boys who come back, in various endeavours; and I think they must have counsel. We have vocational counselors and guidance

counselors in the department now, where we have nine or ten major benefits functioning already. We have these advisers for one purpose only; not to regiment anyone but to try and render all the assistance we can. We have personnel counsel in the hospitals to-day, to advise those who are wounded in regard to what they may desire to do. Someone mentioned that a few moments ago. The idea certainly is not to regiment anyone; it is to offer cooperation and assistance. I see no objection to the argument advanced by my hon. friend in regard to the other persons who may be designated, as mentioned in the section. If the power is left to the minister he is responsible to parliament and must answer to parliament, so that I think you must leave that power there. As far as I can see that should not be altered.

Mr. ROWE: Why not let the section stand for the present and go on with the others?

Mr. MACKENZIE (Vancouver Centre): I am in the hands of the committee, but I see no reason why it should stand. I believe we are all in agreement on it. If my hon. friend would like to strike out the words "or of such other person or persons as he may designate for that purpose," which may refer to boards or other organizations, I would have no objection. I think the minister must be left there, however, because he is responsible to parliament and he must do the advising, through his deputy minister and his counselors, purely for the purpose of assisting and reestablishing the veterans who come back. That is the only principle underlying this section. I think we are all agreed upon that point, and I believe my hon. friend from Lake Centre is right in his second point, that the section goes too far and allows too much latitude when it refers to such other persons as may be designated.

Mr. HOMUTH: This perhaps indicates the advantages of having some lawyers in the house. We do not want too many, but it is a good idea to have some. I drew up the amendment very hurriedly; I read over the provisions of the bill, and I thought this amendment would do what I should like to see done. I still feel, and I shall continue to feel, that when we are giving men gratuities for service in the armed forces, those gratuities should be equal to all and should not be predicated upon whether or not a man does something which under the act may be designated by the minister or by some board. If we are going to express our appreciation to our fighting men in this rather modest way, then let us make it apply to them equally; let us see that they all get the same amount, and that some are not deprived of their share because they cannot come under the provisions of section 9. I realize that my amendment may be badly drawn, and I am prepared to withdraw it. Before this bill passes, however, I hope that the government will consider what I have said in regard to the necessity of seeing that everyone gets an equal amount of money under this legislation.

Amendment withdrawn.

Mr. MACKENZIE (Vancouver Centre): I appreciate very much the spirit of cooperation shown by my hon. friend in withdrawing his amendment, but I am afraid he is confusing two things. He is confusing the gratuity with the reestablishment credit. Under this scheme everyone gets the same amount of gratuity, except that under one of the provisions there is reference to the amount of pay and allowances of the individual. In regard to the reestablishment credit everyone from the private to the general, from the airman to the air marshal, gets the same treatment and the same opportunity to avail himself of the credits that are available for reestablishment under this measure. So that when my hon. friend says that there is discrimination here, there is not; there is the greatest equality, more so than in any similar scheme proposed throughout the world, as I am sure hon. members realize.

Take the cash gratuities; they are the same for all, with no question of rank. The only difference arises in connection with the rehabilitation grant involved in this proposal, which has to do with the payment of seven days' pay and allowances. From the private to the field marshal, if we were fortunate enough to have one in Canada, they are all the same. You then come to credits, and they are the same for everybody. They are invited to take advantage of these nine or ten different schemes up to a period of ten years. Where is the discrimination there? It is equality of opportunity for everyone serving to-day in the fighting forces of Canada.

Mr. GILLIS: What about the merchant navy?

Mr. LOCKHART: Is the amendment withdrawn?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. LOCKHART: Then I shall refer to section 9 (a) (ii).

The CHAIRMAN: The hon. member has withdrawn his amendment.

Mr. LOCKHART: I draw the minister's attention particularly to this paragraph. On more than one occasion I have expressed my opinion that there are too many hurdles to get over.

I shall read this paragraph. It states:

(a) The acquisition of a home . . .
(ii) if not under the National Housing Act, 1944, in an amount not exceeding two-thirds of the difference between the appraised value of the home as approved by the minister or the purchase price, whichever is the lower, and the amount of the encumbrance or encumbrances thereon, if any.

I have good reason to make reference to this, because in my community there are 785 war-time houses. There is some indication that soldiers who have already returned have expressed the desire to purchase some of these homes. Whether opportunity is given them or not, we are not quite sure. The president of Wartime Housing said that those houses would be torn down in six months. That was his statement to a citizens' committee of seventy-five people. And yet there is the offer to purchase some of these homes and put foundations under them. How is the appraised value of some of these homes built under the Wartime Housing Act to be arrived at? The section refers to "the appraised value of the home as approved by the minister", or some such person as the minister may designate. How are we to arrive at a price of a war-time house, when prices in Hull, Quebec, were over $4,000, while those in another centre were only $2,820? There will be a lot of confusion.

I am definitely of the opinion that if we had followed the suggestion of the minister and stopped at the words "for such of the following objects as" and deleted the latter part of the section, which is only going to make things cumbersome for the soldier who wants to buy a home of some kind, it would be much better. Yet he is placed in a position, under section 9 (a) (ii), where he has to go through all this trouble to buy some little cottage which has been erected, and which he might finance with his limited amount of money. I urge the minister and the government to simplify this situation for the man who will try to get himself a home. I know there are scores of them who are anticipating doing that. I am complaining particularly about section 9 (a) (ii), under which a man has to go through all kinds of cumbersome procedure with the minister.

Mr. MACKENZIE (Vancouver Centre): It is refreshing to recall that this section was placed in the bill after representations which were made by hon. members opposite. We had the resolution before the house, and we tried to meet the wishes which have just been expressed—the wishes, perhaps not of the hon. member who has just spoken, but certainly those of other hon. members opposite.

The position was this: Why narrow some of the returned men to the provisions of the National Housing Act, 1944? Why not give them an opportunity of private endeavour, in regard to removing any encumbrances that may be upon the house?

Mr. LOCKHART: Why put strings upon it at all?

Mr. MACKENZIE (Vancouver Centre): I would say this, that it was only to meet the wishes of the opposition two days ago that paragraph (a) (ii) was inserted. I can assure my hon. friend that this paragraph was drafted with the greatest possible care, and that the only idea in mind was to assist the veteran to purchase a home on the basis of two to one. That is all there was to it—to remove encumbrances and to obtain a house properly and privately, apart from the provisions of The National Housing Act, 1944.

Mr. ROSS (St. Paul's): Let me give an illustration, just to see if I understand the bill. Here is a home valued at $2,700. That is either the assessed value, the appraised value or the purchase price. Against it is an encumbrance of $1,500. That leaves $1,200 which must be put up to buy the home. Under the bill, all that will be allowed is $800; is that correct? That leaves $400 he has to find, himself.

Mr. MACKENZIE (Vancouver Centre): No.

Mr. ROSS (St. Paul's): Well, that is what it says.

Mr. MACKENZIE (Vancouver Centre): No.

Mr. ROSS (St. Paul's): It says, "not exceeding two-thirds of the difference."

Mr. MACKENZIE (Vancouver Centre): No; he could put up his entire reestablishment credit, if it amounts to $1,200, provided that he puts up $600 more of his own.

Mr. ROSS (St. Paul's): But that is not what it says. What it actually says is what I am telling the minister; that is, the appraised value of the home is $2,700, and there is an encumbrance of $1,500. That is quite clear, and it leaves $1,200 in cash that must be put up. The amount that will be advanced is two-thirds of the difference. Two-thirds of the difference between the appraised value

of the house, and the encumbrance—which is $1,200—is $800. That leaves $400 he must find himself. Why?

Mr. MACKENZIE (Vancouver Centre): Under the case advanced by my hon. friend he can put up two-thirds of the amount of the encumbrance, which is $800. But if he has further reestablishment benefits to his credit, he can use them in other directions.

Mr. ROSS (St. Paul's): But it is not two-thirds of the encumbrance which he puts up; it is two-thirds of the difference.

Mr. MACKENZIE (Vancouver Centre): Of the amount necessary to clean up the transaction.

Mr. ROSS (St. Paul's): But this section does not say that. It says merely, "give him two-thirds of the difference between the value of the home or what he pays for it, and the encumbrance"—which in this instance is $1,500. In this case the amount left would be $1,200, and you will give him only $800. He has to go and find $400. You are keeping the $400 for what?

Mr. MACKENZIE (Vancouver Centre): Any other benefit that he may seek to possess, such as furniture, or any of these other benefits outlined.

Mr. ROSS (St. Paul's): I think this is ridiculous. It just shows how ill thought out some of the things in this bill are. He will not buy a house unless he has furniture, or something like that. Surely to heavens in a case of this kind, if he wishes to do that, and if he wishes to have help to the extent of $1,200, we should let him have it.

Mr. MACKENZIE (Vancouver Centre): One of the most constructive things is this provision for two-thirds of the amount. This encourages the investor or the beneficiary to invest some of his own money. I am certain that is absolutely sound in every respect.

Mr. ROSS (St. Paul's): It is the most unsound thing I have ever heard of. That is all there is to it—where a man can get only $800 out of the money coming to him. That is altogether wrong—and perhaps he will have to borrow on a second mortgage, or something like that, in order to get that money.

Mr. MACDONALD (Kingston City): I think my hon. friend is under some misapprehension as to the purpose of the two-thirds provision. As I understand it, the returned soldier can use his entire rehabilitation credit for the purpose of buying a home. He can use whatever rehabilitation credit is coming to him for the purpose of buying that home, provided that that rehabilitation credit does not exceed two-thirds of the difference mentioned in the section. My hon. friend has mentioned a case where the home is worth $2,700, with an encumbrance of $1,500, leaving a difference of $1,200. If the returned soldier has coming to him a rehabilitation credit of $800 there is no doubt that he can use that entire credit of $800 for the purpose of buying his home, but he cannot go beyond that, and the reason why he cannot go beyond that is, as the minister of pensions has said, that it has been considered desirable by all who have had experience in the matter of housing that the buyer should have some equity in the home. In other words, he puts up $400 of his own money. Perhaps he would take it out of his gratuity, perhaps out of his earnings after he came back to this country, and then, having put up the $400, he meets the requirements of section 9.

Mr. ROSS (St. Paul's): He might have $1,800 coming to him. Therefore he just cannot use it. He cannot get the money, and he would have to borrow the $400 somewhere to put into his home. The thing just does not make sense.

Mr. MACKENZIE (Vancouver Centre): He can use the credit under other benefits.

Mr. ROSS (St. Paul's): It can be done, I suppose, under the clause "any other purpose authorized by the governor in council." That and the first part of the bill might enable him to do it.

Mr. DIEFENBAKER: I am wondering whether we cannot straighten out section 9 so that it will read more clearly. In the first place I am glad that the minister agrees that parliament should not permit any person or persons designated by the minister to make the decision on such an important matter as the eligibility of a veteran to the benefits of reestablishment credit. I would suggest that section 9 be revamped to read as follows:

All or any part of the reestablishment credit herein provided for may, within a period of ten years from the date of the coming into force of this act, or of the date—

Mr. RALSTON: Leave out the "of".

Mr. DIEFENBAKER: Yes. I go on:

—of his discharge, whichever is the later, be made available to or for the member of the forces eligible therefor—

Then I would strike out all the following words to the end of line 32 and substitute the following:

—when it is shown to the satisfaction of the minister that such credit is to be used for . . .

Then follow (a), (b) and so forth. That would allow the minister to designate whether or not the individual in question is eligible for reestablishment credit.

Mr. MACDONALD (Kingston City): There will be a tremendous number of these cases.

Mr. DIEFENBAKER: I appreciate that, but the minister has the power to secure the opinion of others and necessarily acts upon that opinion. What I do object to is parliament giving authority to individuals over whom parliament has no power. Every veteran should be entitled to this reestablishment credit, provided that he is not receiving benefits under the Veterans' Land Act, or educational, vocational or technical training benefits as mentioned in section 8.

Mr. MACKENZIE (Vancouver Centre): We can let the section stand so that we can examine my hon. friend's proposed amendment.

Mr. RALSTON: Can we not go through the various paragraphs outlining the objectives, because all that my hon. friend is suggesting is a revamping of the operative part of the section?

Mr. ROWE: By a strange coincidence I had struck out the very lines that my hon. friend the member for Lake Centre suggested be struck out. I think we are very close to an agreement on this clause. The minister of pensions has stated that it is his desire that the returned men shall have equality of opportunity, and I submit in all fairness that the suggestion made by the hon. member for Lake Centre would provide for that very equality of opportunity which the minister desires. I think the objectives as set out in the bill are reasonably sound and desirable objectives. I think we are all more or less agreed on that. All that the minister is asking is that Mr. Jones and Mr. Smith when they return from overseas shall have an equality of opportunity to get reestablishment credit, and the amendment proposed by the hon. member for Lake Centre would bring that about. I cannot agree with the minister for naval services because there is a principle involved here and the payment of a large amount of money. I think it is sticking closer to responsible government to make the minister responsible, and if that suggestion is accepted I think we can expedite the passing of this section.

Mr. DIEFENBAKER: So far as the objectives are concerned, I dealt with this question on one occasion at some length in the house, and I personally feel that paragraphs (a) to (h) very well cover almost every known means whereby a soldier could rehabilitate himself in the post-war period. I think paragraph (i) is necessary in order to cover such matters of rehabilitation as cannot be specifically set out and which might be necessary. As far as the purposes for which reestablishment credit should be established are concerned, I for one am in entire agreement with the section.

Mr. LOCKHART: I think that if the latter part of the section delegating authority to such person or persons as the minister may designate were corrected it would work out all right.

Mr. MACKENZIE (Vancouver Centre): If my hon. friend the member for Lake Centre will draft his amendment as he proposed the government will accept it.

Mr. ROWE: Can you accept it now?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. DIEFENBAKER: I move, seconded by Mr. Rowe:

That all the words after "therefor" in lines 28, 29, 30, 31 and 32 be deleted and that the following be substituted therefor:

"when it is shown to the satisfaction of the minister that such credit is to be used for"

Mr. MACKENZIE (Vancouver Centre): Will you combine with that the deletion of the word "of" in line 26, which was mentioned before?

Mr. DIEFENBAKER: Yes.

Mr. GILLIS: As I understand the section, prior to amendment it meant this, that in the working out of this legislation you will require considerable help and you will need quite a large personnel to whom applications will be made under the provisions of this particular clause. Am I to understand that the amendment made by the hon. member for Lake Centre means that, regardless of all your service personnel and counselors and advisers and officials across the country who may be rendering judgment on these matters, it will not be possible to receive a grant until such time as the minister in his judgment approves it?

Mr. DIEFENBAKER: No.

Mr. GILLIS: That is what it states.

Mr. MACKENZIE (Vancouver Centre): I hope not.

Mr. GILLIS: Who is to be the minister who administers this?

Mr. HOMUTH: Oh, well, we shall settle that.

Mr. GILLIS: I am a little doubtful about this section. I do not want to see the thing messed up.

Mr. MACKENZIE (Vancouver Centre): Oh, it is all right.

Mr. GILLIS: As I understand the wording of the amendment of the hon. member for Lake Centre, the minister's approval is needed. That means that a board which is sitting in British Columbia or in Nova Scotia or in Sarnia, where your service personnel is coming in and trying to take advantage of this particular section, will be told by the board, "We must inform you that until such time as the recommendation is approved personally by the minister no action will be taken."

Mr. ROWE: No. It is just like any other departmental administration.

Mr. MACKENZIE (Vancouver Centre): May I point out to the hon. member that under the Veterans' Affairs Act the minister is entirely responsible for the reestablishment of the veteran. The amendment proposed by the hon. member for Lake Centre carries out the same idea. I do not think the difficulties contemplated by my hon. friend will ever arise.

Mr. GILLIS: I appreciate very much what the minister says, but I still have in mind the answer we received across the floor, "It does not make any difference what I say in the house; it is the regulations which speak." Remember?

Mr. MACKENZIE (Vancouver Centre): There will be regulations under this too.

Mr. GILLIS: That is exactly what the regulations are saying—

Mr. MACKENZIE (Vancouver Centre): Oh, no, the regulations are not drawn up yet.

Mr. GILLIS: —that it must have the personal approval of the minister.

Mr. MACKENZIE (Vancouver Centre): Don't worry about that.

Mr. CASTLEDEN: With regard to the other part of the amendment, it states, the word "of" in line 26. Which "of" is it? There are three.

Mr. MACKENZIE (Vancouver Centre): The last one.

Amendment agreed to.

Section as amended agreed to.

Sections 10 and 11 agreed to.

[Mr. Gillis.]

On section 12—Exceptions to entitlement—seaman, soldier or airman.

Mr. GILLIS: I think this section requires some explanation by the minister.

Mr. ROWE: Section 11 has the same principle.

Mr. RALSTON: I dislike quoting the other order in council, the order in council of 1918, but it is practically in the same form. I understand that paragraph (a) is in terms which the naval forces use; my colleague the Minister of National Defence for Naval Services will correct me if I am wrong. The other paragraphs apply in the usual cases of those who are dismissed the service for misconduct.

Mr. GILLIS: This is what I have in mind. A boy is picked up by the civil authorities, in many instances for some quite trivial act. He goes before the local magistrate and is sentenced for some infraction which is of no significance—I have such cases in mind—to a year in gaol. The boy is discharged.

Mr. MACDONALD (Kingston City): Not necessarily.

Mr. GILLIS: I know cases where they have been.

Mr. MACDONALD (Kingston City): Yes, but for a serious offence.

Mr. GILLIS: Not too serious. However, I am not going to argue that because we have not any jurisdiction over it. What I am concerned about is that under this section the military authorities will be accepting the decision of some local magistrate. That boy is penalized; he is stigmatized and he is deprived of what we are now providing for our service personnel. The thought I leave with the minister is that before this section should become operative a boy convicted by a civil court should at least be given a fair trial by national defence officials as to the justification for the sentence in the local magistrate's court. There should be some court of appeal. If I could sit down for fifteen minutes with the Minister of National Defence I could prove to him that he has lost at least two soldiers through the stupidity of a local magistrate right in this province, and all I am trying to provide for here is a square deal on the part of military officials where service personnel are convicted by civil courts.

Mr. RALSTON: I am advised that there is nothing automatic about it. A man is not necessarily discharged because of having been sentenced by a civil court, and I do not think there is in the regulations anything that provides he shall be. It may be that a

sentence of two years would have that effect. All I can say to my hon. friend is this, and it is not of very much use to him because it is general. Because of this additional penalty which is imposed on a man we shall endeavour to see that proceedings for discharges following commission of civil offences and conviction by civil courts are examined as carefully as possible. We shall see that instructions are sent out to that effect. I cannot promise that we shall have an army tribunal review the actual evidence before the court, but we shall look into it to see what the man's character is. Sometimes these fellows that commit offences are the best soldiers, and we do not want to drop them out of the ranks simply because they happen to get into trouble; nevertheless they must not get into trouble that extends over too long a period because in that case they are of no use to us.

Mr. GILLIS: Let me give a case in point. A boy has served for two and a half years overseas and he comes back. He is at home for only two or three days when he gets into a little bit of trouble with the local authorities and he is sent up the river for a year and is automatically discharged from the service.

Mr. MUTCH: No, he is not; not automatically.

Mr. GILLIS: I am not going to argue with the hon. member. I know this is true because I happen to have made representations in this case. By virtue of the fact that he is sentenced to a year and is discharged he comes under this provision and is deprived of his gratuity. I know you cannot make a blanket provision in regulations governing matters of this kind and these are perhaps isolated cases. At the same time they constitute an injustice, and even if there is only one man who is affected I think we should do what we can to avoid injustice. I leave that with the Minister of National Defence, and I suggest that within the terms of the regulations there should be sufficient latitude that in a case of this kind the army officials should have the right to review the circumstances and render justice within the meaning of this legislation.

Mr. BLACKMORE: I suggest that this bill could be improved by the entire deletion of this section. If the bill means anything it means that after a boy has served overseas, after he has fought, he is entitled to a number of benefits. Suppose he makes eight or ten operational trips over Germany; he is entitled to benefit. But he might run into a mishap such as has been indicated by the hon. member for Cape Breton South and he is deprived of those benefits. How can you get justice out of that situation? I have in mind cases which have come to my personal knowledge where men have been railroaded out of the service through unjust courts-martial. There was a deliberate attempt and plan to "get them", and they got them out of the service. Any man who has been in the army and has gone through the experience knows of cases similar to the one I have in mind. Are these men to receive nothing at all in consideration of the service they have rendered their country? Surely this section should be reviewed with the greatest of care.

Mr. ADAMSON: What is the ruling under king's rules and regulations about civil offences?

Mr. RALSTON: They are not automatic. There may be cases on discharge, for instance, conviction for an offence of a felonious nature.

Mr. ADAMSON: Is there a time limit?

Mr. RALSTON: No, there is no time limit.

Mr. FAIR: I can see that there will be some discrimination against certain members of the forces. I think we are thankful to all the men and women who have gone overseas. We owe them much more than is contained in this bill and in the other legislation already placed on the statute books, and because we may do an injustice to a few I suggest that it would be much better to delete this clause entirely. I move that the section be deleted.

The ACTING CHAIRMAN (Mr. Golding): Shall the section carry?

Some hon. MEMBERS: No.

Mr. BLACKMORE: There is a motion to delete the clause.

The ACTING CHAIRMAN (Mr. Golding): Who made the motion?

Mr. FAIR: I moved that section 12 be deleted.

Mr. RALSTON: I do not like a motion of this kind; I do not think the hon. gentleman quite realizes the responsibility he is taking. This is the law with regard to the gratuities of 1918; it is the law in effect with regard to the various rehabilitation provisions which are in force to-day, and I do not think we can quite take the responsibility of striking out a section which provides that you will not pay war service gratuities to men who are discharged for misconduct, naval personnel who have been sentenced to be discharged with ignominy or men who are discharged by reason of having been convicted by a civil court or by court

martial during service. I do not understand the attitude taken. I know the case to which the hon. member for Lethbridge refers. He has had it before the House of Commons and I have had it before me. I do not agree with him in that matter. I have been through it from cellar to attic. He says that someone was railroaded out of the army and he does not want anyone to be disqualified on that account. Without in any respect derogating from the position that I have just taken in relation to that case, I have no doubt that men are convicted at times before civil courts in connection with matters in respect of which somebody else might have let them off. That happens. But when men are convicted it is not only the conviction that counts so far as the army is concerned. The question is whether or not they will be good soldiers. The army does not discharge men who are likely to be good soldiers, because it wants good soldiers. That is why we are here to see that the gratuity is paid in the most generous and ample terms possible for the benefit of the men who are giving service. What this section says is that if the offence has been so serious, if they have been convicted by a civil court and been sentenced for such a period that we cannot use them in the army, then we do not pay war service gratuity. My hon. friend may make his motion if he wishes to do so, although as a matter of fact it is out of order because it would mean an additional financial provision. The resolution that was passed by the house, on which the bill is founded, expressly provided this very thing, namely, that men would not be paid gratuity if they were guilty of misconduct. My hon. friend moves to delete the section and that would mean an increase in financial liability under the bill.

On that ground, without any other argument, I submit that the motion is out of order.

The ACTING CHAIRMAN (Mr. Golding): It is not in order for the hon. member to move that the section be deleted. He can move that it be amended.

Mr. MACKENZIE (Vancouver Centre): He can vote against the clause.

The ACTING CHAIRMAN (Mr. Golding): The hon. member has the opportunity of voting against it. It is not in order to move that it be deleted.

Mr. FAIR: May I suggest the section stand until to-morrow?

Mr. RALSTON: No.

Mr. GILLIS: I recognize the fact that it is not desirable to strike out the clause completely. I believe that there is a place for discretionary powers. I believe that the minister should have discretionary powers under this section. With all due respect to the observation of the Minister of National Defence that men are tried and put away for cause, I am convinced there are times when they are put away because of, as I said, stupidity in some cases, and I am prepared to support that in the proper place.

May I give an example? A kid of seventeen or eighteen years of age enlists. He comes to this province. He goes out from camp in the evening and drinks some beer sold to him by the government of Ontario. On the way home, as is the common practice in the towns around close to the camp, he picks up a car and probably takes it for a ride. It may happen that he did not take it at all. I know of one case where a truck was moved approximately four feet. The kid is charged with theft under the criminal code. There is no alternative but to give him a year in gaol. The kid is sentenced to a year in gaol and he is discharged from the service. He is stigmatized after having been trained for perhaps a year or more. It is stupidity on the part of the magistrate to render a decision of that kind. I do not think that kid committed a crime. The only crime he committed was drinking beer sold to him by the government of Ontario. If the minister checks up he will find a lot of that going on. I know the minister is too busy to bother with it; he has other things to think about. But there are a few cases that might be reviewed in the interest of the service personnel. I am not concerned with allowing anyone off who has been punished under king's rules and regulations or by the civil courts, but I am concerned with correcting injustices brought about in the first instance by magistrates who are not competent to administer the law because they have not the training. I hope that matter will be discussed when the time and opportunity arise.

I move that section 12 of bill 184 be amended by adding the following subsection:

(2) Provided that the minister may exercise discretionary power in connection with the preceding section.

What I mean by that is, if there is a kid who has a legitimate complaint when this legislation is being administered, that he be given the right to place his case before the minister; that the minister administering this legislation then has the power and the duty to make an examination into that case and that if the boy has not been fairly dealt with in being let out of the service, then the minister has sufficient latitude under this regulation to correct any injustice that may have been committed.

Mr. BLACKMORE: Mr. Chairman, before you call the vote may I reply to what the minister said a moment ago? The argument that this section is sound because it resembles what was placed in the act after the war of 1914-18 is not valid. During the war of 1914-18 we did several things in the army which we are too much civilized to do to-day. There are a good many things we are doing in the army to-day that we shall not do in the next war because we shall be too civilized. I look on this measure as being an act of reward, not an act of punishment. Let us say that the boy is discharged. Is not the fact that he is discharged looked upon to-day by the army as being a punishment adequate to the crime. If the boy has been discharged for a misdemeanour, surely he has been punished. Why deprive him of the benefits which would naturally accrue to him under this bill and thereby punish him doubly? Surely there is no justice in that?

Mr. RALSTON: My hon. friend just put his finger on the point. He says, if the man is discharged for a misdemeanour. The army does not discharge men for misdemeanours if they are good soldiers. The army discharges them for serious offences which have been committed and for which they have to serve long imprisonment, which means that they are useless in the army. I know that my hon. friend has a kind heart; we all have. We are all just as sympathetic toward the unfortunate as he is. My hon. friend always speaks of boys. They are not all boys. Here is a situation where a court constituted in this country has made a finding and has imposed a sentence. That sentence has had to be accepted by the army and they have to take the necessary action in order that they may not have on their strength a man who is not capable of army service. The simple question is whether or not the Minister of Pensions and National Health or the Minister of Veterans' Affairs under this amendment is going to review the action taken by the civil court, and the action taken by the navy, army and air force and reverse the action taken by saying, "that was not a serious offence after all, you should not have been discharged from the forces." That is the effect of the amendment. I know what my hon. friend is looking for. He is looking for some way out to assist the odd case, but I submit to him that you cannot do it in that way. And I really and sincerely feel that it would be impossible for the minister to examine literally hundreds, and I am sorry to say, thousands of cases in which men have been discharged from the services from time to time. I do not think my hon. friend ought to press the amendment. If he feels that he should in order to get the opinion of the committee, then speaking for myself and for the government we see no other course than to vote against it.

Mr. BLACKMORE: Let me present a case to see if it would come under this section. An airman has been engaged in flying over Germany. Physically he has got into a state of nervousness which affects him to such extent that he cannot fly. He gets sick when he goes up alone. He is discharged from the air force and is automatically deprived of the benefit under this legislation.

Mr. RALSTON: No.

Mr. BLACKMORE: It says here definitely, if he is discharged. Then it goes on to state the various reasons for being discharged.

Mr. RALSTON: If he is discharged not for developing a state of nerves but because he was convicted in a civil court, by a court martial during his service or for misconduct, then he would not get the benefits under this section. My hon. friend will not find in the air force a man of the kind he has described being discharged for misconduct.

Mr. GILLIS: The Minister of National Defence is not correct in his interpretation of my views on this matter. I do not desire to test the decisions made by army or navy courts martial. I know enough about military affairs to realize that a man who is court-martialed gets a reasonably fair deal. I do not want an examination of all the cases, nor do I think there would have to be an examination of all cases. I have in mind the few who have grievances, who have perhaps been sentenced by local magistrates and as a result have been discharged from the service. You might have one, two or a dozen cases, but I believe any man who is affected by these regulations should have the right to appeal; the door should not be closed. That is my point. If you go back through the discharges from the air force you will find that many men, because of the condition described by the hon. member for Lethbridge—nervous, worn to the breaking point—refused to go up, and as a result lost their commissions and left the service. I do not know how you discharge them; it may be for misconduct, or you may use some other term, but there will be quite a number of men dealt with in that way. I believe you will find a number of men who have grievances under this section, and I want to provide some machinery whereby they may have an opportunity of airing those grievances. As it is now drawn, this legislation closes the door completely. I do not visualize checking back on courts martial and all that kind of

stuff, but I am trying to insert into this legislation provision for a court of appeal. I feel so strongly on the matter that I should like to take a vote on it.

Mr. CHURCH: This section has to do with discharges brought about by reason of civil prosecution or for other reasons, and I point out to the minister that under section 2 the word "discharge" means ceasing to serve on active service in any one of the three services.

The ACTING CHAIRMAN (Mr. Golding): The question before the committee is the amendment moved by the hon. member for Cape Breton South, which would add a provision to the section.

Mr. HOMUTH: I believe that the hon. member was about to discuss the very matter dealt with in the amendment.

Mr. CHURCH: I wish to point out that in England there have been some thirty thousand prosecutions in connection with breaches of war-time regulations, and that in Canada we have had about one-tenth that number of prosecutions for breaches of the regulations of the wartime prices and trade board. Offences against those regulations in time of war are not offences in days of peace. Would the provisions of this section rule out a man because he committed some minor breach of the regulations of the wartime prices and trade board, with all the controls and bureaucracy we have now? If that is the case I believe the section is really too drastic.

Mr. RALSTON: I would agree with my hon. friend if the section did mean what he evidently thinks it means. The offence for which a man was convicted must have been so serious that it showed he would not make an efficient soldier or his sentence would take him away from the service for so long that it would seriously impair his usefulness. Then he would have to be discharged from the army, the navy or the air force. The whole section is governed by the word "discharged" in the second line. If a man has been sentenced, even for an offence under the wartime prices and trade board regulations, which takes him away from service for a very long time, so that he cannot be of use as a soldier, sailor or airman, then paragraph (b) would apply. In practice, however, I do not think it would apply at all, because a man would hardly be discharged from any of the three services for an offence of the kind which my hon. friend has quite properly described as a war-time and not a peace-time offence.

[Mr. Gillis.]

Mr. CHURCH: Probably my point would be covered by the minister under his power to make rules and regulations.

Mr. CASTLEDEN: I should like to point out that as the section stands now, without the amendment, the door is absolutely closed; that no man who has been convicted and sentenced by a civil court, and who as a result has been discharged, has any chance of coming under the bill no matter how just his case may be. This amendment would merely provide a loophole which would permit the minister to exercise a little discretion. After all, Canadian soldiers are just civilians who have put on the uniform. Most of them have not been accustomed to military discipline. Life in the army is apt to be more or less grating at times, and the sort of treatment and justice a soldier receives is so entirely different from what he has been accustomed to in civilian life that very often he builds up resentment against those exercising that control. Then very often when he gets away from that discipline he does foolish things, such as the instance pointed out to-night which involved nothing more than getting into a truck and moving it three or four feet. The man who did that was convicted by a court in this dominion and sent to the penitentiary for one year. As a result he was discharged from the army. Surely that offence was not so great that it should entirely take away any opportunity he might have of getting the benefits of this legislation. We are trying to help these young lads to get back into civilian life. This amendment would not only provide a means whereby an unjust clause may have some justice in it, and I intend to support the amendment.

Mr. FAIR: I intend to support the amendment also. When I moved my own amendment I had in mind one matter that so far has not been discussed. A number of young men in the forces to-day have left home for the first time. Before leaving home they were not accustomed to liquor, but since leaving home they have become accustomed to it. I believe that is one of the things that get many of these young fellows into trouble. They serve for four or five years; then as a result of some misdemeanor they are taken to court, with the results that have been described to-night. For that reason; because some provinces cannot find any better way to raise money than through the profits on the sale of liquor, I am satisfied that something should be done. I believe that the minister should have discretionary power

under this section, and for the reasons that have been mentioned already I intend to support the amendment.

Amendment (Mr. Gillis) negatived: yeas, 7; nays, 38.

Section agreed to.

Section 13 agreed to.

On section 14—Application to be made for gratuity or audit.

Mr. CHURCH: I understand that the only person who can make an application is a member of the forces. Suppose he is incapacitated or suppose he has been killed. Can any other member of the family—his wife, for instance—make application?

Mr. RALSTON: The wording is "by or on behalf of".

Mr. CHURCH: Under the section the minister can make regulations?

Mr. RALSTON: Yes, under section 24 of the bill.

Mr. ROWE: Under this particular section is it the intention of the government to make it obligatory to make application before even the gratuity is given? I can understand the situation with respect to the reestablishment credit; but as it reads now, a man has to make application even for gratuity. My submission is that there will be extreme cases where men coming back would not have any friends or other people who could make application on their behalf. They perhaps may not be familiar with the gratuities available. My submission is that this should be clarified.

Mr. RALSTON: We were discussing that matter to-day, in anticipation of the passage of this bill. Regulations are now being prepared in regard to the matter of applications. I think I can say now that the usual procedure will be that the moment a man is discharged, and at the time he receives his rehabilitation grant, he will then sign his application for war services gratuity as well.

As I said to the house the other day, the administration of the measure will be under two departments, to some extent. That is to say, the war services gratuity will be paid by the service departments, and the reestablishment grant will be administered by the Department of Veterans' Affairs. I rather anticipate that payments on war service gratuities will be made by the service departments for the Minister of Pensions and National Health, or the Minister of Veterans' Affairs. I think the matter of application can be worked out so that it will be signed at the time the man receives his rehabilitation grant.

Mr. ROWE: Should that not be said?

Mr. RALSTON: We will say it in the regulations.

Mr. HOMUTH: But can the regulations override the wording of the bill?

Mr. RALSTON: But the wording of the bill is sufficient to permit that, because it says, "by or on behalf of". Then section 24 states:

> The governor in council may make regulations governing all matters relative to the manner of payment of gratuities or the making of reestablishment credits available and the evidence to be required in support of applications therefor, to prescribe penalties for breaches of the said regulations and generally to give effect to and carry out the objects of this act.

Mr. ROWE: All right.

Mr. ADAMSON: With respect to section 13—

The ACTING CHAIRMAN (Mr. Golding): Section 13 is passed; we are on section 14.

Mr. ADAMSON: Then may I make one observation with regard to section 13? I do not wish to take up the time of the committee unnecessarily, but I notice that in line 4 of that section we find the expression "penal servitude, imprisonment or detention". The word "detention" means detention for a small period of time, possibly a week, fourteen days or twenty-eight days.

Mr. MACDONALD (Kingston City): It can be more than that in the navy.

Mr. ADAMSON: The detention may be for a very short time, or for a long time. The word "detention" applies to anyone who is committed to the guardroom. I would suggest to the minister that under this section he is going to penalize many service men who have committed some small misdemeanours and who have been given forty-eight hours in the guardroom, or perhaps up to seven days or fourteen days. I do not wish to offer an amendment, because enough of them have been moved. But I would suggest that after the word "detention" the words "for a period greater than twenty-eight days" be added. Then we would be penalizing only the man who has committed a serious crime and would not be penalizing the man who possibly went out and got drunk, with the result that he was committed to the guardroom for possibly seven days, or forty-eight hours.

There is another feature to which I would direct attention. I notice the expression "or period of service in respect of which pay is forfeited". Forfeiture of pay has become rather a common, and I think unnecessarily common, type of punishment in the army during this war. A man may be absent without leave or late on a pass, and frequently

his punishment is a forfeiture of two, three or four days' pay. The punishment would depend upon the length of absence without leave.

These are small crimes in the normal life of many service men in this war. Even excellent soldiers have at one time or another been absent without leave for a day, or late on a pass, or committed some small crime for which they have suffered stoppages of pay, or have been committed to the guardroom for some hours, or possibly for two or three days. The expression in the section is too all-embracing, and I would suggest that after the word "detention" the words "for a period greater than twenty-eight days" be inserted, and that after the word "or" the word "like" be added.

The ACTING CHAIRMAN (Mr. Golding): Section 13 has been carried. We can revert to it only with the consent of the committee.

Mr. ADAMSON: I understood that the committee had consented?

The ACTING CHAIRMAN (Mr. Golding): I do not think so.

Mr. HOMUTH: The minister can clear it up.

The ACTING CHAIRMAN (Mr. Golding): All right, if that is satisfactory to the committee.

Mr. RALSTON: I cannot accept my hon. friend's suggestion. It simply means that you would be giving a man war services gratuity for the time he was in detention. You do not give him pay, but you give him war services gratuity.

Mr. ADAMSON: Up to twenty-eight days.

Mr. RALSTON: He can be given detention for two years.

Mr. ADAMSON: Yes, but I am stipulating over twenty-eight days.

Mr. RALSTON: Is there any principle upon which you can permit a man who is in detention, and for whom you have to provide provost personnel and a detention barracks, to receive a bonus for his detention? I cannot see it.

Mr. HOMUTH: Somebody has to pay for the gaol.

Section agreed to.

On section 15—Benefits received from other governments.

Mr. ROSS (St. Paul's): There is in this section something which has been overlooked and which I wish to bring to the attention of the minister. There are certain decorations, possibly from other countries or from our own country, which carry with them a certain amount of money, payable each year for life, which are given to the members of armed forces. I do not think that has been considered in connection with this section. The section ought to be amended so that they would be included.

Mr. RALSTON: No, I am quite satisfied that is not correct. I realize that I expressed a legal opinion before, and that I reversed myself a while later—although I have come to the conclusion that I was right.

Mr. HOMUTH: Which time?

Mr. RALSTON: In the first place. But I am right in this, that I do not think there is any chance in the world of this applying to any gratuity or credit which is given as supplementary to a decoration. I do not think this section refers to the sort of gratuities or credits about which my hon. friend has been speaking. The gratuities or credits to which he referred are credits, gratuities or cash grants which go with certain decorations for gallantry, or recognition or reward for services of merit.

This section applies only to any "pecuniary benefit of the same nature as the gratuity or credit payable or which is granted under this act." That is, if another country grants a war service gratuity or a reestablishment credit, then the provision is that one-half of those benefits would be deducted from the gratuity and one-half from the credit, when the member of the forces is drawing gratuity here.

Mr. ROSS (St. Paul's): I find it difficult to understand what "of the same nature" means. After all, this is given for a number of different reasons. I am only bringing this matter to the minister's attention for the sake of clarity.

Mr. RALSTON: Let me say to my hon. friend for his comfort that I have another legal opinion. That makes two lawyers on this side of the house who agree that "of the same nature" does not refer to pecuniary benefits or grants in respect of decorations.

Mr. ROSS (St. Paul's): That is very interesting, two opinions on the other side.

Mr. RALSTON: But they are both of the same mind.

Mr. ROSS (St. Paul's): But both may be bad lawyers. However, I will leave it to the minister, having stated my opinion. I just wanted to be sure.

Mr. CHURCH: Would this section apply to gratuities of the same nature paid by other countries such as Russia and the United States? Some of our soldiers are having the difference between their army pay and what they receive in civil life made up by the municipalities or corporations for which they worked. For example, the municipality or corporation would give them $3.70 which, with their army pay of $1.30, would bring them up to the $5 they were earning in civil life. As I understand it, there is no deduction on account of these pecuniary benefits in Canada. Many of our soldiers are firemen and policemen, with pension and gratuity funds of their own. Lever Brothers, for instance, have a great system of helping soldiers, giving benefits and credits of all kinds. It is the finest system in Canada. That will not be interfered with under this section?

Mr. RALSTON: Not at all. This applies only to grants by governments in respect of service with other than Canadian forces.

Mr. ROWE: The latter part of this section states:

> in respect of service performed with the naval, military or air forces of any such dominion or power, one-half of the amount of such benefits shall be deducted from the gratuity and one-half from the credit.

Suppose a soldier does not take advantage of the reestablishment credit and takes only his gratuity. He gets certain pecuniary benefits as have been mentioned. If he does not take the reestablishment credit I doubt whether one-half of the benefits he receives from the government of any associated power should be deducted from his gratuity.

Mr. RALSTON: I admit that it was an arbitrary division. They said: You must not take it all from the gratuity or all from the reestablishment credit. So that it is taken half from each. If a man has received a gratuity or credit, perhaps both, from some force with which he has served for the time being, we do not want to give him a double credit or gratuity. Then the question comes, how to apply the deduction and the rough and ready way to apply it is to take it half from the gratuity and half from the reestablishment credit.

Mr. ROWE: That seems too rough and ready.

Mr. RALSTON: There would be no other way in which we could do it without meticulous accounting. We cannot tell what particular sort of benefit it would be.

Mr. ADAMSON: Has the minister anything specific in mind? I cannot imagine how anything like this would come up.

Mr. ROWE: Many men may not take the reestablishment credit at all. They might get some other pecuniary benefits instead. In that case I do not think we should deduct one-half from the gratuity. I think the section should be amended accordingly.

Mr. MUTCH: The bill expressly provides that a man has ten years within which to elect whether he will take reestablishment credit, and no soldier can say until the end of the ten years that he is not going to take the benefit of the reestablishment credit.

Mr. RALSTON: The reestablishment credit has a definite dollar value, and you take it off the maximum credit.

Mr. ROWE: Off whatever credit would be available?

Mr. RALSTON: That is it.

Section agreed to.

Section 16 agreed to.

On section 17—Persons of Canadian domicile who serve in other commonwealth forces.

Mr. HOMUTH: This is a clause that I think needs clarification with regard to the question of domicile. What position are the men going to be in who left Canada and went over to England in 1936, 1937, 1938 or 1939 and enlisted in the Royal Air Force, served throughout the war and then came back here? Under this clause they would not be domiciled in Canada and they would not come under this provision. Yet one of the other acts that we passed granted to men in the like circumstances all the preferences given to members of the Canadian forces. Surely we should not debar these men from the benefits of this legislation because they went over to England between the years 1936 to 1939, and incidentally they were the backbone of the Royal Air Force in the darkest days of the war. We should not bar them from these gratuities.

Mr. ADAMSON: This would bar all the men of the permanent force who were outside Canada.

Mr. ROSS (St. Paul's): I should like to support what the hon. member for Waterloo South has just said. I know of my own knowledge several men who did that very thing, some enlisting in the Royal Air Force, some in the British navy. They were not domiciled in Canada in 1939.

Mr. RALSTON: My hon. friend says that, but is it correct? Did they leave Canada to take up their domicile somewhere else?

Mr. ROSS (St. Paul's): They went over there to join the Royal Air Force or British navy because they thought the war was coming on.

Mr. RALSTON: That does not mean that they changed their domicile.

Mr. ROSS (St. Paul's): They were not domiciled in Canada.

Mr. RALSTON: Certainly they were unless they intended not to return.

Mr. ROSS (St. Paul's): Not in 1939.

Mr. MACKENZIE (Vancouver Centre): Certainly.

Mr. ROSS (St. Paul's): Clarify that.

Mr. RALSTON: My hon. friend asserted positively that they were not domiciled in Canada. Domicile means that a man leaves his country intending to make his home somewhere else, or, putting it the other way, not intending to return. Did these men leave under those circumstances? If they did, why should they have a gratuity now from Canada? The point is, they did not leave with that purpose. Therefore, they were domiciled in Canada in September, 1939.

Mr. ROSS (St. Paul's): I do not know what "domiciled" means.

Mr. RALSTON: I know that.

Mr. ROSS (St. Paul's): Yes, I do not know, and all I am asking for is a clarification. These men went over to join the Royal Air Force, or the navy over there, because they believed that war was coming; not only that, but because they could not get into the forces here. You have to give them some consideration. As I understand it, the term "domicile" ordinarily means if you leave the country for a whole year, or something like that, you are out.

Mr. RALSTON: You can leave for five years and not lose your domicile.

Mr. ROSS (St. Paul's): So long as that is clear.

Mr. RALSTON: I mean that you can leave for five years and not lose your domicile if you have not intended to lose it, but you can leave for ten minutes and lose your domicile if you leave with the intention of not returning. But I rather take it, from what I understand about these men, that they did not intend to deprive themselves of their Canadian domicile. They simply went for the express and very laudable purpose of taking part in the war. Those are the men we are providing for here. If, however, they left—I say this seriously—to take up their domicile in the United Kingdom or some other country with whose forces they became associated, I do not think it would be quite fair to have them come back some time and take a Canadian gratuity. That is the point. The whole question is, are they Canadians over there or are they Britishers in respect of their permanent home?

Mr. ROSS (St. Paul's): My other question is this. I know of two of these men who married English wives.

Mr. RALSTON: There are a lot of Canadians over there who have done that.

Mr. ROSS (St. Paul's): I am only talking about two, but there must be dozens of others. Is there any danger of their not coming under these benefits? That is all I want to know.

Mr. HOMUTH: What I had in mind when I asked the minister the question was that a number of boys left my riding to join the Royal Navy and the Royal Air Force. In joining those branches of the service from 1936 to 1939, did they have to make any declaration or take any oath which might imply that they abandoned their domicile?

Mr. MACKENZIE (Vancouver Centre): No.

Mr. HOMUTH: All I want to be satisfied of is that these men who joined the British service, but with the intention of eventually coming back, have not lost their domicile.

Mr. MACKENZIE (Vancouver Centre): May I point out that a number of the boys who enlisted in the Royal Air Force went over to take the short service commissions, and we made special provision for them under the Pension Act amendments of 1941. I gave a press release with regard to the benefits. Under order in council P.C. 7633 we took the view that any Canadian boy who left Canada two or three or even four years prior to the outbreak of the war for the purpose of enlisting in His Majesty's imperial forces and returns to Canada upon his discharge will not have forfeited his domicile for the purposes of this order. Is that clear?

Mr. HOMUTH: Yes, that is perfectly clear to me, but I wonder if such a regulation could be put in this bill.

Mr. RALSTON: I think we must distinguish clearly. We are trying to benefit Canadians; that is really what this bill is for; and if a chap left here with intent to make his permanent home in another country he is not domiciled in Canada.

Mr. HOMUTH: No. Well, I do not think they did that.

Mr. RALSTON: I do not think that man, no matter how laudable his services, should be entitled to come back here and reside here and say, "I am entitled to the Canadian war service gratuity because I have changed my mind and I intend to live here." But the man who left with intent to return is clearly domiciled in Canada, and that is the man we refer to when we say that the member of the forces who was domiciled in Canada on the 10th day of September, the day the war broke out, can come back and receive the benefits of the bill. As a matter of fact, that man could stay in the service over there for a good many years, then be discharged, and if he comes back within one year after his discharge he will be entitled to have the difference made up between the gratuity he receives there and the gratuity which is provided for in Canada.

Mr. HOMUTH: I just wanted that clear.

Mr. CHURCH: There is something in section 17 to which I think the minister has not referred. I want to find out the definition of the word "commonwealth". This section applies to His Majesty's forces in the other dominions and dependencies and colonies, but there is one mistake, which I point out to the minister. He includes in the marginal note the word "commonwealth". That is not in the bill; it says, "other forces of His Majesty". You have covered all these men who went to England for service in the military forces, as regards gratuities from the various dominions, but you have not included the crown colonies and the dependencies. There are Canadians serving in the far east. The word "commonwealth" in the marginal note cannot be read into the section.

Mr. RALSTON: No, not the marginal note.

Mr. CHURCH: Are all His Majesty's forces covered?

Mr. RALSTON: Yes.

Mr. CHURCH: Everybody?

Mr. RALSTON: Yes.

Mr. ADAMSON: I take it then that this section does not exclude officers who have taken imperial commissions from the Royal Military College?

Mr. RALSTON: I am saying, if they had the intention to return to Canada.

Mr. ADAMSON: But I understand it is a seven-year course, is it not?

Mr. RALSTON: I do not know.

Mr. ADAMSON: Who is going to be a judge of whether that was or was not the intention?

Mr. RALSTON: They could give evidence themselves as to their intention.

Section agreed to.

Section 18 agreed to.

On section 19—Gratuities and credits to be additional to certain other benefits.

Mr. ROWE: Is any provision made for those who have already been discharged, with reference to the change in the rate of allowances for clothing, to equalize conditions?

Mr. RALSTON: No. No provision of that kind has been made with regard to clothing allowance.

Mr. ROWE: A change has been made in the amount to be given.

Mr. RALSTON: Yes; it has been increased to $100.

Mr. MACKENZIE (Vancouver Centre): They are entitled to all the other benefits.

Mr. ADAMSON: The allowance of $100 comes into effect as of August 1st?

Mr. RALSTON: For all ranks.

Section agreed to.

Sections 20 to 24 inclusive agreed to.

The ACTING CHAIRMAN (Mr. Golding): We now revert to section 4, which stood over.

Mr. RALSTON: The hon. member for Lake Centre raised the question as to whether the discretion of the minister might not be used to exclude a dependent from the benefit of the gratuity or the balance of the gratuity in case the soldier had become a fatal casualty. I have had the section redrafted. I sent over a copy to my hon. friend a little while ago and I received his assent; he has not initialed it, but he nodded to me to indicate that it is all right. I ask my colleague the Minister of Pensions and National Health to move the amendment. I think the new section is really a good deal clearer. It provides that the balance of the gratuity may be paid either to a person in respect of whom dependents' allowance was being paid or a person in respect of whom it would have been payable had there not been a C.W.A.C. provision such

as I spoke about, or a person to whom pay has been assigned, and that the discretion of the minister shall be exercised to determine to which one of these it is payable or to make a division between them and, as in the section now, to designate a person to receive payment in certain cases if he thinks proper.

Mr. MACKENZIE (Vancouver Centre): I move accordingly.

The ACTING CHAIRMAN (Mr. Golding): It has been moved by the hon. member for Vancouver Centre that section 4 be deleted, and the following be substituted therefor:

If a member of the forces dies on service or after discharge but before he has been paid war service gratuity in full, payment of the gratuity or the unpaid balance thereof shall be made to a person to whom or in respect of whom dependents allowance was payable on behalf of such member immediately prior to his death or would have been payable if such person had not been a member of the forces or to a dependent to whom pay was assigned by him. If more than one person is entitled to payment of the gratuity under this section the minister may direct that the gratuity be paid to any one of such persons or divide it among them in such manner as he may determine: provided however that the minister may in any case designate a person to receive payment of the gratuity and utilize the same for the benefit of the person entitled thereto in such manner as the designated person in his discretion may determine.

Is it the pleasure of the committee to adopt the amendment?

Mr. MacNICOL: I will neither oppose it nor support it. I cannot understand it from the way in which it has been read, and not having a copy in my hand, I must say that it has no effect as far as I am concerned.

Mr. RALSTON: I am sorry I had only two copies and they were prepared in a hurry. I sent one over to the hon. member for Lake Centre.

Mr. MacNICOL: He has been on the train for the last hour and that does not help the rest of us to understand it.

Amendment agreed to.

Section as amended agreed to.

Mr. RALSTON: We have been discussing, I may say frankly, the matter of the date of coming into force of the bill. We have been discussing with the officials the possibilities of getting ready for it, and what I suggest is that there be another section, section 25, to provide that the bill shall come into force on the first day of October, 1944. In consultation with the deputy minister of pensions and my own officials I think we ought to have that time at least, and that will be short enough.

Mr. MacNICOL: Why not earlier?

[Mr. Ralston.]

Mr. RALSTON: It is not in connection with the boys overseas but in connection with a hundred thousand or more who have been discharged in Canada, and it is a matter of getting organization started. That will be soon enough. We thought of proclamation, but I thought perhaps the committee would much prefer to have a fixed date.

Mr. MACKENZIE (Vancouver Centre): I move:

That section 25 be added, as follows:
"This act shall come into force on and from the first day of October, 1944."

Section agreed to.

On the preamble.

Mr. ROSS (St. Paul's): I suggest that it is most important that the regulations be given the fullest possible publicity so that all returned men will know what the whole thing is about. I suggest that the regulations be tabled and published in the *Canada Gazette* so that members of parliament will understand what they are. Returned men come to members asking questions, and we are not in a position to answer those questions unless we are fully informed. It is important that something be done in this regard.

Mr. RALSTON: I assure my hon. friend that the regulations will be completed, drafted, published and made available to members and the public at the earliest possible date. It must be remembered that there is a heavy load ahead of officials undertaking the drafting of the regulations and all the rest of it, but not a moment will be lost in that connection.

Mr. ROSS (St. Paul's): Does the minister not think it would be a good idea to have a section in the bill providing that variations in the regulations from time to time shall be published in the *Canada Gazette*?

Mr. RALSTON: They will be.

Mr. McNIVEN: Has any arrangement been made or will any be made to see that a copy of the bill is placed in the hands of every member of the armed forces? This is a splendid piece of legislation, and I think definite steps should be taken to see that every member of the forces obtains a copy of it. We hear constantly that men and women overseas are inquiring and worrying about what will be done for them, what they are coming back to. I believe that the provisions of this legislation would go a long way toward allaying feelings of that kind.

Mr. MACKENZIE (Vancouver Centre): Much better than sending the legal document comprising an act of parliament, I think a

digest of this will be sent to the troops as soon as possible to supplement one million copies of "Back to Civil Life" which have already been sent to the army and to next of kin, besides 500,000 more copies which are in process of being printed. All necessary features of this legislation will be incorporated in the next edition of the booklet.

Preamble agreed to.

Bill reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF TRANSPORT

Air service—radio division—

403. Administration of the Radio Telegraph Act and regulations, $136,880.

Mr. HOMUTH: Last night when the committee rose I asked that this item be held over. Something was said last night with regard to the situation at Halifax and the broadcasting station there, which I believe needs some clarification. The leader of the Cooperative Commonwealth Federation party read into the record a statement made by Doctor Frigon of the Canadian Broadcasting Corporation. From the evidence taken in the radio committee and the statement made last night by the minister one wonders whether there is not an Ethiopian somewhere in the woodpile. The picture apparently is that an application for a broadcasting station must be made to the Department of Transport. That application would then be submitted to the board of governors of the Canadian Broadcasting Corporation which would make a recommendation one way or the other. That recommendation would then come back to the Minister of Transport, and he has the power either to accept or to reject the recommendation. I understand that the Halifax *Chronicle* made an application for the right to establish a broadcasting station in that city; and I believe they were granted a licence but did not go ahead with the construction of the station. It was stated definitely by Doctor Frigon that the Canadian Broadcasting Corporation intended to erect a station in Halifax. Rumour says they went so far as to bring the equipment there for that purpose. Anyway, a great deal of the equipment is there. The impression was left with hon. members that this station would likely be ready by the end of the year. According to the remarks made last night there is no record of an application by the Canadian Broadcasting Corporation to erect a broadcasting station in Halifax. Although apparently no record of the application exists, yet Doctor Frigon says that such an application was made and that such a station is to be constructed. The application of the Halifax *Chronicle* is on file and has been passed on. I understand that they are hunting around to get the necessary material to construct the station. There is no record of the existence of an application from this great public ownership enterprise, this enterprise that Doctor Frigon has said on so many occasions can be so valuable to this country, and that makes one wonder just a little. I say this very seriously. Is the future of this great public ownership enterprise to be jeopardized to some extent for political expediency and that men who have strong leanings toward the government and a newspaper that has strong leanings toward the government are to get preferenec over the Canadian Broadcasting Corporation which is a nationally owned enterprise?

We have been told on many occasions by the Prime Minister and the minister in charge of this enterprise that it must be kept out of politics, that it must be kept separate and distinct from politics. We have been told of the great value it can be to the people. When we see such a picture as I have described, it makes one wonder if politics have not entered into the picture somewhere. The question is, is the Halifax *Chronicle* to build the station there, or is the Canadian Broadcasting Corporation to build the station? I believe we should get a definite answer on what is happening in Nova Scotia.

Hon. C. D. HOWE (Minister of Munitions and Supply): I admit at once that I was in error when I spoke last evening. I said at that time that to the best of my recollection the Canadian Broadcasting Corporation had not made an application for a wave length to the Department of Transport under this item. My officers called my attention to the fact that an application had been made and had been granted as of March 27, 1944, for a station of 100 watts on a wave length of 1,240 kilocycles. I had forgotten the fact. But actually the application was granted and is in good standing in favour of the Canadian Broadcasting Corporation. My officials tell me that the same difficulties which interfere with most broadcasting stations, namely, shortage of material and other difficulties, are responsible for delay. The matter is still under consideration but has not been brought to the final stage. My hon. friend is suggesting that there is some relation between the Canadian Broadcasting Corporation application and the Halifax *Chronicle* application. There is no relation

whatever. It is not unusual to have three radio stations in a city the size of Halifax. The Halifax *Chronicle* application dates back to July 24, 1938, and was again renewed and recommended by the Canadian Broadcasting Corporation under date of July 4, 1944. The two are quite separate. The fact that neither of them is proceeding very rapidly is owing to the fact that it is imposible to obtain certain materials for broadcasting stations on account of war priorities.

Mr. HOMUTH: The minister will realize that as a result of his announcement last night it did look strange.

Mr. HOWE: Quite so; I apologize for the error.

Mr. ROSS (St. Paul's): In connection with the surveys that have been made on wave lengths and broadcasting in general, were they made by the minister's department or by the Canadian Broadcasting Corporation, or how were they made?

Mr. HOWE: The survey that my hon. friend is referring to is, I believe, a survey of coverage. That was made by the Canadian Broadcasting Corporation.

Mr. ROSS (St. Paul's): I was not referring to a survey of coverage. I was referring to a survey of frequencies and of the whole general picture. Was that made by the Canadian Broadcasting Corporation or by the minister's department?

Mr. HOWE: My department polices wave lengths and frequencies. If it has anything to do with wave lengths and frequencies under the Havana agreement, such a survey would be made by the department of which I am minister. If it is a survey in connection with coverage it would be made by the C.B.C. under the broadcasting act.

Mr. ROSS (St. Paul's): I have in mind a survey of the frequencies which can be allotted under the Havana agreement. What have we left in Canada; how many stations can we still have? Does that come under the minister's department? We were told in the committee that the judgment in connection with these matters was part of the job of the C.B.C.; that they had to be careful not to infringe upon the rights of the United States under the Havana agreement, and so on, although we know the power of the United States stations has been going up all the time. We have been told that the power of the United States stations was frozen in 1942; yet we hear that permits for increased power have been granted like nobody's business. The power of our stations was frozen at 1,000 watts. My opinion, and that of a great many engineers in Canada, is that Canada has lost a good deal by the freezing of the power of our stations. No one thinks more of the C.B.C. than I do. I believe it is well run. I thought the set-up under which we had a board of governors, a chairman who had to do with policy, and a general manager who looked after matters of administration and who could delegate power, was ideal. I understand, as a matter of fact, that many months ago a recommendation was sent forward by the board of governors of the C.B.C. requesting the appointment of a general manager, although I am not absolutely sure of that.

Mr. LaFLECHE: May I interrupt my hon. friend to say that he is wrong?

Mr. ROSS (St. Paul's): The minister says that he has never received such a recommendation from the board of governors, and of course I accept his word. Now we are trying to create a new set-up, to fit the people we already have there. That is not the way to run a business. I believe the C.B.C. is run very well—

Mr. HOWE: I would point out that this item has nothing to do with the C.B.C. and how it is run.

Mr. ROSS (St. Paul's): I quite agree with the minister, but I am pointing out that the minister has to do with such matters as frequencies and the allotment of channels. Those matters come under him entirely, and the C.B.C. has nothing to do with them. It is the job of the broadcasting corporation to say whether there shall be one, two or three radio stations in one town, but the decision as to how we shall use our channels and our power, so that the public may derive the greatest advantage, is something for the Department of Transport. We have stations in Canada whose power has been kept down, and which could render much greater service if they are allowed to increase their power. They would not interfere with the C.B.C. at all; on the contrary they would help it. I want to make sure that all our channels are not usurped by the country to the south, and there is no doubt that our rights are being encroached upon at the present time.

Mr. GILLIS: I should like to say a few words in connection with the matter brought up by the hon. member for Waterloo South. I am not as convinced of the correctness of the minister's answer as the hon. member apparently was, since he has now left the chamber. Personally I think there is something wrong in the Halifax situation. Every-

one was pleased a few days ago when we learned that the personnel of the Canadian Broadcasting Corporation were being jacked up by the appointment of a new general manager, a new assistant manager and a permanent full-time chairman, at a great deal of expense to the taxpayers of Canada. We all approved that because we felt that this organization was very important and capable, and should be staffed by full-time officials. If that assumption is correct, and this committee is justified in voting money for the upkeep of that organization—

Mr. HOWE: This committee does not vote any money for the C.B.C.

Mr. GILLIS: The committee votes it.

Mr. HOWE: No.

Mr. GILLIS: It does not operate on nothing.

Mr. HOWE: They collect fees from the listeners.

Mr. GILLIS: Well, those fees certainly do not cover the total expenditures of the Canadian Broadcasting Corporation. The point I am getting at is that if it is the policy of the Canadian government to develop the airways of Canada along the lines suggested by the Canadian Broadcasting Corporation, then the advice of the technical officials should receive attention by those who are cooperating through the issuing of licences, and so forth. The whole set-up should work together. I was surprised to find on reading *Hansard* this morning that the minister was not aware of the fact that a licence had been granted to the C.B.C. for a station in Halifax, although I was glad to hear him clarify the position to-night. Of course I am not holding that little mistake against him; we are all liable to slip when speaking from memory. The point I am concerned about, however, is that radio reception in Nova Scotia from a provincial point of view leaves much to be desired, and we all want to improve it.

I was particularly pleased when on June 28 Doctor Frigon announced a second outlet for the city of Halifax. I was informed from a reliable source that a transmitter had been installed and that it could be put into operation on three hours' notice. The only thing holding it up, I understood, was the passing of an order in council to enable the work to go forward. I was led to believe that as far as the C.B.C. was concerned there was no shortage of the materials necessary to carry out the recommendation of Doctor Frigon. People in Novia Scotia became concerned as to when this second outlet might be expected to commence operations. Then we were informed that a licence granted back in 1938 to the Halifax *Chronicle,* which had been allowed to lapse, had been revived. It is significant to me that while the C.B.C. licence was granted in March, as pointed out by the minister, it was not until July of this year that the Halifax *Chronicle* revived the possibility of going into that business.

I do not care how many private stations are operated in Nova Scotia; that is the business of those who want to put money into that game. But the recommendation of the Canadian Broadcasting Corporation and its acting general manager is the business of parliament and the Canadian people. I do not visualize any service to the people of Nova Scotia, from the point of view of better radio reception or better service for that province, from the station proposed by the Halifax *Chronicle.* I am not concerned about that; it is their business. I am convinced that the statement of the hon. member for Waterloo South is correct, that their concern is to augment the work of their newspaper and to promote whatever politics they may be interested in. We have not any jurisdiction over them. What they will use that radio for will be their own business, but we do have jurisdiction over the C.B.C. Would the minister inform the committee if it is correct or otherwise that a transmitter has been installed at Halifax, and that it could be put into operation within three or four hours by the C.B.C. If the operation of the C.B.C. station is to depend upon the securing of material by these other people, I do not think it will be possible to get that material to-day.

My information, from a reliable source, is that the people who are endeavouring to use the old franchise granted to the Halifax *Chronicle* have been dickering for a second-hand set of equipment at Edmonton, Alberta. That is their own business. But I should like to be assured by the minister that the hold-up in the C.B.C. station at Halifax, which means a public service for that province, and one recommended by the general manager of the company, is not for the purpose of enhancing the possibilities of establishing other stations.

I am looking for information. Can the people of Nova Scotia within a reasonable length of time expect the implementing of the decision made by the responsible head of the C.B.C.? The minister's statement that a city like Halifax requires three radio stations is, I think, ridiculous. That is not necessary in a city of that size. But if someone wishes to

spend money, and fool around with it, that is their own business. However, a time of war, when equipment is hard to get, and when personnel is scarce, owing to the requirements of the armed services, is not the time for local, private people to experiment, or to enter the game of radio.

I have had some confidence in the C.B.C., and in all these projects the government is slowly developing for the betterment of the Canadian people. I like to support those projects; but I hate to think that for the sake of promoting the interests of a particular group in Canada, progress in that field would be set to one side. I do not know the story but the minister should know it. If there is any truth in the statement that that transmitter is in Halifax, and that the order in council is being held back because of political pressure, it will shatter my confidence in the future development of radio in Canada, under government management. If that statement is not true, then it should be clarified. Would the minister give us some idea as to the correctness or otherwise of the fears I have expressed?

Mr. HOWE: May I make it clear once more that my duty is to administer the Radio Act. That act has nothing to do with broadcasting. It is the custodian of wave lengths assigned to Canada under the Havana agreement, and from time to time it issues radio licences assigning certain wave lengths, always on the recommendation of the C.B.C.

So far as Halifax is concerned, there has been one licence outstanding there for some time. In 1938 a licence was applied for, was recommended by the C.B.C. and was issued by my department. At the outbreak of war, possibly because of the difficulty of obtaining materials, that licence lapsed and was no longer outstanding. I found out this morning something I did not know yesterday, namely, that we did receive an application from the Canadian Broadcasting Corporation some two or three months ago, that the licence was approved by the technical officers, and that it was issued to the C.B.C. Since that time we have received application for the restoration of the wave length previously granted to the Halifax *Chronicle*. After that application was referred to the C.B.C. it was recommended favourably by that organization, and the wave length was issued to the Halifax *Chronicle*. So that there are outstanding at the present time three wave lengths assigned to three radio stations in the city of Halifax. That is all I know about the situation.

I have had no association with the C.B.C. for a number of years. Whether they have equipment on the ground or whether they have not, I have not the faintest idea. I know there are a number of wave lengths which have been assigned over the last two or three years, and I know that none of those wave lengths is on the air, for the simple reason that it is impossible to obtain equipment. I will correct that by saying that fifteen wave lengths have been assigned since the beginning of the war, that six of them are on the air, and that the remaining nine are not on the air because they cannot obtain equipment. That is the information we have in this branch, and that is all the information I can give hon. members.

I would point out that the discussion affecting the C.B.C. should be on another item.

Mr. ROSS (St. Paul's): There have been many applications for increased power?

Mr. HOWE: A great many of them have been granted.

Mr. ROSS (St. Paul's): Have they been granted to a maximum of their power? A year ago the radio committee recommended in its report that stations should be encouraged to come up to their full power under the Havana agreement. Is it within the power of the Department of Transport to say whether they should come up to their full power, because we were told in the radio committee that there was a certain amount of interference. Who has jurisdiction in the matter?

Mr. HOWE: There again the Department of Transport would issue the power permissible on each wave length, but as a matter of policy it accepts the advice of the C.B.C. The policy of the C.B.C. up to two or three months ago was that private stations should be limited to one kilowatt. Some two months ago, I believe it was, that policy was revised, possibly on the advice of the radio committee, and a recommendation was made to us that the one-kilowatt stations be stepped up to five kilowatts, provided that the wave length would permit a five-kilowatt station. We accepted that recommendation, and permits have been issued to those stations to go up to five kilowatts. I do not think any of them have increased, for the reason I gave before, namely the impossibility of buying equipment at this time. But as soon as the equipment is available I believe every one-kilowatt station will step up to five kilowatts, provided that it is on a wave length where a step-up is permissible.

Mr. ROSS (St. Paul's): The minister will understand that the Havana agreement will not last forever. I have forgotten when it runs out. But in order to protect our wave

lengths we must be up to our power requirements on these stations, or else we shall not have bargaining power at a later time. I do not understand why the stations were allowed to go up to five kilowatts. I think some of them might have gone up to three, others to four, others to ten, others to fifty, and so on. That is why I asked as to who made the survey. I understand that a survey was made by the C.B.C. Who made it? We have dual control here.

Mr. HOWE: No survey was necessary. We know exactly what the permissible power is on every wave length in Canada. That is fixed under the Havana agreement. I think my hon. friend will not quarrel with the principle that the C.B.C. should set the policy so far as the power of broadcasting stations in Canada is concerned. If he accepts that principle I think he will admit that we are carrying out the proper policy in connection with the radio stations in Canada. I should like to take my hon. friend's advice, but we decided to take the advice of the C.B.C.

Mr. ROSS (St. Paul's): I do not put myself up as being an engineer, but I happen to know a little about the matter. There are a great many engineers in this country and there is great apprehension among them that we are losing channels. I do not know how complete the survey has been. I do not know why we should put these stations up to five kilowatts all at once. I do not understand that at all. Different districts in the country, as the minister knows, are being treated in different ways. Last night I was listening to the radio in my room in this building and I could get only about two or three stations in Canada, but I could get plenty of stations in the United States. I got Schenectady and New York without any trouble. Are we using our power in this country to the fullest extent? I am all in favour of private broadcasting stations. What we have to do is to see that our facilities are used to the full in order to give the people of Canada the service to which they are entitled.

Item agreed to.

Air service—radio division—

406. Issue of radio receiving licences—(Transport department only), $205,220.

Mr. ROSS (St. Paul's): We collected a little over $4,000,000 in licence fees last year and it cost the department $205,000 to collect that. It also cost the C.B.C. something. Altogether it cost $536,000 to collect $4,000,000 in licence fees. The principle in the old days was correct, that those who used the radio should pay for it, but that principle to-day is out of date. There are plenty of people who do not have a radio but who listen to radio. Not only that, but the man who has only a $25 radio has to pay a licence fee of $2.50 just the same as the man who owns a $250 radio. The principle is wrong.

Mr. HOWE: The same kind of music comes out of both sets.

Mr. ROSS (St. Paul's): And the man who has no radio at all hears the same kind of music over the radio because everybody listens to radio. I ask the minister if he thinks it is economic to spend $536,000 to collect $4,000,000 in licence fees. Yet those are the figures. How long would the Dominion of Canada last if it cost us in the same proportion to collect our taxes? Not only is the principle of the licence fee outmoded, but it is just a nuisance tax to have these fellows coming around to your place and asking, "Have you your radio licence for this year?" The Department of Transport are also broadcasting over the radio: "Your licence is overdue and please go in and get it for this year; if you do not, we will take you to court and sue you for the $2.50." The whole situation is ridiculous. Imagine spending $536,000 to collect $4,000,000! What nonsense! The cost of collection is nearly twenty per cent. If you want to continue this licence fee system, why not collect it on the number of radios each man has? If he has five radios let him pay on five radios. Or the fee could be based on the value of the radio. But there is no fairness in the present system and it ought to be done away with immediately. That is all there is to it.

Mr. HANSELL: Does not the revenue from the licence fees pay for the cost of collection? Why should we vote an additional sum?

Mr. HOWE: The sum has to be voted by parliament under the government accounting system. The equivalent is paid to the receiver general of Canada. It is recoverable, just like many other items.

Item agreed to.

DEPARTMENT OF MUNITIONS AND SUPPLY

Office of the coal controller—

Coal subsidies and subventions—

174. Dominion fuel board, administration and investigations, $32,120.

Mr. HOMUTH: I do not know whether it is proper to ask this question under this item, but has there been any change in the coal situation in Canada? It has been causing

considerable worry. Could the minister make a statement on the coal supplies for next winter?

Mr. HOWE: The coal situation is very difficult. It becomes increasingly difficult each year. We hope to have sufficient bituminous coal, but anthracite coal will be very short and we shall have to use great ingenuity in using coke and other substitutes for anthracite. I think we shall be able to protect the bituminous situation; I think our industries will be safe, but we ask householders to economize in every possible way and to use coal carefully and cooperate with us in using such substitutes for anthracite coal as we are able to make available.

Mr. ROSS (St. Paul's): There are people who use bituminous coal in their household furnaces. Would it be possible to have coils installed in furnaces to help out the coal situation?

Mr. HOWE: We are making the material available as far as we can, but I cannot say that everyone will be able to get it.

Mr. ROSS (St. Paul's): I think it would be one way of helping out the coal shortage.

Item agreed to.

Office of the coal controller—
Coal subsidies and subventions—
175. Payments in connection with the movements of coal under conditions prescribed by the governor in council, $4,500,000.

Mr. HANSELL: We cannot pass an item of $4,500,000 in a few minutes. It is nearly eleven o'clock.

Mr. HOMUTH: We have been sitting here since eleven this morning. How long is this item going to take?

Mr. GRAYDON: Perhaps we might compromise and take the item if it is not going to take long, but if it is going to take any length of time I think we should rise because we have had a heavy day.

Mr. HOWE: This is a routine item voted each year.

Mr. HANSELL: Almost the entire coal industry depends on this one item. It is a matter of the payment of subsidies, and some of us would like to discuss the coal situation as we see it to-day in relation to this subvention and what is to happen in the future. We have not the time to discuss that in two or three minutes.

Mr. HOWE: This same item has been voted previously, but owing to the fact that the coal does not move the distances which it did move, only about $1,800,000 was spent last year. I think there is no great principle involved. It is a principle which is capable of moving coal from Cape Breton to the eastern part of Quebec and from the prairies into Toronto, but it is not possible to move the coal, for reasons other than the subsidy. Ample money is provided, but I cannot think of anything which can be usefully discussed under this item.

Mr. HANSELL: The fact is that it is the only item under which we can discuss the coal industry, because were it not for these subventions there would be no coal industry in Canada.

Mr. HOMUTH: I rise to a point of order. It is now after eleven o'clock, and if this is going to take any time I certainly think the committee should rise. I know I cannot stand this heat any longer.

Mr. HOWE: Why does the hon. member not discuss it, if he wishes to discuss it?

Mr. HANSELL: I can discuss it if the minister wants to wait a little while.

Mr. HOWE: Certainly.

Mr. CHEVRIER: Go ahead.

Mr. GILLIS: I would not have any objection to letting this go through, because the possibilities are that the minister wants to leave town, or something, over the week-end, and wishes to get this through. There is an item under mines and resources for research into fuels. I think we could discuss anything under that item.

Mr. HANSELL: If the minister will give us that undertaking, that is all right.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Saturday, August 12, 1944

The house met at eleven o'clock.

WAR EXPENDITURES COMMITTEE

Second, third, fourth, fifth and sixth reports of special committee on war expenditures.—Mr. Cleaver.

SELECTIVE SERVICE

MEDICAL EXAMINATIONS—CALL-UPS, POSTPONEMENTS, ETC.

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I wish to table statement concerning mobilization of men in

the designated age classes as requested by the hon. member for Hastings-Peterborough (Mr. White) as reported in *Hansard* at page 2509.

BUSINESS OF THE HOUSE

MOTION TO ADJOURN TO JANUARY 31, 1945, ON COMPLETION OF CURRENT BUSINESS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with the leave of the house I should like to make a motion similar to that which I have made at the conclusion of each session during the period of the war. Hon. members will see in the *Votes and Proceedings* of yesterday that I have given notice of the motion. It is:

That when this house adjourns, on completion of current business of the session, it stand adjourned until Wednesday, January 31, 1945, at 3 o'clock in the afternoon, provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with His Majesty's government, that the public interest requires that the house should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the house shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time.

Mr. GORDON GRAYDON (Leader of the Opposition): I take it from the wording of the motion that there is nothing therein to prevent dissolution in the meantime.

Mr. MACKENZIE KING: There is nothing about dissolution in the motion.

Motion agreed to.

CANADIAN FORCES

DECORATIONS FOR GALLANTRY—CANADIAN ARMY

Hon. J. L. RALSTON (Minister of National Defence): May I with the permission of the house lay on the table the names of 423 members of the Canadian Army to whom honours and awards for gallantry in action and devotion to duty have been granted by His Majesty; and I would ask that, as has become the practice, these names be given a permanent record in *Hansard*.

It will be recalled that on March 6 I submitted a list of 481 awards to the house. The list I am presenting to-day comprises the honours and awards conferred on the members of the Canadian Army since that date. The house will perhaps be especially interested in this list because there are in it 107 awards for gallantry which are being published this morning for the first time. They include 17 awards of the Distinguished Service Order, two bars to the Military Cross, 27 Military Crosses, four Distinguished Conduct Medals, and 17 Military Medals.

Without making any invidious comparisons, I am pleased to call the attention of the house to the fact that one of these four new D.C.M.'s, that is the Distinguished Conduct Medal, goes to a private soldier, Private G.22945, G. S. Clark, Ferry Road, New Brunswick. I may say that this award to others than non-commissioned officers is far from common and is regarded as showing exceptional qualities of leadership. The whole list which I present to-day, including 107 which have not been published before, takes in 392 operational awards for gallantry in action and 31 non-operational awards.

Summary of Awards

Operational		
Victoria Cross	1	
Bar to Distinguished Service Order	6	
Distinguished Service Order	29	
Bar to Military Cross	2	
Military Cross	55	
Distinguished Conduct Medal	9	
Military Medal	125	
Mentions in Despatches	157	
		384
Foreign Awards		8
		392
Non-Operational		
George Cross	1	
Member of the Order of the British Empire	4	
British Empire Medal	24	
Commendations	2	
		31
		423

	Number of awards pub. in *Hansard* No. 26 of 6th Mar., 1944	Present report	Totals
Operational	393	392	785
Non-Operational	88	31	119
Totals	481	423	904

Appendix "A"

Operational Gallantary Awards

Victoria Cross (V.C.)
Bar to Distinguished Service Order
Distinguished Service Order (D.S.O.)
Bar to Military Cross
Military Cross (M.C.)
Distinguished Conduct Medal (D.C.M.)
Military Medal (M.M.)
Mentions in Despatches
Foreign Awards

The Victoria Cross (V.C.)

Rank and Name—Corps—Address

Major J. K. Mahony, Canadian Infantry Corps, 313 5th St., New Westminster, B.C.

Bar to Distinguished Service Order

Rank and Name—Corps—Address

Brigadier H. D. Graham, D.S.O., E.D., Trenton, Ont.

Brigadier B. M. Hoffmeister, D.S.O., E.D., 4749 Belmont Ave., Vancouver, B.C.

Lt.-Col. J. C. Jefferson, D.S.O., E.D., Canadian Infantry Corps, 11319-79th St., Edmonton, Alta.

Lt.-Col. E. L. Booth, D.S.O., Canadian Armoured Corps, Penetanguishene, Ont.

Major G. A. Welsh, D.S.O., The Royal Canadian Artillery, Sunderland, Ont.

Second Bar to Distinguished Service Order

Brigadier (A/Maj.-Gen.) B. M. Hoffmeister, D.S.O., E.D., 4749 Belmont Ave., Vancouver, B.C.

The Distinguished Service Order (D.S.O.)

Major (A/Lt.-Col.) J. V. Allard, Canadian Infantry Corps, 512 rue Bureau, Trois Rivieres, P.Q.

Major (A/Lt.-Col.) A. A. Kennedy, Canadian Infantry Corps, 510 Ninth St., Owen Sound, Ont.

Major S. W. Thomson, M.C., Canadian Infantry Corps, Salmon Arm, B.C.

Lieut. (A/Capt.) J. F. McLean, Canadian Infantry Corps, Penticton, B.C.

Lt.-Col. W. P. Gilbride, The Royal Canadian Army Service Corps, 7 Brock Ave., N. Montreal West, P.Q.

Major J. C. P. Mills, Canadian Armoured Corps, 138 Grande Alles, Quebec, P.Q.

Major D. E. Walker, Canadian Infantry Corps, 822-8th Avenue N., Saskatoon, Sask.

Capt. (A/Major) J. C. Clarke, Canadian Infantry Corps, Bond Lake, Oak Ridges Post Office, Ont.

Lt.-Col. J. S. Ross, The Royal Canadian Artillery, 32 Elmsthorpe Ave., Toronto, Ont.

Col. (A/Brigadier) D. C. Spry, Canadian Infantry Corps, St. Johns, P.Q.

Lt. Col. (A/Brigadier) W. S. Zeigler, The Royal Canadian Artillery, 10917-81st Ave., Edmonton, Alta.

Lt.-Col. P. G. Griffin, Canadian Armoured Corps, 465 Avenue Rd., Toronto, Ont.

Brigadier K. G. Blackader, M.C., E.D., Montreal, P.Q.

Lt.-Col. D. B. Buell, Canadian Infantry Corps, Kingston, Ont.

Lt.-Col. F. N. Cabeldu, E.D., Canadian Infantry Corps, Kelowna, B.C.

Lt.-Col. R. J. Colwell, E.D., Canadian Armoured Corps, Halifax, N.S.

Lt.-Col F. M. Matheson, E.D., Canadian Infantry Corps, 336 East 11th St., Prince Albert, Sask.

Lt.-Col. J. G. Spragge, O.B.E., E.D., Canadian Infantry Corps, 206 Heath St. W., Toronto, Ont.

Major W. R. Bray, Canadian Armoured Corps, Fort Francis, Ont.

Major W. D. Brooks, Canadian Armoured Corps, Brantford, Ont.

Major C. O. Dalton, Canadian Infantry Corps, 536 Castlefield Ave., Toronto, Ont.

Major R. H. Daughney, Canadian Infantry Corps, 351 University Ave., Fredericton, N.B.

Major R. B. Forbes, Canadian Infantry Corps, 86 Gray St., Fredericton, N.B.

Major F. A. McTavish, The Corps of Royal Canadian Engineers, 10 Trafalgar Place, Montreal, P.Q.

Major H. A. Procter, Canadian Infantry Corps, 46b Geneva St., Ottawa, Ont.

[Mr. Ralston.]

Major J G. Sevigny, Canadian Infantry Corps, Plessisville, Que.

Major V. O. Walsh, Canadian Armoured Corps, 4801 Grosvenor Ave., Montreal, P.Q.

Major McG. Young, The Royal Canadian Artillery, 48 Delisle Ave., Toronto, Ont.

Major L. R. Fulton, Canadian Infantry Corps, Birtle, Manitoba.

Bar to Military Cross

Capt. W. H. V. Matthews, M.C., Canadian Infantry Corps, Southern Milnes Landing, Vancouver Island, B.C.

Second Bar to Military Cross

Rank and Name—Corps—Address

Capt. N. B. Buchanan, M.C., The Royal Canadian Artillery, St. Stephen, N.B.

The Military Cross (M.C.)

Capt. (A/Major) E. W. Smith, Canadian Armoured Corps, 42 Colin Avenue, Toronto, Ont.

Capt. (A/Major) J. R. Stone, Canadian Infantry Corps, Edmonton, Alta.

Capt. (A/Major) W. DeN. Watson, Canadian Infantry Corps, Banff, Alta.

Capt. J. C. Armstrong, Canadian Armoured Corps, Sturgeon Pt. Rd., Derby, N.Y., U.S.A.

Capt. G. A. Eaton, The Royal Canadian Artillery, 12 First Avenue E., North Bay, Ont.

Capt. R. G. Fitzgerald, The Royal Canadian Artillery, Palgrave, Ont.

Capt. J. M. Galbraith, The Royal Canadian Corps of Signals, Winnipeg, Man.

H/Capt. W. E. L. Smith, Canadian Chaplain Services, Grafton, Ont.

Lieut. (A/Capt.) T. H. Burdett, Canadian Infantry Corps, 15 Bradley Avenue, Eastview, Ottawa, Ont.

Lieut. (A/Capt.) D. S. Harley, Canadian Infantry Corps, 118 Riverdale Avenue, Calgary, Alta.

Lieut. (A/Capt.) R. F. S. Robertson, Canadian Infantry Corps, 2627 Ottawa Avenue W., Vancouver, B.C.

Lieut. D. G. Bagg, Canadian Infantry Corps, 110 Wentworth Street, St. John, N.B.

Lieut. A. D. Carpenter, The Royal Canadian Artillery, 412 St. Clements Avenue, Toronto, Ont.

Lieut. B. S. Eby, Canadian Infantry Corps, 73 Highbourne Rd., Toronto, Ont.

Lieut. S. E. Lipin, Canadian Infantry Corps, 538 Ville Marie St., Montreal, P.Q.

Lieut. D. E. Smith, Canadian Infantry Corps, 194 Gilford St., St. John W., N.B.

Capt. H. Burnett, The Royal Canadian Artillery, Chateauguay, P.Q.

Capt. T. L. Carter, The Royal Canadian Artillery, 52 Prince Arthur Avenue, Toronto, Ont.

Capt. V. J. McKenty, The Royal Canadian Army Medical Corps, 924 Banning Street, Winnipeg, Manitoba.

Lieut. R. S. Chamberlain, Canadian Infantry Corps, 90 Chestnut Street, St. Thomas, Ont.

Lieut. J. M. E. Clarkson, Canadian Infantry Corps, Primrose Hill, R.R. 2, Maple, Ont.

Lieut. F. Normandeau, Canadian Infantry Corps, 7-21st Avenue, Edmundston, N.B.

Lieut. J. W. C. Biggs, Canadian Infantry Corps, 610 Hamilton St., New Westminster, B.C.

Lieut. S. Lynch, Canadian Infantry Corps, 920 Bedwell Street, Vancouver, B.C.

The Military Cross (M.C.)—*Con.*

Rank and Name—Corps—Address

Captain F. Martin, The Royal Canadian Army Medical Corps, Chatham, N.B.

Captain J. C. Whittle, Canadian Armoured Corps, Shannon Rd., Eburne P.O., Sea Islands, B.C.

Lieut. D. J. Chant, Canadian Armoured Corps, 231 John St., Belleville, Ont.

Lieut. C. S. Wass, Canadian Armoured Corps, 837 Raymo Rd., Windsor, Ont.

Capt. (A/Major) A. S. Christian, Canadian Armoured Corps, 828 Preston Ave., Winnipeg, Man.

H/Capt. R. T. F. Brain, Canadian Chaplain Services, 379 Stewart St., Peterborough, Ont.

Capt. L. E. Cowan, The Royal Canadian Army Medical Corps, 1700 College Ave., Regina, Sask.

Capt. H. B. Gonder, Canadian Infantry Corps, 3520 Notre Dame de Grace Ave., Montreal, P.Q.

Capt. E. S. Gray, Canadian Infantry Corps, Bedford, N.S.

Capt. P. R. Griffin, Canadian Infantry Corps, Toronto, Ont.

H/Capt. R. M. Hickey, Canadian Chaplain Services, Jacquet River, N.B.

Capt. J. W. Powell, Canadian Armoured Corps, London, Ont.

Capt. J. A. Patterson, Canadian Infantry Corps, Newmarket, Ont.

Lieut. (A/Capt.) J. A. Fraser, Canadian Armoured Corps, 245 Strathmore Blvd., Toronto, Ont.

Lieut. (A/Capt.) J. P. Hanson, Canadian Infantry Corps, 454 Mount Stephen Ave., Westmount, P.Q.

Lieut. H. G. W. Bean, Canadian Infantry Corps, 252 Russell Hill Rd., Toronto, Ont.

Lieut. G. M. Fawcett, Canadian Infantry Corps, 23 King St., Campbellton, N.B.

Lieut. W. Foy, Canadian Infantry Corps, 17 Demers St., Thetford Mines, P.Q.

Lieut. H. B. Hall, Canadian Infantry Corps, 15 Robinwood Ave., Toronto, Ont.

Lieut. W. G. Herbert, Canadian Infantry Corps, 19 Chudleigh Ave., Toronto, Ont.

Lieut. W. A. P. Smith, Canadian Armoured Corps, 39 Russell St. E., Lindsay, Ont.

Lieut. W. Moisan, Canadian Infantry Corps, 16 St. Denis Ave., Quebec, P.Q.

Lieut. J. E. Whittaker, The Corps of Royal Canadian Engineers, Campbellton, N.B.

Lieut. J. C. Woodward, Canadian Infantry Corps, 201-5th Ave., Ottawa, Ont.

Capt. T. Bond, The Royal Canadian Artillery, Calgary, Alta.

Lieut. W. D. Grayson, Canadian Infantry Corps, 14 High St. West, Moose Jaw, Sask.

Lieut. J. Mitchell, Canadian Infantry Corps, 160 Maplewood Ave., Winnipeg, Manitoba.

Lieut. A. C. Peck, Canadian Infantry Corps, Bralorne, B.C.

Lieut. V. R. Schjelderup, Canadian Infantry Corps, Courtney, B.C.

H/Capt. G. M. Jamieson, Canadian Chaplain Services, 26 College St., Toronto, Ont.

Lieut. J. L. Heaslip, The Royal Canadian Army Medical Corps, Brandon, Manitoba.

The Distinguished Conduct Medal (D.C.M.)

P.22238 Sgt. W. Demmy, Canadian Infantry Corps, Fenwood, Sask.

A.6091 Cpl. C. G. Forrest, Canadian Infantry Corps, 4560 St. Catherine St., Westmount, P.Q.

A.11701 L/Cpl. (A/Cpl.) M. J. Pickens, Canadian Infantry Corps, Gooderham, Ontario.

D.60277 Sgt. C. Lafleur, M.M., Canadian Infantry Corps, R.R. No. 3, Mansonville, P.Q.

P.3515 Sgt. C. N. Macey, Canadian Armoured Corps, 127 Arlington St., Winnipeg, Man.

B.65569 Sgt. S. T. Scrutton, Canadian Infantry Corps, 119 Jones Ave., Toronto, Ont.

G.22945 Pte. G. S. Clark, Canadian Infantry Corps, Ferry Road, N.B.

B.27938 Spr. W. R. Coveyduck, The Corps of Royal Canadian Engineers, May Ave., Richmond Hill, Ont.

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G.43048 Sgt. C. S. Pollock, Canadian Infantry Corps, R.R. No. 4, Norton, N.B.

A.9219 Sgt. W. E. Skingley, The Royal Canadian Army Service Corps, 671 Dundas St., Apt. 5, London, Ont.

B.74113 Sgt. W. Stockman, Canadian Infantry Corps, 2 Digby St., Toronto, Ont.

B.28161 Sgt. H. H. Thompson, The Corps of Royal Canadian Engineers, 212 Commonwealth Ave., Scarboro Junction, Ont.

M.63224 Cpt. E. E. James, The Royal Canadian Army Service Corps, 9327 106 A Ave., Edmonton, Alta.

F.93509 Cpl. W. J. MacNeil, The Royal Canadian Army Service Corps, 13 Grafton Park, Halifax, N.S.

A.2120 Cpl. M. C. Murdy, The Royal Canadian Corps of Signals, 399 Park Hill Road, Peterborough, Ont.

K.7105 Cpl. E. Olson, The Royal Canadian Artillery, Fruitvale, B.C.

C.42039 Cpl. C. Stanyer, Canadian Provost Corps, 1540 Glenholme Ave., Niagara Falls, Ont.

F.43603 L/Cpl. (A/L/Sgt.) G. H. Smeltzer, Canadian Infantry Corps, Mahone Bay, N.S.

L.9046 L/Cpl. I. Borgford, The Royal Canadian Ordnance Corps, Leslie, Sask.

D.62467 L/Cpl. M. Cyr, The Corps of Royal Canadian Engineers, 105 Grande Allee, Montreal East, P.Q.

B.130601 L/Cpl. E. Findlay, The Royal Canadian Army Service Corps, Thorold, Ont.

B.95404 L/Cpl. R. R. Warner, Canadian Provost Corps, Fort William, Ont.

A.103145 Tpr. (A/Cpl.) C. F. Gammy, Canadian Armoured Corps, P.O. Elmira, Ont.

B.74613 Tpr. (A/Cpl.) M. Miller, Canadian Armoured Corps, 56 Golden Ave., South Porcupine, Ont.

L.2730 Pte. W. P. Casey, Canadian Infantry Corps, Windthorst, Stockholm, Sask.

A.18293 Pte. L. Charbonneau, Canadian Infantry Corps, 53 Well St., Stratford, Ont.

D.51367 Pte. R. Chartrand, Canadian Infantry Corps, Cheneville Comte, Papineau, P.Q.

M.27083 Tpr. C. W. Clark, Canadian Armoured Corps, 510 4th Ave., W., Calgary, Alta.

B.92647 Pte. G. R. Blackadder, The Royal Canadian Army Medical Corps, 67 Victoria Ave. S., Hamilton, Ont.

F.89531 Pte. M. T. Duncan, The Royal Canadian Army Medical Corps, New Ross, Lunenburg Co., N.B.

M.20740 Pte. W. Grieve, The Royal Canadian Army Service Corps, Regina, Sask.

A.76023 Pte. W. R. Mansfield, Canadian Infantry Corps, 23 Mansion Street, Kitchener, Ont.

B.61585 Tpr. J. R. Wein, Canadian Armoured Corps, South Minooka, Ont.

REVISED EDITION

Mention in Dispatches—*Con.*

Rank and Name—Corps—Address

L.2356 Pte. D. Wiker, Canadian Infantry Corps, Maple Creek, Sask.
L.74516 Pte. A. F. Ziegler, The Royal Canadian Army Service Corps, Stump Lake, Sask.
Capt. (A/Major) J. Wilson, General List, Cobden, Ont.

UNITED STATES AWARDS

Distinguished Service Cross

L.86555 Sgt. E. S. Fines, Canadian Infantry Corps, South Wellington, B.C.

Silver Star

F.28951 Sgt. V. J. Doucette, Canadian Infantry Corps, Starr's Road, Yarmouth, N., N.S.
C.10146 Pte. (A/Sgt.) L. Scharfe, Canadian Infantry Corps, Renfrew, Ont.
Brigadier H. W. Foster, Canadian Infantry Corps, Vernon, B.C.
C.5083 Sgt. G. W. Wright, Canadian Infantry Corps, Box 647, Picton, Ontario.
B.128511 Pte. (A/Sgt.) S. J. Zahara, Canadian Infantry Corps, 117 Hindley Avenue, E., St. Vital, Manitoba.

Bronze Star Medal

B.128506 S/Sgt. G. H. McDonald, Canadian Infantry Corps, 213 Lang Street, Cobalt, Ont.
C.54124 Pte. O. M. Ouderkirk, Canadian Infantry Corps, Box 54, Crysler, Ont.

Appendix "B"

Non-operational Gallantry Awards

George Cross (G.C.)

Member of the Order of the British Empire (M.B.E.)

British Empire Medal (B.E.M.)

Commendations

The George Cross (G.C.)

Rank and Name—Corps—Address

B.45960 Corporal (A/Sgt.) J. Rennie, Canadian Infantry Corps, 35 Fairview Ave., Kitchener, Ont.

Member of the Order of the British Empire (M.B.E.)

Lieut. J. Corner, Canadian Infantry Corps, Colquitz P.O., Victoria, B.C.
B.101634 W.O. II (CSM) H. T. Shepherd, The Royal Canadian Army Service Corps, Georgetown, Ont.
F.14160 W.O. II (QMS) P. G. Hillier, The Royal Canadian Artillery, 40½ Park Avenue, Dartmouth, N.S.
Lieut. J. H. Smith, General List, 18 McNairn Ave., Toronto, Ont.

British Empire Medal (B.E.M.)

H.20966 Sgt. D. Shepherd, The Royal Canadian Army Service Corps, Rumsey, Alta.
D.1560 Cpl. C. A. Saunders, Canadian Armoured Corps, 4841 Verdun Avenue, Verdun, P.Q.

[Mr. Ralston.]

B.215 L/Cpl. R. S. Eckhardt, Canadian Armoured Corps, 81 Albert Street, Port Dalhousie, Ont.
A.34214 S/Sgt. E. T. Newman, M.M., Veterans Guard of Canada, West Lorne, Ont.
B.54878 Sgt. (A/W.O. II S/QMS) H. G. E. Langstaff, The Royal Canadian Ordnance Corps, Niagara-on-the Lake, Ont.
F.25535 Sgt. (A/W.O. II QMS) J. H. MacKay, The Royal Canadian Artillery, Queen Street, North Sydney, N.S.
B.40382 Cpl. (L/Sgt.) A. S. Lang, The Corps of Royal Canadian Engineers, 35 Herbert Avenue, Toronto.
E.610296 Cpl. J. Aubry, Canadian Infantry Corps, 13 St. Joseph Street, Shawinigan Falls, P.Q.
H.601959 Cpl. A. Cherniski, Canadian Infantry Corps, 456-21st Street, Brandon, Man.
F.25542 Bdr. W. J. Comeau, The Royal Canadian Artillery, Weymouth, N.S.
B.35362 Cpl. F. C. Lord, Veterans Guard of Canada, 213-1st Ave. E., North Bay, Ont.
A.54789 Cpl. T. E. Morrison, Veterans Guard of Canada, 1674 Crawford Road, Cleveland, Ohio, U.S.A.
K.68659 Bdr. E. A. Stebner, The Royal Canadian Artillery, 6620 Victoria Drive, Vancouver, B.C.
H.59148 L/Cpl. J. K. Robinson, The Canadian Provost Corps, Fort William, Ont.
B.26810 Pte. (A/Cpl.) J. E. Aubin, The Royal Canadian Army Service Corps, 105 Queen Anne Rd., Kingsway, Toronto, Ont.
H.17366 Spr. (A/Cpl.) R. G. James, The Corps of Royal Canadian Engineers, Carman, Man.
F.91802 Spr. (A/Cpl.) T. J. Murphy, The Corps of Royal Canadian Engineers, 12 Pennywell Road, St. John's, Nfld.
B.58786 Pte. (A/L/Cpl.) H. G. MacDonald, The Royal Canadian Ordnance Corps, 145 Madison Avenue, Toronto, Ont.
K.42569 Pte. K. A. Ingham, Canadian Infantry Corps, Blue River, B.C.
D.135121 Gnr. N. Miclette, The Royal Canadian Artillery, Bedford, P.Q.
A.9151 Sgt. J. Davis, The Royal Canadian Army Service Corps, Delaware, Ont.
A.2105 Sgt. C. M. Stephenson, The Royal Canadian Corps of Signals, 233 Queen St. S., Kitchener, Ont.
C.42044 Cpl. M. R. Stewart, The Canadian Provost Corps, Belle River, P.E.I.
A.9185 L/Cpl. (A/Cpl.) C. C. Anderton, The Royal Canadian Army Service Corps, 4 Saunby St., London, Ont.

Commendations

Rank and Name—Corps—Address

P.1067 Cpl. W. D. Stevenson, Canadian Armoured Corps, 7213 Casgrain Avenue, Montreal, P.Q.
B.72829 Pte. A. E. Foster, The Royal Canadian Army Service Corps, 114 Brownville Ave., Mount Dennis, Toronto, Ont.

DECORATIONS FOR GALLANTRY—ROYAL CANADIAN AIR FORCE

Hon. J. L. RALSTON (Minister of National Defence): On behalf of my colleague the Minister of National Defence for Air (Mr. Power) I now lay on the table a similar list of gallantry awards to members of the

Royal Canadian Air Force, Canadians in the Royal Air Force, R.C.A.F. personnel and Canadians in the R.C.A.F. decorated for gallantry by allied nations. This represents in all 490 awards for gallantry in the R.C.A.F. There are 440 members of the R.C.A.F. decorated for gallantry, 23 Canadians in the R.A.F. and 27 R.C.A.F. personnel and Canadians in the R.A.F. decorated for gallantry by allied governments. The period covered is from February 18, 1944, to August 11, 1944. I am pleased indeed to present this list and on behalf of the army to congratulate the R.C.A.F. on the magnificent record which these awards indicate. The names and the home addresses of the recipients are all contained in the list.

Gallantry Awards

For Period 18 Feb/44 to 11 Aug./44 inclusive

1. Members of the R.C.A.F. decorated for gallantry..... 440
2. Names and home addresses of recipients (1) see App. A.
3. Canadians in the R.A.F. decorated for gallantry 23
4. Names and home addresses of recipients (3) see App. B.
5. R.C.A.F. personnel and Canadians in the R.A.F. decorated for gallantry by allied governments..... 27
6. Names and home addresses of recipients (5) see App. C.

Appendix "A"

(Bars to D.S.O. and D.F.C. for personnel indicated by *)

Distinguished Service Order

Number—Rank—Name—Home Address

C1009 W/C Chapman, C. G. W., Woodstock Rd., Fredericton, N.B.

C325 A/G/C Davoud, P. Y., 495 Prince Arthur St. W., Montreal, P.Q.

J11265 F/O Denomy, B. C., Drawer B, Temiskaming, P.Q.

J3701 A/W/C Godfroy, H. C., 120 Oriole Parkway, Toronto, Ont.

J6002 F/L Kerrigan, H. F., 387 Roslyn Ave., Westmount, P.Q.

J4743 A/S/L Kipp, R. A., 359 Nicola St., Kamloops, B.C.

C871 A/W/C Ruttan, C. G., 9 Ridley Ave., Belleville, Ont.

C835 W/C Scott, J. C., 45 Lansdowne Rd., North Galt, Ont.

J24504 F/O Strange, M. S., 9 Rosehill Ave., Apt. 7, Toronto.

J15176 A/W/C Swetman, W. H., c/o A. M. Dewar, Metropolitan Bldg., Toronto.

J6650 A/S/L Westerman, C. F., 1263 Athol St., Regina, Sask.

Distinguished Flying Cross

J85622 P/O Angell, G. E. L., 315 B.C. Mining Bldg., Vancouver, B.C.

J17646 F/O Agrios, J. E., Camrose, Alta.

J5766 F/L Aldwinckle, R. M., Varna, Ont.

J15543 A/F/L Alexander, E. S., 3519 W. 26th Ave., Vancouver, B.C.

J16379 F/O Anderson, P. M., Union Point, Man.

J8924 A/S/L Anderson, W. B., 367 Scotia St., Winnipeg, Man.

J26495 F/O Ardis, B. D., Friendship, New York, U.S.A.

J13824 F/L Armstrong, S. W., 605 Agnes St., Winnipeg, Man.

R137690 W/O Arnott, M. A., 61 Brock St., Barrie, Ont.

J14000 A/F/L Atkins, J., c/o R. L. Miller, 8 Westminster Ave., Montreal.

J14781 A/F/L Baker, E., 339 Sherwood Drive, Ottawa, Ont.

R118197 W/O Balmer, D. H., Box 294, Courtenay, B.C.

C22669 F/O Bamford, J., 158 Cameron Ave., Hamilton, Ont.

J12855 F/O Banks, H. C. C., Ste. 6 Colgrove Apts., Calgary, Alta.

J28388 F/O Banning, J. E. V., 62-5th Ave., Timmins, Ont.

J9161 F/L Barron, J. H., c/o Mrs. A. Player, New Liskeard, Ont.

J85618 P/O Barrowman, A. M., Tisdale, Sask.

C22661 F/O Bateman, L. J., 2A Hamson Ct. 47 Kennedy St., Winnipeg.

J14654 F/O Bartlett, A. H., 999 Old Orchard Ave., N.D.G., Montreal.

J36688 P/O Beamish, R. W., 201 Torrens Ave., Toronto, Ont.

J14413 F/O Bell, A. G., 37 Golding St., Saint John, N.B.

J4821 S/L Bell, J. F. M. A., Las 3 Lagunas, Lasrosas, F.C.C.A. Argentina.

J16898 F/L Berrigan, L. T., Dunedin, Clyde River, P.E.I.

J18864 P/O Berry, D. A., 2353 Rockland Ave., Trail, B.C.

J23390 A/F/L Berry, G. A., 3826 Quadra St., Victoria, B.C.

J24434 F/O Biden, D. E., 183 Church St., Moncton, N.B.

J35981 P/O Billings, J., 844 W. 18th Ave., Vancouver, B.C.

J14132 F/O Blake, W. V., 25 Glenfern Ave., Hamilton, Ont.

J19258 A/F/L Blamey, D. O., 235 King St. E., Apt. 3, Hamilton, Ont.

J3467 A/S/L Blenkinsop, E. W., 1076 Joan Crescent, Victoria, B.C.

J85009 P/O Boal, E. W., 1141 Rae St., Regina, Sask.

J19306 P/O Bolduc, W. J., 2054 Grand Blvd., N.D.G., Montreal, P.Q.

J16264 A/F/L Bonnar, R., 41 Florence St., Ottawa, Ont.

J17932 F/O Borden, J. W., 77 Gore St., Stratford, Ont.

J19536 P/O Borrowes, R. D., 1140 Pine Ave. W., Montreal, P.Q.

J85054 P/O Bouchard, V. J., 2676 Broder St., Regina, Sask.

J14628 F/O Bowers, A., 294 Horton Ave. E., Transcona, Man.

C166 A/G/C Bradshaw, D. A., Beach Grove, Ladner, B.C.

J19441 P/O Britten, T. B., Little Current, Ont.

J10422 F/O Brook, A. C., Boissevain, Man.

R104757 W/O Brown, G. F., Danville, P.Q.

Distinguished Flying Cross—*Con.*

Number—Rank—Name—Home Address

J18143 P/O Brown, J. F. C., 185 Cyrille St., Quebec City, P.Q.
J16285 F/O Bryers, C. R., Box 595, 10 2nd Ave., Schumacher, Ont.
J20632 F/O Bull, C. F., R.R. No. 4, Hamilton, Ont.
J19249 P/O Burgess, F. W., Box 28, Drumheller, Alta.
J18363 A/F/L Burns, R., 472 North St., Sault Ste. Marie, Ont.
J9392 F/L Burroughs, G. W., 92 Bowie Ave., Toronto, Ont.
J39727 P/O Bush, D. G., R.R. No. 1, Kelowna, B.C.
J22142 F/O Byford, A. J. P., 550 Bay St., Ottawa, Ont.
J22379 F/O *Caine, J. T., General Delivery, South Edmonton, Alta.
J17785 F/O Cameron, T. H., Sylvan Lake, Alta.
J85691 P/O Campbell, S. E., Box 521 Bridge St., Drumheller, Alta.
C148 A/G/C Carscallen, H. M., 93 Victoria Rd., Halifax, N.S.
J19902 P/O Cattiny, G., 5A 15th Avenue, Lachine, Que.
J9135 F/O Chester, A. P. V., 1012 Angus St., Regina, Sask.
J18905 P/O Clark, C. F., R.R. No. 1, Summerland, B.C.
C18639 A/W/C *Clayton, A. C. P., 1686 West 61st Ave., Vancouver, B.C.
J5765 A/S/L Cleveland, H. D., 3490 Cypress St., Vancouver, B.C.
J10313 F/O Cloutier, W. B. B., 35 Parkway Ave., Toronto, Ont.
J18127 P/O Coburn, L. G., 400 Ketchen St., Temiskaming, P.Q.
R124700 W/O Connor, P. M., Kingston, N.S.
J18875 P/O Cook, D. T., Kelowna, B.C.
J17563 F/O Cook, H. R., R.R. No. 1 Abbotsford, B.C.
J11462 F/O Cooke, T. C., Dauphin, Man.
J4539 S/L Cooper, W. B., 517-25th St. S., St. Petersburg, Florida, U.S.A.
J18986 P/O Coutlee, C. M., 53 Findlay Ave., Ottawa, Ont.
J5304 F/L Court, G. L., 38 Second Ave., Ottawa, Ont.
J17793 F/O Craddock, B. A., 9 Norwich Ave., Woodstock, Ont.
J21466 F/O Craig, J., 399 Victor St., Winnipeg, Man.
J19373 P/O Cramer, L. G., Arborfield, Sask.
J10105 F/L Cunningham, C. C., 4718 Douglas Road, Burnaby, B.C.
R92557 W/O Curtis, R. D., 2073 2nd Ave., Trail, B.C.
J10795 F/L Dale, J. P. B., R.R. No. 2, New Westminster, B.C.
J19161 P/O Davidson, A. M., 1235-6th Ave. S., Lethbridge, Alta.
J19143 P/O Davidson, S., Clover Bar P.O., Alta.
J85334 P/O Davie, J., Box 207, Biggar, Sask.
J85093 P/O Davies, F. C., 81 East Young St., Halifax, N.S.
J2936 A/S/L Davis, J. T. J., Como, Quebec.
R107107 W/O Davy, H. W., 449-7th St. E., Prince Albert, Sask.
J16042 F/O Decher, K. A., 35 King St. W., Kitchener, Ont.
J2938 A/S/L De La Haye, A. L., 3348 Marine Dr., Hollyburn B.C.

[Mr. Ralston.]

J8964 A/F/L De Le Paulle, J. A. H., 1700 Massachussetts Ave., Washington, D.C.
J21039 F/O Dempsey, S. W., 639 Christie Ave., Oshawa, Ont.
J14707 A/F/L De Solla, H., 105-41-65th Rd., Forest Hill, N.Y., U.S.A.
J85975 P/O Dickinson, J. C., 329-19 St. W., Prince Albert, Sask.
J19107 P/O Dingley, W., 2130 1st Ave. N.W., Calgary, Alta.
R147280 W/O Douglas, C. L., Rossburn, Man.
J5709 F/L Draper, L. A., 70 Cambridge Ave., Toronto, Ont.
J16306 F/O Drimmie, G. R., 1547 Comox St., Vancouver, B.C.
J19955 P/O Duncan, J. D., Antler, Sask.
J16125 F/O Duff, T. R. N., 436-13th St. W., Prince Albert, Sask.
J5699 A/S/L Dyer, H. R. F., Minnedosa, Man.
J19824 P/O Edwards, J. F., 73 Garside Ave., Hamilton, Ont.
J16917 A/F/L Empey, G. C., 1303 Lyall St., Esquimalt, B.C.
J19792 P/O Evans, W. T., 484 Beverley St., Winnipeg, Man.
J6222 F/L Everard, H. J., 101 Tamarack St., Timmins, Ont.
J16328 A/F/L Ewer, H. F., Box 1326, Kelowna, B.C.
J16440 F/O Facey, H. R., 10632 104th St., Edmonton, Alta.
J14222 F/O Farb, H. R., 193 Lonemount Dr., Toronto, Ont.
R96333 WO Findlay, J. B., Fitzroy Harbour, Ont.
J13956 F/O Finlayson, C. G., 1040 Craigdarroch Road, Victoria, B.C.
J19797 P/O Fjeldsted, T. B., Arborg, Man.
J18382 P/O Folkes, F. W., 362 Bleeker St., Toronto, Ont.
J21918 F/O Fonger, O. W., Apt. 5, 383 Bayview Ave., Leaside, Ont.
J19915 P/O Fonseca, A. R. O., 179 Kensington St. N., Hamilton, Ont.
J21372 A/F/L Ford, C. G., Melfort, Sask.
J10690 F/O Francis, G. E., 11 Train St., Sydney, N.S.
J14225 F/O Franklin, A. E., Zealandia, Sask.
C1350 F/L Fraser, R. B., R.R. #1, Pictou, N.S.
J22321 F/O Fraser, T., 365 Belfast St., Medicine Hat, Alta.
C1617 A/W/C French, D. T., 110 Province St., Hamilton, Ont.
J18391 P/O Galan, P. R., Wisla, Man.
C18867 P/O Gargett, E., 212 Spencer St., Medicine Hat, Alta.
J16299 F/O Garrett, E. W., 363 Wolverleigh Blvd., Toronto, Ont.
J12273 F/O Gibbons, N., 2355 Marine Drive, W. Vancouver, B.C.
J17590 F/O Gibbs, J. C., Beech Ave., Bowmanville, Ont.
J18534 F/O Gorrill, V. I., Camp Lister, Creston, B.C.
J21811 F/O Gourlay, J. L., 3rd Ave., Ladysmith, B.C.
J18335 P/O Graham, D. D., 780 E. 31st Ave., Vancouver, B.C.
J21518 F/O Gray, J. M., 411 10th St., New Westminster, B.C.
J19799 P/O Gray, R. A., 827 Elias St., London, Ont.
J5683 S/L Grierson-Jackson, W., 534 Trunk Road, Ladner, B.C.

Distinguished Flying Cross—*Con.*

Number—Rank—Name—Home Address

J17559 F/O Grout, A. C., 1294 Clyde Ave., Vancouver, B.C.

J13388 F/O Hamblin, W. D. M., 1606 Defer Place, Detroit, Mich., U.S.A.

C1625 A/W/C Hamber, E. C., 17 Chilton Place, Hamilton, Ont.

J16121 F/O Hamilton, F. F., Mazenod, Sask.

J15599 A/F/L Hanson, J. R., 17, The Fairway, Clifton, Yorks, England.

J17377 F/O Harding, J. R., 84 East Rd., Tylorstown Place, S. Wales.

J9316 F/L Harland, G. R., 113 Villaire Ave., Riverside, Ont.

J9766 F/L Harris, W. J., 5 Visart St., Saint John, N.B.

J20064 A/F/L Harris, F. R., 611 Wilson St., Victoria, B.C.

J85081 P/O Harvey, J. D., 54 Lavinia Ave., Toronto, Ont.

R140172 WO2 Hayes, J. H., 335 Martin St., Banff, Alta.

R105406 WO Hayward, F. R., Emsdale, Ont.

J21121 F/O Healey, W. A., 141 Gibson St., N. Parry Sound, Ont.

C1469 A/S/L Hebert, R. J. C., Magog, P.Q.

J16650 F/O Heide, C. L. R., 1254 Venables St., Vancouver, B.C.

J11139 A/F/L Heron, P. W., 7818 104th St., Edmonton, Alta.

J18834 P/O Hicks, V. C., 3613 7A St., W. Calgary, Alta.

J15695 A/S/L Higgins, C. W., St. Avards, Charlottetown, P.E.I.

J16255 F/O Hill, V. P. B., R.R. #3, St. Catharines, Ont.

J19496 P/O Hind, J. P., 1207 Duke St., Victoria, B.C.

J85245 P/O Hirschfield, G. D., Goldenville, N.S.

J18609 P/O Hodges, S. C., 744 Ingersoll St., Winnipeg, Man.

J12835 F/L Hodson, A. H., Box 86, Vancouver Island, Alberni, B.C.

J19003 P/O Hopton, C. G., 310 S. Archibald St., Fort William, Ont.

R82755 WO Houston, J. T., Box 49, Carleton Place, Ont.

J85337 P/O Howard, T. J., R.R. 7, Lucknow, Ont.

J12639 F/O Hughes, J. R., R.R.1, Northwood, Ont.

J10708 F/O Hughes, P. G., Box 519, Courtenay, B.C.

J22196 F/O Huletsky, P., 6319 Third Ave., Rosemount, Montreal, P.Q.

C18877 F/O Hurd, E. J., Arundel, 6 Walnut Rd., Chelston, Torquay, Eng.

R58023 W/O Hurst, H. R., Grimsby, Ont. (Box 316).

J17380 A/F/L Hyslop, M. C., 10612-124 St., Edmonton, Alta.

J17096 A/F/L Ingalls, B. J., Sayabec Station, P.Q.

J18946 P/O Jackson, H. N., R.R. No. 2, Millet, Alta. (Box 24).

J19705 P/O Jarman, R. H., 11525-88 St., Edmonton, Alta.

J22577 F/O Johnson, C. H., Strome, Alta.

J14873 A/F/L Johnson, J. R. F., Omemee, Ont.

J19259 P/O Johnston, J. I., 65 Avenue Rd., Toronto, Ont.

J19171 P/O Jones, E. T., 9602-149th St., Edmonton, Alta.

J7548 S/L Keillor, H. G., Mitchell, Ont.

J20729 F/O Kelly, R. L., Miniota, Man.

J19139 P/O Kennedy, H. R., 475 Washington St., New Glasgow, N.S.

J18976 P/O Kimmett, T. H., 303-10th St. N.W., Calgary, Alta.

J4743 A/S/L Kipp, R. A., 359 Nicola St., Kamloops, B.C.

R145973 W/O Knight, D. H., 629 Simcoe St., Winnipeg, Man.

C1174 S/L Knox, D. G., Box 314, Shelburne, N.S.

J14639 F/O Lafond, P. C. E., 117 Hotel de Ville St., Hull, Que.

J18786 A/F/L Laine, S. R. W., 341 Clavet St., Port Arthur, Ont.

J86146 P/O LaPierre, J. J. B. G., 3452 Verdun Ave., Verdun, Que.

R92986 W/O Lawrence, J. W., 207-75th St. S., Lethbridge, Alta.

J85624 P/O Lebel, G. Y., Cacouna, P.Q.

J19641 P/O Ledger, W. H., 202 Belgravia Ave., Toronto 10, Ont.

J9775 F/O Leitch, A. K., 49 MacDonald Ave., Weston, Ont.

J85534 P/O Leslie, A. B., Snipe Lake, Sask.

R182122 W/O Lindo, W. A., 42 Myrtle Ave., Toronto, Ont.

J17417 A/F/L Linton, K. R., Plaster Rock, N.B.

J4330 A/S/L Lisson, H. S., 19 Edgewood Crescent, Toronto, Ont.

J8948 F/L Lock, W., 939 Esquimalt Rd., Victoria, B.C.

J19067 P/O Logan, E. A., 308 Aberdeen St., Medicine Hat, Alta.

J4883 A/F/L Lord, F. G., 31 Newton St., Sherbrooke, P.Q.

C1634 A/W/C MacDonald, D. C., Apt. 522, Carlyn Hotel, 2500 Q. St., Washington, D.C., U.S.A.

J15099 F/L MacDonald, G. W., Wanham, Alta.

J21612 F/O MacDonald, H. M., 3290 Marine Drive, West Vancouver, B.C.

J3103 F/L MacFadyen, D. A., 29 Chestnut Park Rd., Toronto, Ont.

J18192 A/F/L Mackett, R. E., 266 Hall Ave., Windsor, Ont.

J19268 A/F/L MacKinnon, L. L., Box 65, Ponoka, Alta.

J16777 F/O MacLeod, G. G., 323 Glenholme Ave., Toronto, Ont.

J15633 A/F/L Manning, R. V., 4623-10th W., Vancouver, B.C.

J18724 A/F/L Marvin, J., Kentville, N.S. (258 Cornwallis St.).

J22227 F/O Matheson, S. E., 1640 Ottawa St., Regina, Sask.

J35980 P/O Maxwell, W. C., 9 Bartonville Ave., Mount Dennis, Toronto 9, Ont.

J18290 P/O Meaden, W. H. D., 9745-86 Ave., Edmonton, Alta.

C19081 P/O Meeks, S. A., 22 Earl St., Kingston, Ont.

J6145 F/L Meyer, S. O., 1690 Canora Rd., Town of Mt. Royal, Que.

J15958 A/F/L Middlemiss, R. G., 6970 De-Normanville St., Montreal, P.Q.

J19404 A/F/L Middlemiss, W. S., Aneroid, Sask.

J21288 F/O Miller, G. N., 10710-10th St., Edmonton, Alta.

J19630 P/O Milne, G. S., 10025-83rd Ave., Edmonton, Alta.

C1596 S/L Milne, R. F., 61 Lancaster Ave., Saint John, N.B.

R69302 W/O Minogue, J. S., 264 King St. West, Ingersoll, Ont.

Distinguished Flying Cross—*Con.*

Number—Rank—Name—Home Address.

J4101 F/L Mitchell, J. F., 460 Beresford Ave., Toronto, Ont.
J18424 A/F/L Mitchell, J. M., Biggar, Sask.
J15697 F/L Montgomery, W. D. C., Timiskaming Station, Ont.
J18937 P/O Morrison, J. R., Montreal West, P.Q.
J13721 A/F/L Morrison, N. B., 581 Logan Ave., Toronto, Ont.
R74757 W/O Mower, A. J. C., Port Dalhousie, Ont.
C5645 A/F/L Muir, G. A., 181 Kilbride Ave., Winnipeg, Man.
R188011 W/O Murre, T. M. J., 169 Hibernia St., Cobourg, Ont.
J20392 F/L Murphy, C. E. J., 15 Harriet St., Belleville, Ont.
J7212 F/L Murray, B. A., 2341 Yonge St., Toronto, Ont.
J21443 A/F/L Murray, F. N., Barbados, B.W.I.
J16477 F/O Myles, J. R., 13 Lewin Park W., Saint John, N.B.
J6136 A/S/L McCormack, J. E., Estevan, Sask.
J18808 P/O McEwen, I. G., 2486-8th Ave. W., Vancouver, B.C.
C19702 P/O McGill, M. D., Homewood, Man.
J18816 P/O McInnis, W. N., Yahk, B.C.
J19308 P/O McIntosh, J. A., Box 175, Revelstoke, B.C.
J15175 A/W/C McKay, W. A., 3116 W. 2nd Ave., Vancouver, B.C.
J21892 F/O McKinnon, W. R., Delburne, Alta.
R102034 (J86249) P/O McLean, O. D., 1325 Princess Ave., Brandon, Man.
C1637 A/W/C McLernon, A. R., 3275 Cedar Ave., Westmount, P.Q.
J4886 A/S/L McLeish, W. A. G., 128 Grosvenor Ave. S., Hamilton, Ont.
J19570 P/O McQuade, A. R. R., 189 Bergemont Ave., Quebec, P.Q.
J17272 F/O Naylor, W. K., Coleman, Alta.
J18461 P/O Noyes, W. R. S., Marshal, Sask.
J12882 A/S/L Ough, G. B., Newmarket, Ont.
J15676 F/O Ovens, G., Enniskillen, Ireland.
J6832 F/L Owens, J. R., 1261 Lincoln Rd., Windsor, Ont.
J15818 A/W/C Palmer, C. W., Dundalk, Ont.
J85007, P/O Paterson, W., Mullinger, Sask.
J15159 A/S/L Patterson, H. T., Maryland Hill, Fredericton, N.B.
C18516 P/O Peck, G. R. H., 1 Belvedere Rd., Westmount, P.Q.
R139455 W/O Perrin, J. H., R.R. No. 1, Ayr, Ont.
J18238 T/F/O Peterson, I. N., Grassy Lake, Alta.
J19065 P/O Phillips, G. I., Box 96 W. Selkirk, Man.
J19005 P/O Phillips, W. G., 471 Victoria Ave., St. Lambert, P.Q.
J19053 P/O Pigeon, P. E., Williams Lake, B.C.
C1395 W/C * Pleasance, W. P., 638-1st Ave., Calgary, Alta.
J14032 F/O Plummer, A. G., 214 Pitt St., Saint John, N.B.
R104431 W/O Pothier, B. F., Pinkney's Point, Yarmouth, N.S.
J11222 F/L Powell, P. A., Copper Mountain, B.C.
J19064 P/O Powers, J. E., 1065 Bathurst St., Toronto, Ont.
J16236 F/O Pratt, J. H., 322 Baltimore Rd., Winnipeg, Man.

[Mr. Ralston.]

J19480 P/O Prebble, F. N., 751 Carlaw Ave., Apt. 6, Toronto, Ont.
J14679 F/O Protheroe, D. H., Box 91, Elnore, Alta.
R108311 W/O Racette, J. F., 3443 St. Hubert St., Montreal, P.Q.
J14658 F/O Rackham, P. R., Summerside, P.E.I.
J10421 A/F/L Ratcliffe, R. E. D., 375 Alfred St., Kingston, Ont.
J22187 F/O Rees, H. L., 1123 Front St., Nelson, B. C.
J8391 F/L Reid, T. G., Delore, Ont.
J16290 F/O Reid, W. H., 141 Old Forrest Hill Rd., Toronto, Ont.
J22484 A/F/L Renton, W. D., 1418 Vining St., Victoria, B.C.
J14577 F/O Ridgers, C. F., 156 Flatt Ave., Hamilton, Ont.
C7940 F/O Ritchie, J., Outremont, P.Q.
R117140 W/O Robertson, D. F., Sault Ste. Marie, Ont. (339 Cathcart St.)
J14214 F/O Robson, W. W., Crookston, Minn., U.S.A.
J17973 F/O Rocheleau, J. R. U., Stoney Point, Ontario.
J16289 A/F/L Roddick, F. J., Viking, Alberta.
C8323 F/L Ross, A. S., 1514 Beacon St., Brookline, Mass., U.S.A.
J19988 P/O Routledge, J. D., 511 Horne Avenue, Mission, B.C.
C16030 A/F/L Row, D. N., General Delivery, Almonte, Ontario.
J8954 A/F/L Rowand, J. G., Bethune, Sask.
J29626 P/O Roy, A. M., Maitland, Hants Co., Nova Scotia.
J12247 F/O Russell, W. A., LeRoy, Sask.
J8401 A/S/L Russell, W. A., 25 Buttonwood Ave., Mt. Dennis, Ontario.
J6275 F/L Sanderson, J. H., R.R. 2, Dresden, Ontario.
J20948 A/F/L Scott, H. N., 998 Dorchester Ave., Winnipeg, Manitoba.
J18809 P/O Scott, I. J., 135 Russell St., Brandon, Manitoba.
J8698 P/O Seaton, J. A. M., Castlegar, B.C.
J17172 A/F/L Shearer, H. M., 189 William St., London, Ontario.
J22103 F/O Sharer, N. M., 298 Sorauren Avenue, Toronto, Ont.
J15488 F/O Sherlock, A. A., 17 Ridley Gardens, Toronto, Ont.
J15489 F/O Sherlock, E. T., 17 Ridley Gardens, Toronto, Ont.
J10591 P/O Sherman, L., Yarmouth, Nova Scotia.
J23409 F/O Sherwood, M. C., 711-3rd Ave. West, Calgary, Alta.
J16511 A/F/L Shortt, H. S., 119 Kent Street, Whitby, Ont.
J19612 P/O Sim, F. C., Tisdale, Saskatchewan.
J16625 A/F/L Simpson, J. A. T., 52 Govt. Rd. W., Apt. 8, Bolton Bldg., Kirkland Lake, Ont.
C18818 S/L Skene, D. C., 157 King St. E., Kingston, Ontario.
J10025 F/L Smith, A. P., Sceptre, Sask.
J14627 F/O Smith, H. F. E., 1 Burnfield Ave., Toronto, Ont.
J18593 A/F/L Smith, N. J., 3436 W-7th Avenue, Vancouver, B.C.
J8371 A/S/L Smith, C. W., 3050 Alexander Blvd., Windsor, Ont.
J8656 F/L Smith, R. S., 127 Inherman St., St. Thomas, Ont.

Distinguished Flying Cross—*Con.*

Number—Rank—Name—Home Address

J18140 A/F/L Snell, C. R., East St., Sarnia, Ont.
J23988 F/O Spackman, G. L., Box 201, Raymond, Alta.
J14328 F/L Spafford, W., 235 Ash Street, Winnipeg, Manitoba.
J19030 P/O Stephen, G. C., 222 Melita Ave., Toronto 4, Ontario.
J14796 F/O Stewart, W. A. R., 385 Broadview Avenue, Toronto, Ont.
J10407 A/F/L Stockdale, A. M., 5477 Coolbrooke Avenue, Montreal, Que.
J8922 A/S/L Stover, C. H., 14 Grove Rd., Thorton Heath, Surrey, Eng.
J9653 A/F/L Stringer, R. H., Davyroyd Willows, Sask.
J86114 P/O Sutherland, C. B., R.R. 2, Truro, Nova Scotia.
J16044 A/F/L Sutherland, G. G., 802 Governor Avenue, Winnipeg, Man.
J86153 P/O Taggart, R. L., 858-4th Street East, Prince Albert, Sask.
J20993 F/O Taylor, E. A. T., 3441 Salsbury Way, Victoria, B.C.
J14909 F/O Taylor, P. H., 14-W-10th St. Kansas City, Missouri, U.S.A.
J5473 F/L Thomas, L. D., 13973 Rosemont Rd., Detroit, Michigan, U.S.A.
J85113 P/O Thompson, E. C., 649 Woodbine Avenue, Toronto, Ont.
J22515 F/O Thompson, H. J., Gelert, Ont.
C20880 A/F/L Thompson, J. G., 3 Peel Ave., Brampton, Ont.
J19187 P/O Thompson, W. A., Lipton, Sask.
R57750 W/O Thorburn, W. F., 3548 Georgia St. E., Vancouver, B.C.
R10916 W/O Todd, L. H., Box 413, Stettler, Alta.
J16079 A/F/L Toms, L. J., 444 Bridge St., Niagara Falls, Ont.
J19286 P/O Tremblay, J. A. G., 109-8th Ave., Quebec City, Quebec.
J17744 F/O Tucker, M. C., Westmount Ave., Lake View, Ont.
J17956 F/O Tucker, W. W., Greencastle, Indiana, U.S.A.
J15054 W/C Turnbull, R. S., Govan, Sask.
J21370 A/F/L Turnbull, J. C., Govan, Sask.
J18177 F/O Turnbull, W. W. W., 433 Woodlawn Ave., San Antonio, Texas, U.S.A.
C1577 W/C Turner, S. D., 131 Olive Street, Victoria, B.C.
J10677 W/O Veira, B. V. L., 1431 MacKay St., Apt. 12, Montreal, Que.
R119127 W/O Watt, O. A., 38 Afton Ave., Toronto, Ont.
J18309 P/O Watt, R. H., 327 Cambridge St., Winnipeg, Man.
J8757 F/L Walker, W. E., Blubber Bay, B.C.
J14570 F/O Walls, G. M., Aneroid, Saskatchewan.
J18784 P/O Weaver, C., 1201 N.W. 38th St., Oklahoma City, Oklahoma, U.S.A.
J19026 P/O Weeks, H. A., 426 Mary St., Chilliwack, B.C.
J22042 F/O Weldon, G. A., R.R. No. 1, Dartmouth, N.S.
R115716 W/O Westad, R. A., 3870 Lonsdale Ave. N., Vancouver, B.C.
J16965 A/F/L Westell, R. A., 19 Huxley Ave. South, Hamilton, Ont.
J9072 A/S/L Westland, J. A., 1386 Ouellette Ave., Windsor, Ont.
J23795 F/O White, A. S., 19 Union St., Sydney, N.S.
J85716 P/O Wilding, J. A., Red Lake, Ont.
J11131 F/O Wiley, D. R., 769 Dufferin Ave., London, Ont.
J85043 P/O Wilkie, G. A., 147 The Glen, St. Vital, Man.
J17906 F/O Williams, J. R., Collingwood Rd., R. No. 5 N.W. Grand Rapids, Michigan, U.S.A.
J23777 F/O Wilmot, B. E., 834 McMillan Ave., Winnipeg, Man.
J85676 P/O Wilson, F. A. W. J., 91 Crown St., Port Arthur, Ont.
J19982 P/O Wilson, P. J., Ste. "M" Commodore Apts., Edmonton, Alta.
J18773 A/F/L Wolton, G. W., 1134 Westmount Boulevard, Calgary, Alta.
J21768 F/O Wondolowski, C. A., 198 William St., Bridgeport, Connecticut, U.S.A.
J19016 P/O Wood, E. H., Kelwood, Man.

Bars to Distinguished Flying Cross

J15254 A/S/L Austin, L. F., 28 Butternut St., Toronto, Ont.
J7230 F/L McElroy, J. F., Box 212, Banville, P.Q.

Distinguished Flying Medal

J85441 P/O Allin, H. R., 186 Gibbon St., Oshawa, Ont.
R180986 F.S. Bodnoff, I. J., 69 Nelson St., Ottawa, Ont.
R110387 Sgt. Boynton, B. D., 1505-15 St. East, Calgary, Alta.
R136423 Sgt. Bruce, N., 64 Beresford Ave., Toronto, Ont.
R171696 F.S. Cable, A. B., Big Valley, Alta.
R72673 Sgt. Campbell, T. E., 99 Pownal St., Charlottetown, P.E.I.
R159333 F.S. Cantera, D. R., 9266-110-A Ave., Edmonton, Alta.
R179677 F.S. Cole, S. R., 256 Lake Promenade, Long Branch, Ont.
R187075 Sgt. Croteau, J. M. A., Bonnyville, Alta.
C86115 P/O Edie, R. A., Langham, Sask.
R195070 Sgt. Florence, J. P. A. A., 1418 Viau St., Montreal, P.Q.
R188973 Sgt. Fraser, N. C., 76 McDonald St., Ottawa, Ont.
R56103 Sgt. George, E. O., 1262-3rd Ave. E., Owen Sound, Ont.
R156584 Sgt. Glass, H., 287 Queen St. E., Toronto, Ont.
R157861 W/O Halvorsen, S. J., 856-13 Ave. East, Vancouver, B.C.
R129608 F.S. Hexter, G. E., 83 Smith St., London, Ont.
R139543 F.S. Kondra, W., Box 75, Prud'homme, Sask.
R155760 F.S. Lightfoot, D. G., Burnham, Sask.
R159115 F.S. Long, K. L., Devonshire Apts., 112th St., Edmonton, Alta.
R195860 Sgt. Mangione, J., 53 Louise St., Ottawa, Ont.
R79681 Sgt. Moritz, F. J., Gull Lake, Sask.
R191057 Sgt. McRae, C., Vivian Stn., Man.
J18125 P/O Pennington, S., 67 Sydenham St., Dundas, Ont.
R216097 Sgt. Petsche, J., 56-6th Ave., Ville La Salle, P.Q.
R111339 F.S. Pilon, J. N. J., Luskville, P.Q.
R179322 F.S. Price, M. G., 1621 Queen St. W., Apt. 27, Toronto, Ont.
R211243 Sgt. Ritchie, G. J. M., 4348 Melrose Ave., Montreal, P.Q.

Distinguished Flying Medal—*Con.*

Rank and Name—Corps—Address

J85488 P/O Salkeld, H. A. B., 133 Sherbrooke St., North Bay, Ont.
R165313 F.S. Steedsman, C. P. E., 131 Church St., Parry Sound, Ont.
R184363 Sgt. Sullivan, J. B., 28 Baker St., Cobalt, Ont.
J85311 P/O Sumak, L. S., R.R. No. 1, Hannon, Ont.
R135221 F.S. Tinmouth, A. W., Herring Cove, Halifax, N.S.
R123425 Sgt. Walton, W. J., 41 Beachdale Ave., Toronto, Ont.
R207740 Sgt. Wright, D. H., 817 Bank St., Ottawa, Ont.
R207226 Sgt. Ziomko, W. J., 2857 Ontario St., Montreal, P.Q.

Conspicuous Gallantry Medal

R138466 W/O Meek, R. J., 3195 W. 23rd Ave., Vancouver, B.C.

George Medal

J7526 F/L Abel, G. C., 3B Bevin Court, Yorkton, Sask.
R103014 W/O McGrath, W. K., R.R. No. 1, Bartonville, Ont.

Appendix "B"

Canadians in R.A.F.

Gallantry Awards

Number—Rank—Name—Home Address—

776068 W/O Anderson, W. M., Not available, D.F.C.
126404 F/O Apps, W. G., Not available, D.F.C.
39777 F/L Birchfield, F. E. W., New Westminster, B.C., A.F.C.
F/Sgt. Bishop, J. F., Calgary, Alta., A.F.M.
41344 S/L Cox, R. M., A.F.C.
41000 F/O Dundas, K. C. V. D., Pelly, Sask., D.F.C.
42341 F/L Ennis, J. M., A.F.C.
34218 S/L Fenwick-Wilson, R. M., Rock Creek, B.C., A.F.C.
36044 W/C Foord-Kelcey, A., A.F.C.
29009 S/L Foster, G. A. C., Shellbrook, Sask., A.F.C.
40306 F/L Knowles, P. H., Victoria, B.C., A.F.C.
G/C Livingston, P. C., A.F.C.
37858 A/W/C Lambert, F. F., Grantham, Lincolnshire, England, D.F.C.
F/O Martin, H. B., D.F.C.
S/L Martin, W., Calgary, Alta., D.S.C.
39562 A/W/C Piddington, J. A., Esquimalt, B.C., D.F.C.
GB1481880 F/Sgt Sumner, K. L., Old Berry House, Bubwith, Salby, Yorkshire, England, D.F.M.
110636 A/S/L Thomas, G. D. M., D.F.C.
42279 A/S/L Tripe, P. V. K., D.F.C.
90915 A/W/C Wynne-Powell, G. T., Toronto, Ont., D.F.C.
41761 F/L Wardle, H. D., 2245 Turner Rd., Windsor, Ont., M.C.
40965 S/L Wellburn, D. C., 2276 E. Broadway, Vancouver, B.C., D.F.C.
41888 F/O Whitecross, J. A., 183 Ash St., Winnipeg, Man., D.F.C.

[Mr. Ralston.]

R.C.A.F. Personnel Decorated by Allied Governments

United States Distinguished Flying Cross

J17877 F/O Carr, A. L., Box 78, Kyle, Sask.
J16176 F/O Churchill, J. M., 338-11 St. East, Prince Albert, Sask.
J9689 F/O Mackie, A. J., 611 Balfour Apts., Regina, Sask.
J17876 F/O Marin, A. A., Squamish, B.C.

United States Army Air Medal

J17877 F/O Carr, A. L., Box 78, Kyle, Sask., 2 Oak Lf. Clusters.
J11464 F/L Cox, R. S., 739 Wolseley Ave., Winnipeg, Man., U.S. Air Medal.
J17887 P/O Cruickshank D. H. 69 Mecklenburg St., Saint John, N.B., 2 Oak Lf. Clusters.
J17125 P/O Fleck, C. S., Middle Stewiacke, N.S., U.S. Air Medal and 4 Oak Lf. Clusters.
J11978 F/O Galbraith, R. F., Shelburne, Ont., U.S. Air Medal.
J17127 F/O Gall, R. D., Rose Valley, Sask., U.S. Air Medal and 3 Oak Lf. Clusters.
J26909 F/O Hobbie, N. H., c/o Dr. G. M. Maxwell, Route 4 Roanoke, Virginia, U.S.A., U.S. Air Medal.
J17136 F/O Lamoureux, A. P., 11251-92 St., Edmonton, Alta., U.S. Air Medal and 3 Oak Lf. Clusters.
J12044 F/O MacLean, W. M., 6 Athol St., Campbellton, N.B., U.S. Air Medal.
J11967 F/O McDuff, D. M., R.R. 2 Mona Rd., Ont., U.S. Air Medal.
J17876 F/O Martin, A. A., Squamish, B.C., U.S. Air Medal and 6 Oak Lf. Clusters.
J17880 P/O Martino, G. W., 5499 Bourette Ave., Montreal, P.Q., U.S. Air Medal and 2 Oak Lf. Clusters.
J17883 F/O Miron, W. A. J., 111 Lellington Ave., Toronto, Ont., U.S. Air Medal and 4 Oak Lf. Clusters.
J17129 P/O Paradis, J. J. P., 522 St. Jean St., Que., U.S. Air Medal and 1 Oak Lf.

Appendix "C"

R.C.A.F. Personnel Decorated by Allied Governments

United States Army Air Medal

Number—Rank—Name—Home Address

J4116 F/L Roseland, A. W., c/o Mrs. A. E. Weiler, Neustadt, Ont.
J17881 P/O Robertson, F., 605-33rd St. W., Saskatoon, Sask., with 2 Oak leaves.
J17128 P/O Robertson, R. D., Roblin, Man., with 3 Oak leaves.
J17878 F/O Sibbald, R. E., Cockrane, Alta., with 1 Oak leaf.
J3205 S/L Walker, B. R., D.F.C., 189 John St., London, Ont.
J6159 F/L Robertson, D. F., 410-2nd Ave. E., Owen Sound, Ont.
J13478 F/O Cochand, L. E., Ste. Marguerite, P.Q.

United States Soldier's Medal

R116959 Cpl. Harrett, D. M., 7 Montgomery Cresc., Wallaceburg, Ont.

Greek Distinguished Service Medal

J16144 F/O Hionides, H. T., 68-16th Ave., Paterson, New Jersey, U.S.A.

Supplementary List of Awards Recently Announced

Distinguished Flying Cross

Number—Rank—Name—Home Address

J18923 A/F/L Flewelling, M. F., 512-22nd Ave. West, Calgary, Alta.
J20820 F/O Campbell, W. J., No. 2 Fire Hall, Lethbridge, Alta.
J21640 F/O Haworth, R. J., 90A Hiawatha Road, Toronto, Ontario.
J22093 F/O James, R. H., 941 West 20th Ave., Vancouver, B.C.
J17270 F/O Williams, J. F. H., 22 Norwood Rd., Toronto, Ont.
J26921 F/O Campbell, G., 3015 E. 18th Ave., Vancouver, B.C.
J25802 F/O Hall, J. T., 86 Byron Ave., Apt. 2, London, Ont.
J19881 P/O Kalle, J., 1022 Bruce Avenue, Windsor, Ont.
J9081 F/L Lindsay, J. D., 205 Daniel St., Arnprior, Ont.
C1697 F/L Trainer, H. C., Bedford, P.E.I.
J20050 A/F/L Johnson, P. G., Not available.
J17857 A/F/L Moore, L. A., 1328 Hale St., Philadelphia, Pa., U.S.A.
R114420 W.O. Foster, W. P., R.R. No. 6, Guelph, Ont.
J15707 F/L Hay, H. B., 67 Canada Rd., Edmonton, Alta.
J19783 P/O Mann, L. A., 103 Broadway S., Portage la Prairie, Man.
R130008 W.O. Korman, A. I., 17-8th St., Noranda, P.Q.
J10507 F/L Van Ness, J. C., 623-9th St., Saskatoon, Sask.
J10514 F/L Fockler, E. W., 1756 W. 10th Ave., Vancouver, B.C.
J9167 F/L Winslow, T. B., Ste. Agathe des Monts, P.Q.
J5343 F/L Sheblock, F. J., 530-21st Ave. W., Calgary, Alta.
J9348 F/L Pritchard, J. E., Middleton, Wisconsin, U.S.A.
J8947 F/L Carlson, A. T., 318-38th Ave. S.W., Calgary, Alta.
J15205 A/F/L Linton, O. M., Wolsely, Sask.
J15479 A/F/L Faurot, V. J. J., 425 Park St., Niagara Falls, Ont.
J16342 A/F/L Dover, D. H., 24 Cordella Ave., Mt. Denis, Ont.
J18075 F/O Date, H. B., 202 Maria St., Sarnia, Ont.
J18403 F/O Sorge, F. S., Pincher Creek, Alta.
J15930 F/O Howe, N. C. R., 68 Charles St. E., Apt. 19, Manhattan Apts., Toronto, Ont.
J7792 F/L Martin, O. A. J., 385 Chapel St., Ottawa, Ont.
J7913 F/L Thring, G. H., R.R. No. 5, Rockwood, Ont.
J10611 F/L Jasper, C. M., 170 South Post St., Clark Hotel, Spokane, Washington, U.S.A.
J2017 F/O McRae, J. M., Box 883, Yarmouth, N.S.
R117327 W.O. Bergevin, J. J. C., Cochrane, Ont.

Victoria Cross

J7594 F/L Hornell, D. E., Drayton, Ont.

Bar to Distinguished Flying Cross

J5023 A/S/L Conrad, W. A. G., Richmond, Ont.
J15246 A/S/L Buckham, R. A., Box 1036, Vancouver, B.C.
J13956 F/O Finlayson, C. G., 1040 Craigdarroch Rd., Victoria, B.C.

Distinguished Service Order

J22754 F/O Moore, K. O., 2645-5th Ave. W., Vancouver, B.C.

Distinguished Flying Medal

R195070 F/S Woolsey, A. R., 4320 Atlin St., Vancouver, B.C.
R81621 F/S Lacaille, V. J. P., 2 MacDonald St., Magog, P.Q.
R94919 F/S Enerson, T. H. N., Not available.

Conspicuous Gallantry Medal

R140754 Sgt. Engbrecht, P., 50 Brunswick St., Fredericton, N.B.

DECORATIONS FOR GALLANTRY—
ROYAL CANADIAN NAVY

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): I beg leave to table the names of one hundred and thirty-nine officers and men of the Royal Canadian Navy who have received operational awards in the period 1st March, 1944, to 12th August, 1944.

I should like to say that in addition to the operational awards twenty-five non-operational awards have been granted to personnel of the Royal Canadian Navy. These non-operational awards have been made in the following orders:

C.B.	1
C.B.E.	2
O.B.E.	9
M.B.E.	6
B.E.M.	7

Royal Canadian Navy

Operational Awards

1st March-12th August, 1944

O.B.E.—3

LaPage, Theodore Nelson, A/Lieutenant Commander, R.C.N.V.R., Vancouver, B.C., May 3, 1944.

Pickard, Antony Fenwick, A/Lieutenant Commander, R.C.N.R., South Porcupine, N.S., June 8, 1944.

Rankin, Angus Hetherington, A/Lieutenant Commander, R.C.N.V.R., Vancouver, B.C., June 8, 1944.

M.B.E.—4

Arsenault, William James, Mate, R.C.N.R., Grindstone, Magdalen Is., Quebec, June 8, 1944.

Baker, Herman, A/Skipper Lieut., R.C.N.R., Yarmouth N., N.S., June 8, 1944.

Darrach, Claude Kenneth, Chief Skipper, R.C.N.R., Herring Cove, N.S., June 8, 1944.

Idiens, Leonard, Sub-Lieutenant, R.C.N.V.R., Campbell River, B.C., June 8, 1944.

D.S.O.—1

DeWolf, Henry George, Captain, R.C.N., Halifax, N.S., May 3, 1944.

Operational Awards—*Con.*

D.S.C.—12

Burk, Charles Arthur, Lieutenant, R.C.N.V.R., Toronto, Ont., May 2, 1944.

Burke, Cornellius, Lieutenant, R.C.N.V.R., Vancouver, B.C., May 30, 1944.

Coughlin, Clifton Rexford, Lieutenant Commander, R.C.N.V.R., Ottawa, Ont., July 18, 1944.

Cosh, Digby Rex Bell, A/Lieutenant Commander (A), R.C.N.V.R., Ottawa, Ont., May 30, 1944.

Fraser, James Philip, Lieutenant Commander, R.C.N.R., Halifax, N.S., July 4, 1944.

Gooderham, William George, Lieutenant, R.C.N.V.R., Vancouver, B.C., July 18, 1944.

Kirkpatrick, James R. H., A/Lieutenant Commander, R.C.N.V.R., Toronto, Ont., March 7, 1944.

Lincoln, John Hobart, Lieutenant, R.C.N.V.R., Calgary, Alta., July 4, 1944.

Maitland, John Douglas, Lieutenant, R.C.N.V.R. (A/Lieut. Commander), Vancouver, B.C., May 30, 1944.

Parker, Charles Rodger, Lieutenant, R.C.N.V.R., Toronto, Ont., May 30, 1944.

Stubbs, John Hamilton, D.S.O., Lieutenant Commander, R.C.N., Kaslo, B.C., July 11, 1944.

Wadsworth, Rein Boulton, Lieutenant Commander, R.C.N.V.R., Toronto, Ont., May 30, 1944.

Bar to D.S.C.—3

Fuller, Thomas George, D.S.C., Lieutenant, R.C.N.V.R., Ottawa, Ont., April 4, 1944.

Plomer, James, D.S.C., Lieutenant Commander, R.C.N.V.R., Winnipeg, Man., April 18, 1944.

Stead, Gordon Wilson, D.S.C., A/Lieutenant Commander, R.C.N.V.R., Vancouver, B.C., May 30, 1944.

George Medal—1

Robertson, Owen Connor, Commander, R.C.N.R., Halifax, N.S., June 8, 1944.

D.S.M.—10

Abbott, Douglas, C.P.O., R.C.N., Official Number 2479, Victoria, B.C., July 11, 1944.

Badger, Edward, Petty Officer, R.C.N.V.R., V-7899, Toronto, Ontario, July 18, 1944.

Craig, Frances Dudley, Able Seaman, R.C.N.V.R., V-32905, Kamsack, Sask., July 18, 1944.

Forrester, Thomas Houston, Stoker 1, R.C.N.V.R., Nanaimo, B.C., June 20, 1944.

Longbottom, Arthur, Engine Room Artificer 3/c, R.C.N.V.R., V-10650, Moose Jaw, Sask., July 18, 1944.

Nunn, Allen, Able Seaman, R.C.N., O.N. 4118, Vancouver, B.C., April 11, 1944.

Richard, John Herren, Able Seaman, R.C.N.V.R., V-16076, Port Arthur, Ontario, July 4, 1944.

Starr, John, Signalman, R.C.N.V.R., V-24919, Winnipeg, Man., July 18, 1944.

Stephenson, Thomas, Able Seaman, R.C.N.V.R., V-17675, Toronto, Ont., July 4, 1944.

Stoner, Beverley Murray, Able Seaman, R.C.N.V.R., V-48169, Toronto, Ontario, July 4, 1944.

B.E.M.—7

Pickering, William Clifton, Chief Petty Officer, R.C.N.R., A-2654, Toronto, Ontario, June 8, 1944.

Aves, Frank Edward, Chief Petty Officer, R.C.N., O.N. 2617, Preston, Ontario, June 8, 1944.

Biddle, Henry, Chief Petty Officer, R.C.N.V.R., V-10186, Regina, Sask., June 8, 1944.

Allan, Peter Christie, Chief Engine Room Artificer, R.C.N.V.R., V-10347, Weyburn, Sask., June 8, 1944.

Campbell, Albert Bruce, Able Seaman, R.C.N.R. (F.R.) F.R. 244, Victoria, B.C., June 8, 1944.

Carson, William Samuel, Stoker, 1/c, R.C.N.V.R., V-68135, Toronto, Ont., June 8, 1944.

Roberts, Allen John, Cook (S), R.C.N.V.R., V-36211, Powell River, B.C., June 8, 1944.

Mention in Dispatches—Officers

Atherton, Thomas Herbert, Lieutenant, R.C.N.V.R., Parry Sound, Ont., July 18, 1944.

Bell, Ian Hunter, A/Lieutenant Commander, R.C.N.V.R., Vancouver, B.C., June 8, 1944.

Bolus, Hal Baldwin, Lieutenant (E), R.C.N., Ottawa, Ont., July 11, 1944.

Boyer, Frederick John, Lieutenant, R.C.N.V.R., Toronto, Ont., May 23, 1944.

Boyle, Douglas Seaman, Lieutenant, R.C.N., Revelstoke, B.C., July 18, 1944.

Brock, Jeffry Vanstone, Lieutenant Commander, R.C.N.V.R., Winnipeg, Man., May 30, 1944.

Brooks-Hill, Frederick Bancroft, A/Lieutenant Commander, R.C.N.V.R., Toronto, Ont., June 8, 1944.

Burke, Cornelius, Lieutenant, R.C.N.V.R., Vancouver, B.C., July 11, 1944.

Burrows, Freeman Elkins, A/Lieutenant Commander, Toronto, Ont., June 8, 1944.

Buxton, Sydney William, Lieutenant, R.C.N.V.R., Vancouver, B.C., June 8, 1944.

Campbell, Gordon Duncan, Lieutenant, R.C.N.V.R., Victoria, B.C., June 8, 1944.

Chipman, William Pennock, Lieutenant, R.C.N.V.R., Ottawa, Ont., June 13, 1944.

Cosh, Digby Rex Bell, A/Lieutenant Commander, R.C.N.V.R., Ottawa, Ont., May 30, 1944.

Davis, James Sinclair, A/Lieutenant Commander, R.C.N.V.R., Oakville, Ont., June 8, 1944.

Dolmage, Wilfred Gordon, A/Lieutenant Commander, R.C.N.V.R., Vancouver, B.C., May 3, 1944.

Donald, James Clouston, A/Lieutenant Commander, R.C.N.V.R., Winnipeg, Man., May 3, 1944.

Dunn, James Alexander, Lieutenant, R.C.N.V.R., Vancouver, B.C., July 4, 1944.

Evans, Philip Cabell, A/Lieutenant Commander, R.C.N.R., Miami, Florida, June 8, 1944.

Farmer, James, Lieutenant, R.C.N.V.R., London, Ont., July 4, 1944.

Ferguson, Alexander John, Lieutenant, R.C.N.R., Hantsport, N.S., June 8, 1944.

Garner, Alan, Lieutenant, R.C.N.V.R., Calgary, Alta., June 8, 1944.

Gibson, William Simpson, Lieutenant (E), R.C.N.V.R., Toronto, Ont., June 8, 1944.

Gladwell, James William, Lieutenant, R.C.N.V.R., Montreal, P.Q., May 30, 1944.

Goodwin, Geoffrey Lionel, Electrical Lieutenant, R.C.N.V.R., St. Catharines, Ont., June 8, 1944.

Gross, Harold Victor William, Lieutenant Commander, R.C.N., Victoria, B.C., July 18, 1944.

Harley, Frank, Lieutenant, (E), R.C.N.R., Glasgow, Scotland, July 18, 1944.

Hart, Richard Wallace, Lieutenant, R.C.N.V.R., Belleville, Ont., June 8, 1944.

Heslam, Richard Murray, Lieutenant, R.C.N.V.R., Montreal, P.Q., July 11, 1944.

Mention in Dispatches—Officers—*Con.*

Hill, Henry Knox, A/Lieutenant Commander, R.C.N.V.R, Kingston, Ontario, June 8, 1944.

Hill, Henry Knox, A/Lieutenant Commander, R.C.N.V.R., Kingston, Ont., July 4, 1944.

Johnson, Rendall James Godschall, A/Lieutenant Commander, R.C.N.V.R., Toronto, Ontario, June 8, 1944.

Karr, Sandon Alexander, Warrant Engineer, R.C.N.R., Chemainus, B.C., June 8, 1944.

King, Dudley Cowan, A/Lieutenant Commander, R.C.N.V.R., Victoria, B.C., June 8, 1944.

Kirkpatrick, Archibald Miller, A/Lieutenant Commander, R.C.N.V.R., Windsor, Ont., June 8, 1944.

Ladner, Thomas Ellis, Lieutenant, R.C.N.V.R., Vancouver, B.C. May 30, 1944.

Law, Charles Anthony, A/Lieutenant Commander, R.C.N.V.R., Quebec, P.Q., May 30, 1944.

McQuarrie, John Glover, Lieutenant, R.C.N.R., New Westminster, B.C., June 8, 1944.

Mawer, Charles Needham, Lieutenant, R.C.N.V.R., Calgary, Alberta, July 11, 1944.

Mayne, Arthur Hugh Shaw, A/Lieutenant Commander, R.C.N.V.R., Westmount, P.Q., June 8, 1944.

Moffat, William Purvis, A/Lieutenant Commander, R.C.N.V.R., Montreal, P.Q., July 18, 1944.

Naftel, Frederick R. K., A/Lieutenant Commander, R.C.N.V.R., Chateauguay Basin, P.Q., June 8, 1944.

Nixon, Charles Patrick, A/Lieutenant Commander, R.C.N., Victoria, B.C., July 8, 1944.

O'Brien, John Barry, A/Lieutenant, R.C.N.V.R., Ottawa, Ontario, June 8, 1944.

Osborne, Fred Francis Lieutenant, R.C.N.R., Guysborough, N.S., June 8, 1944.

Percy, James Leslie, A/Lieutenant Commander, R.C.N.V.R., Toronto, Ont., June 8, 1944.

Pickard, Herbert Marquis, Lieutenant R.C.N.V.R., Winnipeg, Man., May 30, 1944.

Pratt, James Charles, A/Lieutenant Commander, R.C.N.V.R., Windsor, Ontario, June 8, 1944.

Rayner, Herbert Sharples, D.S.C., Commander, R.C.N., St. Catharines, Ont., July 11, 1944.

Robarts John Parmenter, Lieutenant, R.C.N.V.R., London, Ontario, May 23, 1944.

Spinney, Charles Wallace, Lieutenant (S.B.) R.C.N.V.R., Kentville, N.S., June 8, 1944.

Stacey, William Roland, A/Lieutenant Commander, R.C.N.R., Vancouver, B.C., June 8, 1944.

Todd, Terence Charles, Lieutenant, R.C.N.V.R., Victoria, B.C., July 18, 1944.

Wilson, Harry Parks, Lieutenant, R.C.N.V.R., Orillia, Ont., May 30, 1944.

Woods, John Robinson, Lieutenant, R.C.N.V.R., Toronto, Ontario, May 2, 1944.

Woods, John Robinson, Lieutenant, R.C.N.V.R., Toronto, Ontario, June 20, 1944.

Mention in Dispatches—Ratings—43

Alerie, John George, Petty Officer R.C.N.V.R., V-5626, Montreal, P.Q., June 8, 1944.

Bourne, Leslie Norman, Leading Seaman, R.C.N., 4023, Vancouver, B.C., July 18, 1944.

Boyd, Clifford Douglas, Leading Seaman, R.C.N.V.R., V-2741, Saint John, N.B., July 18, 1944.

Brace, Ernest Robert, Leading Seaman, R.C.N.V.R., V-23145, Verdun, P.Q., July 18, 1944.

Butler, Edmund Harold, Telegraphist, R.C.N.V.R., V-7654, Toronto, Ontario, July 18, 1944.

Carrington, Arthur John, Chief Petty Officer Tel., V-13194, Calgary, Alberta, July 18, 1944.

Dempster, Lawrence Atherton, A/Petty Offi. R.C.N., 3782, Calgary, Alberta, July 11, 1944.

Dryden, Albert Gordon, A/Engineer Room Artificer 4/c, R.C.N.V.R., V-24854, Rainy River, Ont., June 8, 1944.

Fleming, Joseph Keith, Engine Room Artificer 4/c, R.C.N.V.R., V-55387, Malortio, Quebec, June 8, 1944.

Fortune, John Terence Martin, Petty Officer, (H.S.D.) R.C.N.V.R. V-1566, Prince Rupert, B.C., July 4, 1944.

Gosnell, Henry William, (Posthumous) A/Leading Seaman, R.C.N., 2791, Saint John, N.B., July 11, 1944.

Green, Virgil, Stoker 1/c, R.C.N.V.R., V-54609 Guelph, Ont., June 8, 1944.

Paris, Herbert Cecil, A/Engine Room Artificer, R.C.N.V.R., V-25877, Moncton, N.B., June 8, 1944.

Haugen, Gerald Ludwig, Stoker P.O., R.C.N.V.R., A-764, Dartmouth, N.S., June 8, 1944.

Haywood, James Mervin, Chief Ordnance Artificer, R.C.N., 40727, Port Arthur, Ont., July 11, 1944.

Honsinger, Benjamin Paul, Able Seaman, R.C.N.V.R., V-19515, St. Thomas, Ont., July 11, 1944.

Howitt, John William. A/Leading Stoker (M), R.C.N.V.R., V-25836, Alberni, B.C., May 2, 1944.

Laderoute, Norbert Joseph, Chief Engine Room Artificer, R.C.N.R., A-1666, Fort William, Ont., July 18, 1944.

Lang, George Pryce, Chief Stoker, R.C.N., O.N. 21372, Montreal, P.Q., July 11, 1944.

Lauder, Lester John, Leading Seaman, R.C.N.V.R., V-5731, Montreal, P.Q., July 18, 1944.

McCartney, John Lockhart, Supply Asst., R.C.N.V.R., V-43125, Saint John, N.B., July 11, 1944.

McGee, Aubrey, A/Petty Officer, R.C.N., O.N. 2580, Halifax, N.S., July 4, 1944.

McGinn, George Hunter, Leading Stoker, R.C.N., O.N. 21592, Kamloops, B.C., July 18, 1944.

Marshall, Robert, Petty Officer, R.C.N., O.N. 4775, Regina, Sask., June 8, 1944.

Mein, Stewart Ferguson, Chief Ordnance Artificer, R.C.N., 40626, Moose Jaw, Sask., July 11, 1944.

Miller, Jack, Chief Engine Room Artificer, R.C.N., 21324, Halifax, N.S., July 18, 1944.

Montgomery, William Merrill, Chief Petty Officer, R.C.N., 2561, Eastview, Ont., June 8, 1944.

Munt, Oliver Philip, Chief Stoker (Fire Fighter), R.C.N.V.R., V-46590, Truro, N.S., June 8, 1944.

North, Lloyd Victor, A/Leading Seaman, R.C.N.V.R., V-10323, Regina, Sask., June 8, 1944.

O'Brien, John Gerald, A/Chief Engine Room Artificer 3/c, V-48911, Montreal, P.Q., July 4, 1944.

Parker, John Edward Fitzgerald, Chief Stoker, R.C.N., O.N. 21345, Red Deer, Alberta, July 18, 1944.

Polischuk, Fred, Petty Officer, R.C.N.V.R., V-7424, Toronto, Ont., July 11, 1944.

Porter, Allan, Able Seaman, R.C.N.R., A-1533, Fox Island, Nfld., June 8, 1944.

Rainsford, Charles Frederick, Chief E.R.A., R.C.N., O.N. 21531, Victoria, B.C., July 11, 1944.

Mention in Dispatches—Ratings—*Con.*

Rodgerson, Morrill Henry, A/Petty Officer, R.C.N.R., A-4854, Shag Harbour, N.S., June 8, 1944.

Scott, Bruce Simon, Leading Seaman, R.C.N.V.R., V-2435, Saint John, N.B., June 8, 1944.

Shute, Thomas, A/Petty Officer Telegraphist, R.C.N.V.R., V-17066, London, Ontario, June 8, 1944.

Snow, Henry, Able Seaman, R.C.N.R., A-2212, Regina, Sask., June 8, 1944.

Stephenson, Carmen Ernest, (Posthumous), A/Leading Seaman, R.C.N.V.R., V-5646, Montreal, P.Q., June 8, 1944.

Strachan, Douglas Robert, Chief Petty Officer, R.C.N.R., A-4161, Toronto, Ontario, June 8, 1944.

Sweet, Walter Valentine, Stoker Petty Officer, V-10003, Regina, Sask., June 8, 1944.

Taylor, Reginald, A/Leading Seaman, R.C.N.-V.R., V-16072, Fort William, Ont., June 8, 1944.

Williams, John Elliott, Chief Engine Room Artificer, R.C N.V.R., V-22689 (now A/Warrant Engineer), Toronto, Ont., July 18, 1944.

LABOUR CONDITIONS

MONTREAL TRAMWAYS STRIKE—PROPERTIES PLACED AT DISPOSAL OF CONTROLLERS—OPERATIONS TO RESUME MONDAY

On the orders of the day:

Mr. MITCHELL: Mr. Speaker—

Mr. GORDON GRAYDON (Leader of the Opposition): May I ask the Minister of Labour a question? He was about to speak and perhaps he anticipates it. I read in the papers to-day that the minister would at nine o'clock this morning give a statement with respect to the Montreal tramways dispute. I was going to ask him whether he had made such a statement, and, if so, whether he would repeat it to the House of Commons, because we are very much interested in it.

Hon. HUMPHREY MITCHELL (Minister of Labour): First of all, Mr. Speaker, I should say this. I thought it was my duty to tell the house first of the policy being adopted by the government to bring the strike to a conclusion, but in order to cooperate with the press—some of the newspapers go to press at ten and some at eleven—so that the people of Montreal might be fully informed, I gave them an advance notice of my statement, not to be released until 11.15. Unfortunately one of the agencies did not play the game and gave the story out, notwithstanding the clear understanding I gave the press men when I met them.

I now table copy of an order in council passed by the cabinet yesterday appointing controllers who have been given the responsibility of seeing that street railway traffic is resumed in Montreal on Monday next, August 14.

[Mr. A. L. Macdonald.]

The order in council directs the company to place its extensive properties at the disposal of the controllers and also requires the employees of the company to return to work on Monday morning.

The controllers named are E. L. Cousins, wartime administrator of Canadian Atlantic ports, Halifax; and J. E. St. Laurent, member of the National Harbours board, Ottawa.

The order in council, passed under authority of the War Measures Act, makes it an offence for any person to refuse to resume work or to recommend to any person that work be not resumed, and also makes it an offence should the company refuse to place its properties at the disposal of the controllers. The employees are required to return to work under the terms and conditions prevailing at the time the strike occurred.

The disputing parties are now directed to recommence negotiations for a settlement with the controllers to remain in charge of operations of the Montreal Tramways system pending an agreement between the company and employees. If at the expiration of sixty days the controllers report to the Minister of Labour that there is no prospect of settlement, the matter will further be reviewed by the government.

I need scarcely say that the government has taken this action in the public interest. A continuation of the strike might well result in grave injury in two ways; further great inconvenience to the population of the district of Montreal in not having local transportation facilities, and, war production, already seriously threatened, increasingly impaired if the strike continued.

The interests of employees and employer involved in the strike are decidedly secondary to the public welfare and convenience. The issue is not of sufficient importance to warrant a strike in war-time.

I want to make this point clear: the action of the government is not to be understood as lending support to the proposition that it intends to compel any worker to relinquish freedom of choice as to the union which he wishes to join, nor should the action be construed as any departure whatever from the principles laid down in the wartime labour regulations, which provide that employees and employer have freedom of contractual collective bargaining.

The public of Montreal are to be congratulated on the calm way in which they have accepted the inconvenience due to the strike and for readily accommodating themselves to the situation resulting therefrom.

I would like to add this precis of a telegram received from the city of Montreal and the

provincial government, Mr. Speaker: Under date of August 11, the Montreal Tramways company sent a lengthy telegram to my colleague the Minister of Justice. The company quoted in full a reply received from Fernand Dufresne, director of police services for the city of Montreal, indicating inability to comply with a request of the company for police protection sufficient to enable the company to resume operation of street cars and buses. Mr. Dufresne estimated that 1,200 police officers would be required and stated that he did not have the men available. He did offer such protection as could be afforded by any of the 800 officers regularly on his force, who could be spared for special assignment. In the same telegram from the company there is quoted in full a message received from Hon. Leon Casgrain, attorney-general of the province of Quebec. Mr. Casgrain stated that the dominion, under wartime labour regulations, had assumed jurisdiction over disputes of the type in question; and consequently the company must look to the dominion for police protection. However, he advised that the provincial police would carry out any duties falling to them as provided under section 51 of the defence of Canada regulations.

The request of the company to the dominion was that the civic and provincial authorities having declined to afford protection for passengers, operators and property, the federal government should afford the necessary protection.

INQUIRY AS TO ARRANGEMENTS TO TRANSFER HELP TO WESTERN CANADA

On the orders of the day:

Mr. J. W. BURTON (Humboldt): I should like to direct a question to the Minister of Labour. I must apologize for not sending him notice, but owing to the urgency of the matter I hope he will overlook my oversight. Have arrangements been completed with the railway companies for the transportation of harvest help to western Canada? If not, how soon can we expect to have the arrangements completed? How many are expected to go west to help with the harvest?

Hon. HUMPHREY MITCHELL (Minister of Labour): I do not see any difficulty in connection with the arrangements with the railway companies. It is purely administrative. Last year we were able to get 5,000, but conditions were of such a nature that when it reached the point that 3,200 had gone, the western provinces asked us to send no more. I anticipate that we shall get as many this year as we got last year. I am speaking of civilians, not the men in the armed forces.

Mr. BURTON: I have been talking to some people who have been ready to go west and who have told me that the railway companies prevented them from taking advantage of the arrangements.

Mr. MITCHELL: I think the answer to that is that harvesting is over in Ontario before Manitoba, and it is over in Manitoba under normal conditions earlier than in Saskatchewan and Alberta. We have to move these men across the country, and it may be for that reason that facilities are not arranged at the present time.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

OLD AGE PENSIONS

Mr. KNOWLES:

1. Have any provincial governments entered into agreements with the federal government respecting the raising from $365 to $425 the total annual income allowed to an old age pensioner? If so, which provinces and from what effective date in each case?

2. Has the practice of filing liens or registration notices against the property of old age and blind pensioners been discontinued by Prince Edward Island, Quebec, Ontario, or Manitoba, since the time of the last dominion examination of the provincial pensions accounts, referred to by Mr. Abbott on page 1742 of *Hansard* for March 23, 1944?

3. In any of the above-noted provinces where this practice has been discontinued, have liens or registration notices previously filed been withdrawn?

4. Has the federal government received from any of the provincial governments, since May 1, 1944, representations calling for an increase in the amount of the old age and blind pension? If so, from what provinces, and what amounts have been proposed?

Mr. ILSLEY:

1. Yes. Supplementary agreements effective April 1, 1944, have been completed with all provinces except Prince Edward Island and British Columbia. Prince Edward Island and British Columbia have submitted agreements which have not yet been completed.

2. The Department of Finance has not had any definite statement of policy from Prince Edward Island, Quebec, Ontario or Manitoba regarding the filing of liens or registration notices against property owned by old age pensioners. The department's examiners have made an examination in Ontario since March 23, 1944. Cases examined had been dealt with

by the pension authority prior to that date. Examinations have not been made in Prince Edward Island, Quebec or Manitoba since March 3, 1944.

3. The Department of Finance has not been informed by the authorities in Prince Edward Island, Quebec, Ontario or Manitoba that liens or registration have been withdrawn.

4. No.

EXPERIMENTAL FARMS—NON-PERMANENT PERSONNEL

Mr. MATTHEWS:

How many non-permanent men, with a record of continuous service of three years or over, are employed in each of the experimental farms and illustration stations of Canada.

Mr. CRERAR: Experimental station, Morden, Manitoba, 10; experimental farm, Brandon, Manitoba, including experimental substation at Melita, 15; soil survey work, Manitoba, 2.

TEXTILE COMMISSION

Mr. NICHOLSON:

What action has been taken by the government on the recommendations made in the report of the Hon. Mr. Justice W. F. A. Turgeon, as chairman of the royal commission on the textile industry instituted under order in council No. 223, 1936?

Mr. ILSLEY: The recommendations made by the royal commission on the textile industry were such that no legislative action was necessary. The value of the report of this commission was in the facts uncovered and the material assembled during its investigation.

KINGSTON, ONT., COLD STORAGE EQUIPMENT

Mr. McGREGOR:

1. Has the dominion government paid any loans or grants towards the construction or the installation of machinery and equipment for cold storage in the city of Kingston, Ontario?

2. If so, to whom were they paid?

3. On what dates were they paid?

Mr. CRERAR:

1. Yes.

2. Kingston Cold Storage, Kingston, Ontario.

3. August 29, 1940; June 26, 1941; August 24, 1942; October 4, 1943.

R. J. DEACHMAN

Mr. CASTLEDEN:

1. Has a Mr. Robert John Deachman been in the employ of the government at any time during the past three years?

2. If so, in what position, for what period of time, and at what salary and allowances was the said person employed?

[Mr. Ilsley.]

Mr. ILSLEY:

1. Yes, by the Department of Munitions and Supply.

2. Mr. Robert John Deachman was employed on the staff of the publicity branch of the department from August 26, 1940, until August 18, 1942, at a salary of $4,200 per year—no allowances.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN ARMY—COSTS OF RECRUITING—ADVERTISING

Mr. DIEFENBAKER:

1. What are the total expenditures that have been incurred, (a) since September 8, 1939, (b) since July 1, 1943, for the purpose of securing recruits for the army?

2. Of said expenditures, how much has been paid to or through the medium of advertising agencies during each of the years 1939 to 1944, inclusive?

Mr. MACDONALD (Halifax): Return tabled.

R.C.A.F.—CASUALTIES—INFORMATION TO NEXT OF KIN

Mr. GRAYDON:

1. What practice and procedure is followed by the Department of National Defence for Air in furnishing information to the next of kin with respect to air crew listed as missing after operations?

2. Will the government give consideration to altering the present practice and procedure so as to furnish full information to all of the next of kin of members of the crew of each missing aircraft as and when information reaches the department with respect to any one or more of the said air crew?

Mr. RALSTON: Return tabled.

INCOME TAX — CIVIL SERVANTS OVERSEAS IN CIVILIAN CAPACITY

Mr. GREEN:

1. Are dominion civil servants who proceeded overseas for service in civilian capacities, exempted from income tax on salaries and/or allowances?

2. Were any such dominion civil servants exempted from payment of income tax on salaries and/or allowances for the years 1940, 1941 and 1942?

3. Were any such dominion civil servants exempted from payment of income tax on salaries and/or allowances for period commencing January 1, 1943?

4. Are all the men who have proceeded overseas for service with the auxiliary service organizations—Canadian Legion War Services, Y.M.C.A., Salvation Army, and Knights of Columbus, given exemption from payment of income tax on salaries and/or allowances, in a similar manner to the army, navy and air forces?

5. If not, what concessions have been granted in this regard?

Mr. BRUCE: May I ask the Secretary of State to make available to-day the answers passed to several inquiries of mine on the order paper?

Mr. McLARTY: I am not sure that I understand the question.

BUSINESS OF THE HOUSE

Hon. H. A. BRUCE (Parkdale): May I refer for a moment to the offer made to the opposition yesterday by the Prime Minister when he asked them if they would like to have any particular department called? In looking over the business for to-day as announced last night by the Minister of Pensions and National Health, who was leading the house, I find that the first order is the bill introduced yesterday afternoon by the Minister of Finance; then supply, post office, national revenue, secretary of state, mines and resources, trade and commerce, and at the end pensions and health. I believe that the question of health should have priority over the others. Might it be considered as the first item of business this morning?

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say to my hon. friend that on these matters I generally arrange the order of business with the official leader of the opposition (Mr. Graydon). The announcement that was made last night was made to the house as a whole and we ought therefore, I think, to follow the announcement as made.

Mr. GORDON GRAYDON (Leader of the Opposition): May I say to the Prime Minister that the hon. member for Parkdale is specially interested in the Department of Pensions and National Health.

Some hon. MEMBERS:: We all are.

Mr. GRAYDON: Am I going to have an opportunity to say a word? I hope so. As I say, my hon. friend is interested in the Department of Pensions and National Health, and I have already indicated that I should like to have it come on as soon as possible in order to facilitate the business of the house and to give those who wish to say something on it an opportunity to do so at the earliest moment. The reason my hon. friend is so interested is that this department covers one of the wartime activities in a special way. Perhaps the Prime Minister will reconsider the matter and make some change in the order of business as indicated last night.

Mr. MACKENZIE KING: I have every desire to accommodate hon. members in all parts of the house. Perhaps during the course of the day my hon. friend and I might have a word together and we may be able to arrange a suitable time. In the meantime we shall proceed with the order as arranged.

LIFE INSURANCE COMPANIES

EXTENSION OF AUTHORIZED INVESTMENTS IN UNITED STATES SECURITIES

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of bill No. 185, to amend The Canadian and British Insurance Companies Act, 1942.

Mr. GORDON GRAYDON (Leader of the Opposition): May I ask the minister to give at this stage a full statement with respect to this matter? When the bill was introduced a number of questions were asked and some explanation given. Perhaps the minister might combine with the statement he made last night some information with respect to the original act of 1932, which I think is necessary at this time to lay the foundation upon which the discussion can be based.

Mr. ILSLEY: The information asked for is now found in the explanatory note in the bill. Section 60 of the act provides as follows:

(1) Save as hereinafter provided, any company registered under this act may invest its funds, or any portion thereof, in the purchase of

(c) ground rents, mortgages or hypothecs on real estate in Canada, or elsewhere where such company is carrying on its business, provided that the amount paid for any such mortgage or hypothec shall in no case exceed sixty per cent of the value of the real estate covered thereby;

Subsection 2 of section 60 reads at the present time:

Any such company may lend its funds or any portion thereof on the security of

(b) real estate or leaseholds for a term or terms of years or other estate or interest therein in Canada or elsewhere where the company is carrying on business; provided, however, that no such loan shall exceed sixty per cent of the value of the real estate or interest therein which forms the security for such loan, but this proviso shall not be deemed to prohibit a company from accepting as part payment for real estate sold by it, a mortgage or hypothec thereon for more than sixty per cent of the sale price of such real estate.

In other words, as the law stands at the present time the company may invest in mortgages on real estate, but only to an amount up to sixty per cent of the value of the real estate. It may also lend on the security of the real estate, but only up to an amount of sixty per cent of the value of such real estate. It will be noted that at the present time there is power to invest outside of Canada. Note the words, "or elsewhere, where such company is carrying on its business."

The bill extends the powers of the companies in this way. At the present time they may only invest in real estate in the United States up to sixty per cent of the value. That provision debars them from investing on the security of real estate in the United States where the loan is insured by the federal housing administration of the United States, and it is desirable to extend the powers of the companies to invest without that limitation of sixty per cent of the value provided the loan is insured by the federal administration of the United States. That is the purpose of the bill, and as I said last night the effect is merely to put our companies in a fair competitive position with regard to the United States companies who have the power to invest in these insured securities on real estate in the United States, and who do so heavily and increasingly. I may say that loans under title II of the national housing act of the United States, protected by the insurance provisions of that title, have been made since 1935. Up to date nearly four and a half billion of insured loans have been made. The usual rate borne by the mortgage is four and a half per cent, and after allowing for expenses and charges it is estimated that approximately three and a half per cent is the net yield to the lender. Under the act, if foreclosure becomes necessary the property is transferred to the administrator and a debenture is issued by the administrator to the lender bearing two and three-quarter per cent per annum interest and maturing three years after the maturity date of the mortgage, subject to redemption on three months' notice at the option of the administrator. The number of properties transferred up to date has been remarkably small, ·4 of one per cent of the number of mortgages insured, and of those properties transferred 95 per cent have been sold, leaving less than two hundred out of the million properties mortgaged now on hand.

The Canadian companies are required to cover United States liabilities with deposits with governments or trustees there. Until recently, Canadian securities were permitted to form part of those deposits, but in later years the companies have been pressed to substitute United States securities for any Canadian securities now held and to cover increases in liabilities with United States securities only, and it has become a problem for the companies to get acceptable United States securities for that purpose to yield a rate equal to the rate on which their reserves are based, usually three per cent or at the most three and a half per cent. United States government bonds yield from two and a half per cent to two and three-quarters per cent and high grade utility and corporation bonds approximately the same rate. State and municipal bonds, by reason of the tax exemption feature, yield substantially lower rates, most of them less than two per cent.

The permission to the companies to lend on these mortgages will permit the Canadian companies to share in a comparatively remunerative investment field now open to all United States companies with which the former are in competition. The loans in question will be made from the proceeds of the United States business of the companies; even if any company should think of lending funds derived from its Canadian business on such mortgages the permission of the foreign exchange control board would have to be first obtained, but the yield rate on the mortgage is not sufficiently high to attract Canadian funds.

Mr. GRAYDON: There are some questions which will have to be asked in committee, but I believe second reading may properly be given.

Mr. M. J. COLDWELL (Rosetown-Biggar): Before this measure is proceeded with may I say that I am sorry this bill has been brought down at this stage of the session. I was unavoidably absent from the chamber last evening, but when I heard about it I considered whether it did not afford an opportunity to discuss the whole question of life insurance, and I considered very carefully last night and this morning whether I should not seize this opportunity to do just that. I have been awaiting an appropriate chance to do so throughout the session, and that opportunity has not arisen. However, I realize that the house wants to rise, and under the circumstances I do not feel that I should take advantage of this opportunity of discussing this matter, as I might otherwise have done.

So far as I can see, this is not a very important right that is being given the insurance companies of Canada, and I do not think serious objection can be taken to it. Like the leader of the opposition (Mr. Graydon) I think we can ask in committee any questions we may have in mind with regard to the matter.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Bradette in the chair.

On section 1—Mortgages insured by U.S. federal housing administrator.

Mr. GRAYDON: I followed carefully the explanation given by the minister, which seemed to indicate that in the United States

there is a different basis of lending in the insurance investment field from that which prevails in Canada. So far as I know we here do not have a situation quite comparable to the situation the minister described as existing in the United States. Up to the time the federal housing administration entered the guaranteed field, if I may call it that, in the United States, in connection with these loans, evidently the same provisions applied with respect to the protection of policyholders; that is, a sixty per cent ceiling was placed upon loans on real estate which are accepted by the insurance companies. That, of course, would be in compliance with certain legal protection which has been afforded trust funds of this character in both countries. The investments of the public in insurance companies in Canada and elsewhere are very large. The popularity of insurance as a means of saving and protection combined has increased during the years, and we have seen it reach the point where the savings of many people find their way first of all into the coffers of the insurance companies by way of premiums, and then from the insurance companies into investments such as those envisaged in this act.

One point which was not very clear to me I think has been clarified to some extent by the minister's statements. When the bill was first introduced I was afraid we were inventing a departure from the system of protection which exists in Canada, under which the loan may not exceed sixty per cent of the value of the real estate, which was the system under which our companies operated in the United States.

I was fearful that perhaps the funds of those who are paying premiums in Canada might be utilized in a less protected fashion, when the company outside could utilize its funds for investment in the United States. But the minister points out that there is a definite limitation, a definite boundary line with respect to the investment of our funds in the United States, the same as there is in respect of the investment by the same company of United States funds in Canada. In other words, as I understand the minister's statement, this bill would apply only to the funds which are invested by a Canadian life insurance company doing business in the United States, but which will be utilized only for United States investments. In other words unless the foreign exchange control board authorizes differently, this will prevent Canadian funds by way of premiums going into the investment market in the United States under a different system, and perhaps under a lesser protection—although it is not clear as to that—than we have in Canada.

My understanding—and the minister will correct me if I am wrong—is that only funds of policyholders in the United States are the ones actually affected by this legislation, with the one exception, namely, in the event of this government's allowing, through the foreign exchange control board, a movement of funds from Canada to United States account to be invested in real estate there.

That, of course, is true now. But the first question which enters one's mind is that this legislation will apply for years to come. The foreign exchange control board will pass out of existence legally as soon as the War Measures Act becomes inoperative. This would be at some time after the war, or when the policy of the government then in power might be changed in respect of the movement of funds. So that the answer given by the minister is not the only possible answer in respect of the movement of Canadian funds for United States investment. It may be at this time, but it would not be in the future, when the war is over. So that I suggest the minister's argument falls to the ground. If the operations of the foreign exchange control board would cease within the next year, this legislation would still be in operation, and there would be nothing to hinder investment in the United States of Canadian funds paid in by Canadian policyholders to a Canadian insurance company under the provisions of this bill, and on terms which may be less safe and less protected than provided by Canadian law. Has this phase of the matter been considered by the government, as to whether the law in respect of investments in the United States under this act is different from the law which applies if the money is invested in Canada?

Mr. ILSLEY: The superintendent of insurance is now looking up the section of our Insurance Act which is applicable. My understanding is—and I shall confirm it in a moment—that Canadian insurance companies cannot leave investments in the United States greater than the reserves required to cover their liabilities there. That is set out in section 81 (2) of the Insurance Act.

Mr. GRAYDON: All right.

Mr. ILSLEY: The second answer is that they would not, if they could, under any condition that exists to-day, or that can be foreseen, because the interest rates are not as attractive in the United States as they are here. Then, the third answer is found in the foreign exchange control board. There is a fourth answer, and that is that under the act as it exists to-day they can invest in United

States real estate, but only up to sixty per cent of the value—and that is a little outmoded. The owners or purchasers of real estate for the most part do not pay forty per cent into it, and therefore it is most desirable to have the power to invest in real estate where the security is greater.

Mr. ROSS (St. Paul's): Is it not a fact that it is necessary for Canadian companies doing business in the United States to keep deposits equal to or greater than their reserves in various states? Is it not also true that it is becoming more difficult all the time for them to get investments which will yield what their rates are based on, namely three per cent? Therefore they are endeavouring under this measure to get investments which will help out the yield on that business.

Mr. ILSLEY: That is correct.

Mr. COLDWELL: Is there any limitation as to the funds which may be used? Are they only funds taken in the United States?

Mr. ILSLEY: I believe that answer has already been given, and will appear in *Hansard*.

Mr. COLDWELL: That is satisfactory.

Section agreed to.

Bill reported.

Mr. ILSLEY moved the third reading of the bill.

He said: Mr. Speaker, I wish to express appreciation of the attitude of the leader of the opposition (Mr. Graydon) and the leader of the C.C.F. (Mr. Coldwell).

Motion agreed to and bill read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

POST OFFICE DEPARTMENT

242. Departmental administration, $699,070.

Mr. NEILL: Mr. Chairman, I should like to ask the Postmaster General two questions. I hold in my hand the report of the Postmaster General for the year ending March 1943, which is the last report issued, and also the report for the year 1942. We might think that the one ending March, 1944 would now be available, but apparently it is not. I should like to draw the attention of the Postmaster General to a change that has occurred in the preparation of this report. I suppose there are some six or seven thousand post offices in Canada and the procedure for many years past has been to divide the list of post offices into accounting offices and non-accounting offices, these, in turn being divided according to provinces.

I have some 100 post offices in my riding and when I wanted to look up a particular post office in the past all I had to do was to turn to the accounting or non-accounting section, and then look up the province in which I was interested. In the case of non-accounting offices for British Columbia these occupied only three pages, and I could speedily find the post office I was interested in. I think the same thing must apply to every other hon. member. But the system has now been changed and if I desire to look up a particular post office I must go through about 100 pages. If this meant some saving of time or paper the change would be understandable, but it means neither. It may be dumbness on my part, but I cannot understand the reason for this change. I have spoken to other hon. members and I find they have the same objection to this new system. It is very troublesome and inconvenient and I cannot see where there is any economy of time or paper or anything like that.

While I am on my feet I will take the opportunity of dealing with another matter I have in mind and then the minister can answer them both at once. I hold in my hand a letter which is marked "copy" and which was sent to a country postmaster in my district. It is from the Cooperative Commonwealth Federation, 422 Metropolitan Building, 837 West Hastings street, Vancouver, British Columbia, and is dated January 14, 1944. Then comes the name of the rural postmaster who was to be the victim of this scheme. I shall not give his name for fear there might be repercussions, but the minister has seen the letter. It reads:

Dear Sir: I am circularizing all householders—

"All." Note what that would involve in work and expense.

—through post offices and rural routes soliciting support for our budget fund.

I am aware that postmasters and postmistresses take no active part in political movements, but you will no doubt be aware of some individual in your locality who would possibly be favourably inclined toward our movement, and perhaps you will be good enough to pass this letter along to him or her.

We require an individual in each district to assist us, and if they will communicate with this office I will see that they get supplies and any information they may require.

Yours very truly,

W. W. Lefeaux,
Chairman, Finance Committee.

As they say, they are circularizing all householders and they address themselves to the

country postmasters. This man is asked to break the law and imperil his job in order to advance the political and financial future of a political party. Hundreds of postmasters are fired after every election for taking part in politics during the election, but in twenty-three years I have only had two fired because of grave charges. One was suppressing my mail and he was also short in his funds. This is from a party which sets itself up on a pedestal, both in the past and as to the future, a party which devotes a large portion of its time lecturing and damning the two old political parties. It is true that they have never had the opportunity to do the things which they accuse the old parties of doing because they have never been in power, and God willing I hope they never will be. Scripture says: "If these things be done in the green tree, what shall be done in the dry?" I think that quotation can be applied most effectively to what these people are doing.

I hate to think what these people will do if they get a little more power. If some postmaster or postmistress should take a chance and do these things and they once got a hold over them it is only a step farther for them to come along and say, "How much mail is Tom Jones getting, and from whom?" There might be no limit to what they might do once they got in power. It will be noted that they say they are circularizing all householders through post offices and rural routes. Is it not most important for the purity of our elections that our post office officials shall be trustworthy?

I remember one occasion when a postmaster was made a returning officer. I demanded an investigation after the election and it was found, first, that he had been drunk on election day; second, that he was short some considerable sum in his post office funds, and, third, that he had not distributed political mail of mine which had been properly prepaid and addressed to people. He assumed that it was not wise for them to get it until after the election was over. The investigation was held unfortunately by political associates of this gentleman and he was not fired; he was allowed to resign. I was simple enough to let it go at that. A couple of years later he bobbed up again in another part of the riding and was recommended as a postmaster. I put it up to the officials here and said that I did not think a man with that pedigree was suitable for the position, but the reply I got back stated that the gentleman who had recommended him as postmaster was the very same inspector who had conducted the previous investigation and that as he had not been fired, there was really no black mark against him. I sent the letter I have read to the Postmaster General and I received an unsigned reply from him stating that he did not approve of such proceedings. I should like to ask him what action was taken to prevent a recurrence of such a rapscallion piece of business.

Hon. W. P. MULOCK (Postmaster General): With regard to the first question asked by the hon. member, I would say that some years ago the economy committee recommended that a change should be made in the method of setting out the post offices in the report. From a departmental point of view it was found to be more convenient to list the post offices in alphabetical order rather than to follow the old system. However, in view of what the hon. member has said I shall be glad to reconsider the matter and discuss it with him.

In regard to the second matter, as soon as it was brought to my attention the district directors in all postal districts were advised that such action was incorrect, and it would be considered that if postmasters or postmistresses took such a course of action, they would be guilty of political interference if they did it for any party and would be liable to be dismissed for that reason. I think it has been made quite clear to them that that suggestion should not be followed by them unless they wish to place their positions in jeopardy.

Mr. MacNICOL: Would the minister give the committee the new rates for the postmen and other services in the post offices of Toronto? There was something in the paper about it a few days ago. I should like the present rates and the new rates.

Mr. MULOCK: The hon. member means the increases in salaries?

Mr. MacNICOL: Yes. The minister might give the former rate first. He could give the minimum and maximum of the salary range, and the change.

Mr. MULOCK: The changes are as follows:

Letter carrier. The compensation for this class, which is at present in the range $1,020 to $1,500, with allowance for uniform and boots, is revised to read as follows: range, $1,200 to $1,620, allowance: uniform and boots.

Senior letter carrier. The compensation for this class, which is at present in the range $1,560 to $1,680, with uniform and boots, is revised to the range $1,620 to $1,800, also with uniform and boots. These are in the larger post offices. I can give details about the smaller offices.

Mr. MacNICOL: What are they now?

Mr. MULOCK: They are now $1,200 to $1,860, provided that in post offices of grade 6 and up no post clerk shall proceed beyond

the salary of $1,680 per annum until he has passed the major examination. As a matter of fact they take examinations at the present time.

Mr. MacNICOL: What about their holidays?

Mr. MULOCK: I might mention now, to keep the record clear, that in the post offices of grades 3, 4 and 5 the clerk shall not proceed beyond a salary range of $1,680.

Then, mail porters: their range was from $1,020 to $1,500, plus an allowance in the discretion of the department for uniform and boots, and that has now been raised from $1,200 to $1,620, with the same allowance.

Senior mail porters: their salary was $1,500 to $1,680; it has now been increased to a minimum of $1,620 with a maximum of $1,800, plus the same annual allowance as mentioned before.

Postal chauffeurs, now $1,140 to $1,500; new range, $1,200 to $1,620, with uniform and boots.

Postal garage repairman, range $1,440 to $1,620, now $1,500 to $1,740, with uniform.

Postal garage foreman, $1,620 to $1,800, changed to $1,620 to $1,860.

Railway mail clerk, grade 1, $1,080 to $1,800, plus allowance of one cent a mile for the distance actually travelled while on duty. The range is now $1,200 to $1,860, with the same mileage allowance.

There has been an increase of $60 per annum to each of the grades of railway mail clerk, namely grades 1, 2, 3, 4, and 5.

Mr. McILRAITH: I want to say a word of appreciation to the minister of this order in council P.C. 1/6268 of August 8 from which he has just quoted, changing the various rates of compensation as he has just set them out. It is the result of a long and sometimes involved agitation. My only regret is that it did not come a few months earlier, but now it has come I for one feel very grateful to the ministry. I should like to express that appreciation and have it placed on record.

Mr. BRUCE: I rise to a question of privilege. Yesterday, when the Prime Minister was anxious to facilitate the business of the house by increasing the hours during which we would sit, he made this statement, reported in *Hansard,* page 6264:

> At the same time I do not despair of the house being able to conclude its business by to-morrow night, if hon. members will indicate immediately what particular matters they wish to have brought forward.

And again, at page 6264:

> There may be a few items which hon. members would wish to single out and have brought forward for purposes of discussion. If so the government would seek to arrange matters accordingly.

That is an invitation to hon. members. In answer to that invitation I requested the Prime Minister this morning to bring forward a certain department, namely that of pensions and health; and the Prime Minister showed a certain amount of irritation—

Mr. GIBSON: He did no such thing.

Mr. BRUCE: —and said that such a request would have to be made through the leader of the opposition.

The CHAIRMAN: I must point out to the hon. member that no question of privilege can be brought up in committee.

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order. A question of privilege does not arise in committee; this is concerned with a particular matter which was referred to in the house when Mr. Speaker was in the chair. I want to tell the hon. member that he is not going to dragoon this government into any specific order of procedure in order that he may catch the three o'clock train to Toronto. I am ready at any time to proceed with the estimates of pensions and national health and answer any question the hon. gentleman may ask; but this is not the time to bring up this matter.

Mr. GRAYDON: I fancy the hon. member for Parkdale desired to rise to a point of order; and I do not think that the Minister of Pensions and National Health is quite fair in suggesting that the hon. member is trying to catch the three o'clock train. I happen to know that my hon. friend is not trying to catch the three o'clock train.

Mr. MACKENZIE (Vancouver Centre): He talked about the "irritation" of the Prime Minister. There was no irritation.

Mr. GRAYDON: After all, that is a matter of opinion, I should think, and I suppose the opinion of other hon. members is entitled to as much respect as that of my hon. friend. There is merit in the point the hon. member has raised. The estimates of the Department of Pensions and National Health should not have been left over until the tail end of this session, and after the post office estimates have been concluded perhaps the minister will have no objection to bringing in his pensions and national health estimates. I do not want to have my silence regarded as consent to the order of business when there are those in the chamber who are anxious to discuss matters of great concern which are covered by the operations of the Department of Pensions and

National Health. I want to add my voice to that of my hon. friend who has raised a question of privilege.

Mr. BRUCE: I rise to a point of order. A few days ago the minister of pensions himself opposed my motion to adjourn the house to consider the serious situation of our wounded.

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. BRUCE: Just a moment. I ask the hon. member to take his seat. I did not interrupt him.

Mr. MACKENZIE (Vancouver Centre): On a point of order—

Mr. BRUCE: I am speaking on a point of order, and I do not think you have any right to interrupt me. I did not interrupt the minister when he was speaking on a point of order. I was only able to cover a certain portion of the subject then, because of the intervention of the Speaker. Now I maintain that, knowing that situation, the minister instead of bringing forward his department at a suitable time to discuss these matters leaves them to the end, which would indicate that he considers the treatment of the wounded as less important than the Post Office Department.

The CHAIRMAN: Order. There is certainly no point of order in what the hon. gentleman says. We are in committee of supply in the Post Office Department and the hon. gentleman raises a question of privilege. He knows that there can be no question of privilege in committee.

Mr. MACKENZIE (Vancouver Centre): In order to prevent a false impression going out I wish to remind the committee, although it is entirely wrong to discuss the matter, that the hon. gentleman had a full opportunity to debate a certain question, and according to the rules of the house, once that subject has been disposed of for the session he has no right now to convey the impression that he has been deprived of full opportunity of debate.

Mr. BRUCE: I rise again to a point of order. I did not have a full opportunity to discuss the matter on a previous occasion because I was told by the chairman that I had to make the charge general across the dominion instead of relating it specifically to the question of Christie street in Toronto.

Mr. GRAYDON: The hon. member is right in that.

The CHAIRMAN: I would ask hon. members to come down to the work before the committee. We are discussing an item in the estimates of the Post Office Department and there is nothing else before the chair. I must uphold the rules.

Mr. GRAYDON: Surely the government will not turn a deaf ear to the suggestion made by the hon. member for Parkdale. I hope that as a result of what he has said the government will bring in this department next.

Mr. MACKENZIE (Vancouver Centre): The government will follow the procedure announced last night and concurred in. Hon. gentlemen will be given the fullest possible latitude and time to discuss any of the estimates.

Mr. GRAYDON: I do not know how the government expects the opposition to cooperate when it takes the position that it does. That is not quite fair.

Mr. MACKENZIE (Vancouver Centre): The order of procedure was announced last night and accepted by the house.

Mr. GRAYDON: As to accepting the order of procedure announced, the minister knows that there is no such thing as acceptance of any order of procedure. The government announces the procedure and it is our job to see if we cannot get the government to change the procedure so as to suit the convenience of members.

Mr. MACKENZIE (Vancouver Centre): The government is in control of procedure and intends to control it.

Mr. GRAYDON: Exactly as I thought. The government is taking a dictatorial attitude to the question.

The CHAIRMAN: Order.

Mr. BRUCE: As a matter of privilege—

The CHAIRMAN: There is no privilege. Hon. members must confine themselves to the item before the committee.

Mr. MacNICOL: I understand that we are now reverting to the item under discussion.

Mr. MACKENZIE (Vancouver Centre): About time.

Mr. MacNICOL: When the minister rises again I would ask him to tell the committee whether these new rates conform with the rates suggested by the postal union or association in Toronto. Last January I attended a meeting at the labour temple before coming to the opening of the session and I found there a very orderly body of men. Any country might well be proud of the postal employees of

Canada, for they are a body of men who are imbued with a sincere desire to serve to the best of their ability. They advanced certain rates. One of them was the amount now mentioned by the minister, namely, $1,800. Am I to understand that the postman now starts at $1,200 and advances to $1,620?

Mr. MULOCK: Is that the letter carrier?

Mr. MacNICOL: Yes, the senior letter carrier. How long is he in the service before he becomes a senior?

Mr. MULOCK : It is a matter of promotion to vacancies on merit.

Mr. MacNICOL: The senior letter carrier will now commence at $1,620 and go to $1,800?

Mr. MULOCK: Yes.

Mr. MacNICOL: That is an advance of $180 over what the senior gets now. The senior letter carriers were asking for a maximum of $2,000. Am I right in that?

Mr. MULOCK: The representations made were for $300 increase all round. This matter has been dealt with, having received the recommendation of the joint council which was recently set up comprising representatives of the government and representatives of the services in which there are three representatives of different branches of the Post Office organizations. We have letters of thanks, one from the heads or representatives of some of the organizations for this change. It is not all that they asked for but it has corrected to a great extent the difficulty that has existed and has stopped men being brought in to work at less than $1,200 a year. The people in the lower incomes are the ones who will be helped most. The $1,020's are increased by $180. The hon. member has been interested in this matter for some time and he will agree that it will be a great help to raise the minimum from $1,020 to $1,200. That was one of the bad features and I am, and have been for some time, absolutely behind the increase. I am delighted that these changes have been made.

Mr. MacNICOL: I am glad that this improvement has occurred in the minister's period of office, because many years ago his celebrated grandfather made a change in the postal service and it is fitting that the grandson should emulate his example. I am glad that he has done what he has and I hope he will keep in mind improving the position of the men, because there is no country in the world that is served better by its postal employees than Canada. I am not discounting any other staff, but the outside letter carriers in Canada work in all kinds of weather, rain, or shine—yesterday for example they were working in a temperature of 100 degrees—and they wear clothes that are not designed for the maximum of comfort in such temperatures. This is a step in the right direction. Have the new arrangements been made retroactive?

Mr. MULOCK: They are retroactive to July 1.

Mr. MacNICOL: I had been hoping that they would be retroactive to the first of January for all senior clerks and all those who were on at that time. Has that been considered?

Mr. MULOCK: The matter has received a great deal of attention. The hon. member will appreciate the difficulties in making changes, with price ceilings and wage control and so on. He will understand also that changes have to be considered in relation to wages in other branches of the government service throughout the country.

Mr. MacNICOL: Some of these postal employees in Toronto and, I presume, in Montreal and other big cities, have had additional duties imposed upon them in consequence of the war. Are they being compensated for that extra work entailed by war duties?

Mr. MULOCK: In some cases when men are fulfilling extra duties supplements are given in addition. Some of them have gone through; others have been recommended by the department and are under consideration by the treasury board. I agree with the hon. member when he says that the men have had added responsibilities and added work. He realizes that that cannot be entirely avoided. Inexperienced men cannot deliver mail efficiently. They have to learn their route; they have to learn the system. Experienced men are carrying a big share of the load. When increases come along I am glad to know that we are appreciative of what they are doing. They have helped out and have taken on those added duties because they know they are necessary. We have a large number of men who are in different branches of the armed service—some are on loan to other departments of the government—during this war. I wish to say that I appreciate the service that the men have given right across this country and the spirit they have shown. I refer not only to the men in the civil service but also to the postmasters in the small offices across Canada who help in every way they can and who cooperate in taking on more duties frequently without charge to the public treasury.

Mr. CASTLEDEN: Will the Postmaster General give the committee an outline of the

procedure followed by the post office officials when a vacancy occurs and a new postmaster is appointed? What happens when applications are received? What investigations are carried on when the final appointment is made? Who has the final say?

Mr. MULOCK: I shall answer the last question first. If the office has a revenue of $3,000 or more the appointment is made by the civil service commission. If the revenue is less than $3,000 the appointment is made by the Postmaster General.

Mr. CASTLEDEN: Outline the procedure with regard to what happens when there is a resignation. I presume applications are called for?

Mr. MULOCK: Of course the hon. member is fully aware that there is a soldiers' preference in all these cases. When a vacancy occurs the legion is notified. Then no action is taken until the legion has been given a reasonable length of time to notify the returned soldiers organizations in that district so that men will have an opportunity for applying if they wish the position. If there is a suitable returned soldier he gets the preference over the civilian if he is a resident of the area to be served by the post office. The applicants are considered according to merit. Of course, the member or the defeated candidate of the government in power is notified. That has been the practice under every administration and is still the practice.

Mr. GRAYDON: Has the minister had correspondence and communications from a citizen of Halifax who has been directing communications and complaints to the Prime Minister and the Postmaster General, and who on occasion has been good enough to send copies of the communications to me? The complaints made are fairly well detailed, and evidently the department has already received the information. I indicated earlier to the complainant that when the estimates of the Post Office Department came before the committee I would raise the question that has been brought to my attention. Without going into detail with respect to the matter perhaps the Postmaster General would give some explanation as to the problems, difficulties and complaints that are dealt with in these letters and tell us what action he has taken or intends to take with respect to it.

Mr. MULOCK: I may say to the leader of the opposition that I have seen these letters.

Mr. GRAYDON: The complaints of Mr. Regan?

Mr. MULOCK: Yes. Investigations were made by the district director, affidavits obtained, and I shall be very glad to give my hon. friend the file for his decision.

Mr. GRAYDON: My decision?

Mr. MULOCK: Yes.

Mr. GRAYDON: I want your decision.

Mr. MULOCK: I can tell my hon. friend that it has been thoroughly investigated. I have not the file here but I shall be delighted to show it to my hon. friend for his information at any time.

Mr. GRAYDON: Did the Postmaster General find the complaints substantiated when the investigation was made?

Mr. MULOCK: The original ones, no. Certain other matters have come up and they are still under investigation.

Mr. KNOWLES: Did I hear the Postmaster General correctly a moment ago? Did he say that it is the policy of the government, when these vacancies occur, to notify either the government member or the government defeated candidate?

Mr. MULOCK: You did.

Mr. KNOWLES: That is the policy? I can hardly believe it.

Mr. MULOCK: Certainly they are notified. Anybody can make a recommendation on a suitable person to be appointed.

Mr. KNOWLES: It is one thing for anybody to make a recommendation; it is another thing for the government to take the initiative on its own and literally to ask the government member in the constituency or the government defeated candidate for a recommendation. It seems to be far-fetched. I should think that the sitting member of the constituency concerned, and possibly some other defeated candidate, should be notified as well.

Mr. CASTLEDEN: I asked the minister to outline the procedure completely with regard to these appointments. In his reply he did not refer to the superintendent. I want to know the various steps in the procedure where a resignation or a vacancy occurs in some other way. Would the minister go through the procedure from the beginning? First of all there is the call for applications, then there are recommendations. Following that there must be some kind of investigation to find out whether the applicants are qualified, and then the actual appointment. The minister has not given the position of the superintendent in

regard to that at all. I should like to have the whole story given so that we shall know what procedure is followed.

Mr. MULOCK: After the applications are received? I presume it is from that time.

Mr. CASTLEDEN: Received by whom?

Mr. MULOCK: Sometimes the applications are forwarded to the district director, and sometimes they come directly to Ottawa. All applications are considered and are referred to the district director, who usually sends an inspector to interview the applicants to find out their qualifications and make inquiries as to their ability to fill the position; to see what applications there are and who are returned soldiers. If there are returned soldier applicants they are considered first. There is no use in going around to a lot of civilian applicants if there are suitable returned soldiers, because the returned soldier is going to get the position. Then the reports of the inspector are forwarded to the district director or superintendent, as the case may be, who in turn forwards them to the head of post office service at Ottawa.

Mr. CASTLEDEN: And he makes his recommendation when he forwards them; he recommends who is to get the position? The final decision, however, does not rest with him; his recommendation might be entirely overridden by other interference?

Mr. MULOCK: I would not put it in exactly that way. There is a departure from that procedure only when there is a dispute, and then of course the matter must be the responsibility of the Postmaster General. If there is a dispute on the question of entitlement, the recommendation would come from the head of post office service as to what course of action he thought should be followed, and he could come in and discuss the matter. However, the great majority of cases are dealt with entirely without submission to the minister's office at all.

Mr. CASTLEDEN: And the returned soldier always gets the preference?

Mr. MULOCK: Yes; the suitable returned soldier always gets the preference.

Mr. BURTON: I was greatly interested in the outline the Postmaster General gave in connection with the appointment of these postmasters. I understand that appointments in the revenue post offices are made through the civil service commission, but like the hon. member for Winnipeg North Centre I was astounded to learn that appointments in the smaller post offices were sometimes of a political nature. Perhaps I was not as surprised as the hon. member for Winnipeg North Centre, however, because I have in my hand a sessional paper No. 224 dated Tuesday, March 14, 1944, which was brought down in reply to a motion standing in my name. In following the outline given by the minister in reply to the hon. member for Yorkton in regard to the procedure followed in these appointments, I was surprised when he neglected to inform the committee and the hon. member just what connection the Department of Agriculture had with the Post Office Department. I was not surprised to hear the Postmaster General say that defeated candidates were consulted in regard to the appointment of postmasters, but I did not know that our present Minister of Agriculture was a defeated candidate in the constituency of Humboldt. I should like to go through this return, giving the committee the essential information it contains, because I am quite sure the committee will be concerned about the matter.

First I have a copy of a letter which was sent to the provincial secretary of the Canadian Legion at Regina with respect to a vacancy in the Dafoe post office; that is the village of Dafoe, not the Dafoe airport. Mr. Chase, the provincial secretary of the Canadian Legion, was notified by the department that this vacancy was to be filled. That was all to the good; we appreciated this step. Then on August 2, 1943, the date on which the Canadian Legion secretary at Regina was notified, I have a copy of a letter addressed to the private secretary to the Minister of Agriculture at Ottawa, reading in part as follows:

> The position of postmaster at Dafoe, electoral district of Humboldt, Saskatchewan, is vacant owing to the resignation of Mr. Cyril Lambe. Mr. Lambe has been on military leave and the office has been in the temporary charge of his wife, Mrs. Helen Maud Lambe since the 4th February, 1941. Mrs. Lambe now wishes to be relieved of her duties on the 15th August. As the appointment in this case rests with the Postmaster General, will you be so good as to submit as soon as possible for his consideration your minister's recommendation of a suitable person for appointment to this vacancy. An official nomination form is herewith.

I might add that I am sure the Minister of Agriculture was not in Ottawa at that time. Then on August 27 there is another letter addressed to the private secretary to the Minister of Agriculture:

> Re Dafoe, Saskatchewan
>
> With reference to the vacancy in the position of postmaster at the above mentioned office, permit me to inform you that an application has been received from Mr. William Ferdinand Werner, who states that he was born on the 29th January, 1890.

That is signed by George C. Avery, acting chief superintendent, post office service. The next letter is from Saskatoon to the chief superintendent of post office service, Ottawa:

Re Dafoe, Saskatchewan

Referring to previous correspondence, in regard to the vacant position of postmaster at the above named office, especially to my letter of the 23rd instant, enclosing an application form 5-B completed by Mr. William Ferdinand Werner, I wish to advise that the acting postmistress asked to be relieved of the office at the earliest possible date, and therefore, subject to the approval of the department, steps will be taken within the next few days to place the office temporarily in charge of Mr. Werner. Enclosed is a letter from Mr. W. E. Mason, secretary of the Dafoe branch of the Canadian Legion, to the effect that the branch is in favour of the appointment of Mr. Werner.

The next one is dated August 31, 1943, and is addressed to the private secretary to the Minister of Agriculture.

The CHAIRMAN: I do not think this is absolutely out of order, but the hon. member is reading from a return which no doubt is available in the records of the House of Commons. This may be in order, but I doubt it very much, because after all the country has been put to some expense already in the preparation of this return, and I am sure most hon. members will be familiar with what is in it.

Mr. BURTON: I want to assure you, Mr. Chairman, that I do not desire to place on record anything that does not concern this case, but I submit that in presenting the matter to the minister and the committee it is necessary to quote from the return in order to show that injustices are done in matters of this kind and that returned men are not always given the preference they are supposed to receive. I submit that subject to your approval, I may place this information on record without causing any undue hardship to anyone.

The CHAIRMAN: It is not only the question of hardship; it is the question of whether or not the rules should be obeyed. Already some expense has been incurred by the country in having this return prepared and brought down, and I do not see that it is necessary for the hon. member to place it all on *Hansard*. There is no doubt that he has the right to base his argument upon the return, but I do not believe it is necessary to put all the information on *Hansard* again.

Mr. BURTON: I intend to show that in this case the Canadian Legion at this point in Saskatchewan made a recommendation supporting the appointment of the man who had been the assistant in this office. They wished to have him continue there, and here we have interference from the outside in connection with that appointment. To continue quoting from this return:

Private Secretary to
The Minister of Agriculture.

Re: Dafoe, Sask.

I am enclosing for your information copy of a letter from the Secretary of the Dafoe Branch of the Canadian Legion in favour of the appointment of Mr. W. F. Werner as postmaster at Dafoe.

As the acting postmistress desires to be relieved of the office at the earliest possible date, arrangements have been made for a temporary transfer to the charge of Mr. Werner.

Then we come to the next one, which is a memorandum stating:

Re Dafoe, Saskatchewan.

Mr. Parker, Private Secretary to the Minister of Agriculture, telephoned and stated that his minister recommended J. B. Holfeld instead of Mr. Werner.

Then here is a telegram:

The District Superintendent of Post Service, Saskatoon, Sask.

Re Dafoe if not too late transfer office to Holfeld instead of Werner.

George C. Avery.

And then follows this letter:

Ottawa, September 3, 1943.

District Superintendent, Saskatoon, Sask.

This will confirm telegram of September 2, reading as follows: "Re Dafoe if not too late transfer office to Holfeld instead of Werner."

George C. Avery.

Here is another telegram:

Saskatoon, Sask., September 3

George C. Avery
Acting Chief Superintendent Post Office Service, Ottawa, Ontario.

Re Dafoe Werner has already completed oath of office and arranged take over present premises and equipment. Temporary transfer set for September eighth. Please wire further instructions.

J. H. Hunter.

Then we have this further memorandum:

Ottawa, 7th September, 1943.

Re: Dafoe, Saskatchewan.

The information contained in the District Superintendent's telegram of the 3rd September was given to Mr. Parker, Private Secretary to the Minister of Agriculture, by telephone. Mr. Parker stated that notwithstanding this his minister still desired to recommend Mr. J. B. Holfeld.

George C. Avery.

Then we have another telegram, as follows:

Ottawa, September 7, 1943.

District Superintendent of Postal Service, Saskatoon, Sask.

Re Dafoe notwithstanding information your telegram third proceed with transfer to Holfeld.

George C. Avery.

Then we have this further letter:

Ottawa, September 10, 1943.

Private Secretary to the Minister of Agriculture, Ottawa.

In accordance with your minister's recommendation on the official nomination form, instructions have been issued for the appointment of Mr. J. B. Holfeld as postmaster at Dafoe, Sask.

Geo. C. Avery.

My submission is that in this instance the district postal superintendent wished to appoint a man who had been helping with that work, a man who had the recommendation of the Canadian Legion. Then there was interference and, as I have said, regardless of what the district superintendent had done, the Minister of Agriculture overrode the decision which had been made by the district superintendent and other officials of the Post Office Department. As a result there was appointed to that office a man who had not served overseas in a previous war, a man who had not been discharged from service in this war, and a man whose appointment was not approved by the people in that community. I have one other letter I should like to read, as follows:

Saskatoon, Sask., Sept. 25, 1943.

Chief Superintendent, Post Office Service, Ottawa.

Re Dafoe, Sask., Post Office.

Enclosed for your kind attention is a petition bearing 128 signatures, protesting against the appointment of Mr. J. B. Holfeld to the position of postmaster at the above mentioned office.

J. H. Hunter.

I submit that when we have interference of that kind, when the Post Office Department has men who are qualified and who should know the people they are dealing with, we should not find these little appointments—little two-by-four post office appointments—being interfered with by a man who never was a candidate in the constituency, who never was a member for the constituency, and who knows very little about the constituency. Yet he tells the people there who their postmaster shall be. I object to a procedure of that kind.

When I asked for this information, and the return was finally authorized, the Postmaster General said that with the usual reservations the information would be supplied. And if my memory serves me correctly the information was given and it was indicated that possibly all the information would not be supplied. The people in that district are satisfied that all the information is not supplied in the return. They reach that conclusion because they know that at the outbreak of war the Royal Canadian Mounted Police made a report with respect to this man who is now postmaster in that village. It will be noticed that that report is not in the files. I say that that is what the people believe. I do not know. The minister himself said when the return was brought down that possibly it would not be complete. I do say that this is not a healthy situation and the people do not like it, nor do they approve of it. The Canadian Legion has signified its willingness to have someone fill the position, and then they are overridden by a man who is not even connected with the Post Office Department. I want to know what connection he has.

Mr. MULOCK: If the hon. member had given me any intimation that he was going to discuss this matter I would have had the records here. He will appreciate that there are over 12,000 post offices, and I certainly cannot have all the files here concerning all of them. I cannot give him all the information he wants, but I shall be glad to make inquiries at once. That is all I can say at the present time.

Mr. BURTON: Can the minister give any reasonable explanation to the committee why the minister of another department should have the say-so in the Post Office Department, as to who an appointee shall be?

Mr. MULOCK: The minister of another department does not have the say-so in my department, but he may have made a recommendation.

Mr. BURTON: His recommendation is here, as brought down in the return. It shows that the minister's official, one whom I have always considered an able official, had made an appointment. But because the minister of another department overrode the official's appointment, he had to bow to the appointment of someone else.

Mr. MULOCK: A district director could not make an appointment; he could make only a recommendation.

Mr. BURTON: I realize that, but if we cannot have confidence in the men you have out there in the country, the men who are dealing with post offices day in and day out, and if we cannot have confidence in those men being permitted to make proper recommendations, then I say we are getting into a bad state of affairs so far as the Post Office Department is concerned. And furthermore, if your men in charge find that when they want to do the right thing they are interfered

with, even from outside the Post Office Department, you are reducing the efficiency of your personnel in other parts of the country.

Mr. MULOCK: My hon. friend would put permanent officials of the department in an almost impossible position. If the inspector made the appointment he would have to take absolute responsibility. If he recommends a man who was a Liberal or a Conservative perhaps my hon. friend would object to him on that score. The inspector makes his inquiry and then reports to the head of the postal services in Ottawa. I will look into the matter the hon. member has brought up, but he will understand that I have not the details of all these cases right here.

Mr. WOOD: I think circumstances alter cases. I happen to have a vacancy in my constituency and I would be delighted to have a recommendation, even from the hon. member for Humboldt. It is easy for the hon. member to take one specific case in which a recommendation had been made by the legion. I honour the legion and I always consult them, but it has not seen fit to make a recommendation for this particular vacancy. In these days of prosperity, positions in some of these smaller offices are not so attractive. It may be that somebody had ambitions and went through the procedure of having the legion help to get him an appointment, and now the hon. member makes a political hubbub about a particular appointment. I think all cases have to be analysed on their own merits and I hope that the argument advanced by the hon. member for Humboldt will not be applied to all cases. As I say, I have found it most difficult to fill this particular vacancy.

Mr. BURTON: I appreciate what the minister has said, but I do not want him to think that I brought up this as an individual case. Despite what the hon. member who has just taken his seat has said, this is not an isolated case. There has been altogether too much of this going on. I bring up this case as one of many that have occurred in years gone by. If it was just an individual case I would be quite prepared to take it up with the minister, but this concerns a matter of apparent policy. The minister has permitted another minister to override the good judgment of his own officials. We are quite prepared to see that as far as possible these appointments are made on a non-political basis. He can say what he wants to say about the superintendent making the appointment, that one man may be a Conservative, a member of the C.C.F. or a Liberal, but we are quite prepared to have these appointments made by the civil service commission with the recommendation of the legion. In this case the recommendation of the legion was absolutely ignored and another man was forced into the position.

Mr. MULOCK: Will my hon. friend state that Warner who was recommended by the legion is a returned soldier?

Mr. BURTON: No, I will not state that Mr. Warner is a returned soldier.

Mr. MULOCK: That was the inference.

Mr. BURTON: The legion recommended that Mr. Warner be considered.

Mr. MULOCK: I understand that in his own statement Mr. Warner said he was not a returned soldier.

Mr. BURTON: Several returned men made application for the position but apparently they did not have a look in when the Minister of Agriculture asked that his appointee be considered.

Mr. MULOCK: I do not think my hon. friend is being fair to the legion when he makes the statement he did. He is saying apparently that the legion did recommend Warner, who is a civilian, in preference to returned men in the district who were suitable.

Mr. BURTON: The members of that branch of the legion were quite willing that the man who had been helping in the post office should be given the position, but later when a man was appointed of whom the general public and the legion did not approve, the whole thing blew up. Then there were returned men who said, "If they are going to make this appointment, I am willing to serve," and they made application but they did not get any consideration.

Mr. HANSELL: I am not concerned with the particular case which has been brought to our attention by the hon. member for Humboldt; I am not interested in any particular case. So far as my own constituency is concerned I have not had any complaint, but I am concerned about the general principle about the application of patronage to the civil service of Canada. It seems to me that if we are to have an effective democracy that kind of thing cannot continue. There are more implications than are seen on the surface.

It has been called to my attention that when certain patronage agents offer to take up cases for individuals it is felt that they will be able to get more than the member

of parliament, particularly if the member is in the opposition. I have no complaint to make in that regard because any case I have taken up with any minister I have received very fair treatment. However, this matter has reached the point where some patronage agents find themselves financially benefited, and that is going too far.

Because there is political patronage many civil servants are tied down and prevented from giving expression to their own political views. I am sure other hon. members have met the same thing I have. As I have gone through my constituency individuals have come to me and whispered, "You know, I really should not be at this meeting, because I am a civil servant, but I thought I would like to come anyway." In one case I asked a gentleman if he would mind being chairman of the meeting, and he said, "Oh, no; I could not; you know I have a government job and that would not do." That sort of thing should not take place. I am not saying that this is true of all civil servants, but civil servants should be absolutely free to express themselves in any way they want to, just as any other ordinary citizen is free to do. That would be the case if political patronage was completely eliminated.

Mr. McLARTY: I merely make this observation by way of suggestion, but I know that a large number of members have made reservations in order to get home to-night. It would be only with unanimous consent. Would the committee be inclined to sit on after one o'clock?

Mr. GRAYDON: If there are many hon. members with reservations, they got their reservations at their own risk, because I think I made pretty clear, yesterday and the day before, what view I took of this matter, and I did it because I recognized that everybody wants to get out to-night, but on the other hand I believe everybody takes the position, "We will get out to-night if the work is done, and done as it should be done, but if we cannot do it as it should be done by to-night of course we shall have to continue next week." There is no other rule or rule of thumb that can be applied, and I think we shall have to accept the situation as it is. There were 196 items left over from last night. That does not mean that they cannot all be dealt with, but if they cannot be dealt with properly they will have to be left over till next week. I believe that this is the frank, the proper and the appropriate position for anyone in the house to take.

[Mr. Hansell.]

Mr. McLARTY: I think the leader of the opposition is perfectly fair in his statement. I wonder whether as a measure of compromise the committee could reconvene at two o'clock. That would be a reasonable compromise, and I make the suggestion. Of course this can be done only with unanimous consent.

Mr. COLDWELL: I am going to object to it, for several reasons. One is that very few hon. members would know that we were going to convene at two o'clock.

An hon. MEMBER: The bell is rung.

Mr. COLDWELL: Most hon. members understand that we shall meet at three o'clock, and I think we should meet at that hour. I may say that yesterday morning when the matter was discussed I made some objection to the proposed increase of sitting hours, but I thought that with cooperation we could get through to-day. But may I point out that yesterday morning one and a half hours were consumed by two members of the house, and to-day one or two items have occupied the entire morning.

Mr. McLARTY: Naturally consent has to be unanimous, and in view of what has been said we had better arrange to reconvene at three o'clock.

Mr. KNOWLES: It was said last night that the supplementary estimates to be brought in to-day would be tabled this morning. Will that be done?

Mr. McLARTY: I understand that they will be, although it is after one o'clock and they have not been tabled. I shall be glad to make inquiries and see that they are tabled at the earliest possible moment, which, I suppose, in view of the decision of the committee, will be three o'clock.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Progress reported.

SUPPLEMENTARY ESTIMATES, 1944-45

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1945, was presented by Hon. J. L. Ilsley (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

PENSIONS AND NATIONAL HEALTH

195. Departmental administration, $161,172.

Mr. BRUCE: Mr. Chairman, I would like to say at the outset that it was a great disappointment to thousands of people in this country, particularly those in the low income group, that the national health insurance bill was not proceeded with during this session of parliament. In many sittings of the social security committee held last session we listened to some 117 witnesses, representing all phases of health activities, and went over very carefully the proposed draft bill. At the conclusion of last year's sitting we were given to understand that some members of the advisory committee, headed by Doctor Heagerty, an eminent physician and authority on health matters, would shortly proceed to each province to discuss with them these proposals, and following this it was hoped that a conference would take place between the dominion and provincial governments to deal with the financial aspects of the bill. When we reconvened this year we found that neither of these things had been done. I then called the attention of the minister of pensions and health to the urgent necessity of this conference being convened if we were to get this bill before parliament this session. Since then, no conference has been called, and although we have had many sittings and gone over the bill very thoroughly, and our chairman has laid it on the table of the house, it has not been considered by this parliament, for the reasons I have given.

If this bill had been passed it would have immediately brought relief to the many humble families suffering from sickness about whom the Prime Minister was so concerned when he brought in his baby bonus bill which is not to come into effect until July of next year.

When the Minister of Pensions and National Health opposed my motion to adjourn the house to consider the treatment of our wounded, he gave as his reason that an opportunity would be given when his estimates were considered; and at last this opportunity comes to-day. Unfortunately several of our ex-service members who intended to participate in this debate have had to return home: I refer to the hon. member for Lake Centre, the hon. member for Vancouver South, and the hon. member for Hastings-Peterborough.

In dealing with this question I intend to call as witnesses certain people who have been making a special investigation of the situation at Christie street. First I will call Mr. O. T. G. Williamson, secretary of the Canadian Corps Association, whose letter to the *Globe and Mail* is as follows:

> The men in Christie Street hospital cannot be described as "humble poor" and yet they are deserving of rather more consideration than is being given them. A temporary fire trap overrun with cockroaches is hardly the place to which a grateful country should consign them. Far from being humble, they are proud. They have a proper pride in themselves and in their achievements. It is the task of us, who have remained at home in comfort, to see that they have no reason to lose their pride in the country they suffered to defend.
>
> If there was the slightest necessity for them now to be housed in a factory building which has been a "temporary hospital since the last war they would take it with a grin. Many of them received their first dressing under fire in a slit trench. They can take it when they have to. Now the necessity is past. If energy and goodwill had been shown by the Department of Pensions and National Health, Sunnybrook hospital might be complete to-day.
>
> Hospitals quite as large and permanent have been built in Australia and the United States in no more than six months. They go back to the outbreak of war. It is fair to the minister to say that he was warned of the necessity as long ago as March, 1943. Advised by deputies whose opinions at that time have since been shown to be without foundation, he stalled and procrastinated. When finally forced by public opinion to take action, he did so in ways which made it plain that he was sticking to his original intention of making the hospital a post-war project. To date, as far as actual construction is concerned, he has turned a sod and done some wholly unnecessary grading. It is now believed that tenders will be closed within a day or two for an up-patients building, a nurses' residence and the boiler plant. Even when these are complete, active treatment cases will still be relegated to Christie Street.
>
> From an extensive knowledge of building practice, the writer wishes to say that a contract could immediately be placed for the construction of the main building.
>
> Plans complete to the last detail are unnecessary. The structure could be commenced at once with good prospect of it being enclosed before cold weather. The final details would be ready long before that time. Men being wounded in Normandy could easily receive treatment in Sunnybrook hospital by next April at latest if energy is now shown. The departments of defence have a responsibility in this matter which they must not overlook. They should take on the job and at once.

This appeared in the *Globe and Mail* on August 5, 1944. I wish now to read a few extracts from a letter written by Colonel C. E. Reynolds, immediate past-president of the Canadian Corps, in which he says:

> I will stake my reputation as a construction man that the main treatment building at Sunnybrook hospital could be started at once and completed by the end of April of next year. To pretend otherwise is eyewash. Babies'

diapers apparently mean more than bloodstained bandages to the people of Ottawa responsible for the care of our fighting men.

Any decent Canadian must be heartsick at the callous disregard being shown toward the cream of our manhood.

I wish also to quote an extract from another letter written by Mr. O. T. G. Williamson a few days later than the one I have already read. He says:

The minister's statement, published on August 5, is misleading and calculated to promote complacency at a time when it is of the utmost importance that the public should be aware of the truth. As far as hospital accommodation is concerned, it is significant that Mr. Mackenzie speaks in terms of beds and not of buildings. That sufficient hospital space has not been provided is amply proved by the recent decision to convert hostels at Peterborough and Kingston for this purpose. Beds, as Mr. Mackenzie insists, may be available, but suitable places to put them are not. The wards of Christie Street hospital are crowded far beyond the limits of decency and there are few empty beds. Within the last few days pressure had to be exerted to have three men in urgent need of operations, removed from Chorley Park to Christie Street. These men had been held for weeks in spite of their condition because beds were not available in Christie Street where the operations would be performed. Yet in spite of this situation Mr. Mackenzie is acquiring trumpery makeshifts instead of forcing the immediate construction of the active treatment wing at Sunnybrook Park. It is a sad outlook if every attack on callous disregard for servicemen is to be dubbed political.

It should be noted that all those who have fought for a new hospital have fully appreciated that the medical and nursing services available have been unsurpassed in any Canadian hospital. The pity is that devoted doctors and nurses should be working under such distressing circumstances.

That is the end of the quotation from Mr. Williamson's letter. May I add a word so that there can be no misunderstanding of my position in criticizing the inadequacy of the accommodation provided at Christie street. I have said before, and I repeat, that the surgical staff at Christie street is as expert and efficient as can be found in any part of the world. Operations of the most intricate and difficult character are done there by leading surgical specialists in the city of Toronto. The medical staff and those in charge of the X-ray department and laboratories are in every way most capable and efficient. The nursing staff is of the highest order and lives up to the best traditions of the nursing profession. In addition, the work of the voluntary aid detachment nurses is of a very high order, so that anything I say with respect to the accommodation provided for the wounded in that hospital must not be misconstrued as criticism of the staff.

Now I should like to read from a letter to the press by Mr. F. B. Bowman of Hamilton, who, if I mistake not, served as a medical officer in the last war. He states in part as follows:

Finally I wish to point out that to compare Christie Street hospital with hospitals in the United States housing returned American soldiers leaves a very bad impression. I do not think that soldiers want luxuries; all they want is comfort, good food and the most up-to-date scientific treatment. Many of them on returning complain that as long as they were in the army everything was satisfactory, but as soon as they were switched to pensions and national health the very opposite was the case. There is probably a good deal of truth in this observation.

Mr. GIBSON: Will you read the end of that letter? Read the last paragraph.

Mr. BRUCE: I will read the whole letter if you like.

Mr. MACKENZIE (Vancouver Centre): The whole thing is out of order.

The CHAIRMAN: Some statements are being made that are certainly out of order.

Mr. BRUCE: He says that the soldiers do not want luxuries such as are to be found in the million dollar Red Cross hospital at Cliveden, England, grand pianos, Persian rugs and so forth.

All they want is to be looked after and not kicked around from place to place until they are completely discouraged. Ask some of the Dieppe wounded, if they wish to verify this statement. Let us give some credit to the work that has been accomplished at Christie Street . . .

The rest conforms to what I said a moment ago about the efficient staff at Christie street.

Miraculous healing surgery has been an everyday occurrence there and up-to-date medical treatment in the past; but has it been brought up to date in the present?

As I said before, I have no criticism of the treatment; it is excellent. Now I should like to read another extract—and I am reading only extracts because of the time it would consume if I were to read in full all the letters that have appeared in the press, which are available to hon. members. Miss Ruth Mendell, Red Cross V.A.D., wrote a letter which appeared on August 4, 1944, in the *Globe and Mail* under the caption "No Place For Ailing Veterans", which she opens with this statement:

Anyone who has ever visited patients at Christie Street hospital knows that the building is not fit to house sick men for weeks, months and sadly often years. But have we got the assurance that upon the new hospital's completion, the Red Chevron (Christie Street hospital's Davenport Road Annex) will be closed or will most of its patients, old sick veterans of the last war and a few younger veterans of this war be doomed to spend the rest of their days in tiny bare rooms lighted by inadequate windows, many of which face a wall three yards off? At

the Red Chevron many patients spend the greater part of the day in a long narrow room ventilated by a very small window in one corner and a thoroughly inadequate air hole in one of the walls. On the bright and sunny morning while the unfortunate seven were outside for a few hours of fresh air this room was dark and the atmosphere terrible. The light from two small bulbs only emphasizes the gloom. For sane men the room would be a cruel sickening nightmare.

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order. I have been long-suffering in this matter. I refer you, Mr. Chairman, to citation 259 at page 106 of the third edition of Beauchesne's Parliamentary Rules and Forms.

The CHAIRMAN: Does any hon. member wish to speak to the point of order? I believe the point of order is well taken. I did not wish to interrupt the hon. member while he was speaking, but I would point out that the letters he is reading fall within the terms of citation 259, which is as follows:

It is a well-known principle that a statement made in this house cannot be contradicted by a statement made by a person who is not a member of the house.

I believe that that rule applies to a person writing an article. A statement contradicting what was said by a minister or any hon. member of parliament would certainly be out of order.

Mr. GRAYDON: On the point of order, surely we are not going to—

The CHAIRMAN: I have given my decision.

Mr. GRAYDON: I think the chairman might have given me an opportunity before he made his decision.

Mr. MACKENZIE (Vancouver Centre): The chairman asked if anybody wished to speak to the point of order.

Mr. GRAYDON: I desire only to say that I do not know why the chairman is applying the rule as strictly as he is, because what the hon. member for Parkdale is now doing has been done by scores of hon. members during the session. Surely from the point of view of leniency a certain amount of latitude ought to be allowed. This is an important subject, and I do not think the chairman ought to take that position in the closing days of the session. I recall that on a number of occasions hon. members have made a similar breach of the rules. Perhaps that is a poor argument to use with respect to this particular point, but I do suggest to the chairman that this is not the time to invoke strict application of the rule and that discussion should be permitted to continue on this important matter.

The CHAIRMAN: I gave a ruling on the point of order. I know that the leader of the opposition realizes that I would be the last to curtail discussion. The leader of the opposition will agree with me that when the hon. member, who was speaking, read a statement written by somebody else, criticizing severely the Minister of Pensions and National Health, he was certainly out of order. I qualified my ruling by stating that I thought the statement that the hon. member was making at the time the point of order was raised was in order.

Mr. GRAYDON: May I seek your ruling with respect to this. Time after time there have been rulings given on reading letters in the house. My understanding has always been that when a member reads a letter he must give the name of the person who signed the letter or take the responsibility for the letter. The hon. member has given the name of the author of the letter, and surely that is sufficient in the circumstances.

Mr. MACKENZIE (Vancouver Centre): My hon. friend has completely missed the significance of citation 259. It is as follows:

It is a well-known principle that a statement made in this house cannot be contradicted by a statement made by a person who is not a member of the house.

Mr. GRAYDON: What statement has been contradicted? I have listened attentively to what the hon. member for Parkdale has said. So far as I know it is not a question of contradicting a statement. It is a question of stating the conditions that exist at Christie street hospital.

Mr. MACKENZIE (Vancouver Centre): I raised the point of order, and the chairman gave a ruling.

The CHAIRMAN: We should follow as closely as possible the rules of the house. I know the chamber is warm, but despite that we should follow the rules.

Mr. BRUCE: I have called certain witnesses to support the attitude that I have taken in criticizing this hospital, as has been done by other hon. members during the session, and in other sessions. I have never heard a protest such as the minister has made to-day.

Mr. MACKENZIE (Vancouver Centre): It is not a protest. I read the rule and the chairman gave a ruling.

Mr. BRUCE: Well, I have never heard this ruling before. No one tried to impose the rule before.

Mr. MACKENZIE (Vancouver Centre): The chairman has ruled.

Mr. BRUCE: I have read letters and other hon. members have read letters which have sometimes been asked to be placed on the table of the house. I have given the names of the individuals who wrote the letters and they are available to the minister.

Mr. MACKENZIE (Vancouver Centre): I have them in the other direction too.

Mr. BRUCE: You may have plenty of them. I notice by to-day's paper that somebody had been sent by the minister's publicity department to get a report on conditions at Christie street from an ex-patient. After spending an hour going through the hospital this veteran published a statement which confirms all the charges that are made by the others whom I have quoted.

Mr. MACKENZIE (Vancouver Centre): I made no report. More *Globe and Mail* stuff.

Mr. BRUCE: The *Globe and Mail* is a very reliable paper, perhaps just as reliable as any paper in Canada.

Mr. MACKENZIE (Vancouver Centre): Your political godmother.

Mr. BRUCE: This journal is trying to do a great public service, and thinking people in this country will be grateful rather than critical. The trouble with some people who are vulnerable is that they do not want the facts brought out. I have found the greatest difficulty in getting an opportunity to bring out some of the facts in connection with Christie street hospital.

Mr. MACKENZIE (Vancouver Centre): You have had every opportunity you wanted.

Mr. BRUCE: The minister said there were reports on the other side. On August 10, a man signing himself T. W. A. Milgate gave a report praising the staff of the hospital. He has been a patient there off and on for twenty-five years. He does not say anything about the accommodation of the hospital. All he does is to praise the staff as I have done and as any other man who has gone through that institution and who speaks truthfully will do. Another man called Quinney did the same thing. He speaks in praise of the staff and nurses of the hospital.

I should now like to refer to what has been done there since last autumn. Eight months ago the citizens' committee of Toronto made certain representations to the Department of Pensions and National Health. After the situation was explained to them they agreed to a temporary building at Christie street, with the understanding that it be built at once. On June 2 the Public Works Department at Ottawa announced the awarding of a number of contracts; one was a temporary pavilion at Christie street to cost $128,789. It seems extraordinary that it takes eight months before any work is done on this temporary structure, and that now we have the noise and dirt accompanying the building to add further to the tribulations of the soldiers who are occupying that hospital.

There are a number of others who have publicly given their opinion in regard to the hospital, which confirms the statement made by Miss Mendel, whose account I have read. They are: Mrs. Hugh Dalton Baker, Mrs. Healy Willan, Beth Avery, Miss Laura D. Flanagan and Mrs. Grace McCullagh. These letters express appreciation of the letter of Miss Mendel and others who have exposed the inadequacy of the accommodation at Christie street hospital. I shall not attempt to read them all.

Now for a moment I should like to refer to the offer made by Premier Drew of the mental hospital at St. Thomas, when those premises are evacuated by the R.C.A.F., in order to assist the department of pensions and health to provide additional accommodation for the wounded. I understand that offer has been accepted, and that the hospital soon will be in use as an auxiliary to help out in the present situation. I think we are justified in assuming that a grave emergency has arisen in regard to hospital accommodation, which has not only necessitated the taking over of this St. Thomas hospital as soon as it is available, but also the conversion of two hostels formerly under the control of the Department of Munitions and Supply, one at Peterborough and the other at Kingston, which are expected to be transformed into up-to-date hospitals with operating rooms, X-ray equipment, laboratories and other accommodation for the care of our wounded within a period of six weeks. Well, I suggest that the minister and his associates will have to move much faster than they have moved in connection with Sunnybrook park if they are to get these hostels ready in six weeks. I doubt if that is possible; and even if it is possible it is only a temporary arrangement.

What I have been saying, together with many others, is that by this time we should have had adequate hospital accommodation for our wounded, at least equal to that provided for our civilians. We ask no more; but

certainly they are entitled to the same accommodation, the same comforts and all the things that go to make up an up-to-date hospital, that are available to the civilian population, and that has not been done. It should have been possible for the minister to look ahead and have these hospitals ready and waiting when our wounded came home. I I think there is no excuse that will justify the fact that this matter has been delayed until we are approaching the sixth year of war. Other countries have been able to make such provision; it has been done in Australia and New Zealand, and in the press of to-day there is a reference to a hospital in Cleveland known as the Crile hospital, I presume named after the late Doctor Crile of Cleveland. This institution extends for a distance of eleven miles; it will accommodate five thousand people; it has all the modern conveniences, and it was built in the course of a few months. I do not understand why it was not possible to do the same thing here.

Mr. MACDONALD (Brantford City): Is it a permanent hospital?

Mr. BRUCE: The Crile hospital in Cleveland, Ohio, is a military hospital; I had an account of it here, but I cannot lay my hands on it at the moment. However, I think I have said enough to indicate what has been done in other places and what surely might have been done here if the minister in charge of this department had been up to his job.

The other evening when I was dealing with this matter the Minister of National Defence asked me to give a specific case. I had not one at hand at the moment, but the following day I received particulars of a case which I shall now give the minister. I will not give the name or regimental number of this private, though I have them on this sheet of paper in my hand.

Mr. MACKENZIE (Vancouver Centre): I want those names, privately.

Mr. BRUCE: I will give them to the minister privately. I do not wish to publicize this man's name because I do not want him to suffer any more mental anguish through being disturbed by people making inquiries in regard to his injuries, or as a result of bringing his case up in the house. I am sure the minister will understand that. We will call this man Private Jones. On February 17, 1944, he was seriously wounded in Italy, receiving a compound fracture of the right knee joint and the lower end of the femur. His back was also dislocated. He was hospitalized in Italy from February 18 to May 24, 1944, and received the best of care though these hospitals were frequently under shell fire. He arrived in England on June 1, where he received excellent care in the hospitals until he was evacuated to Canada. He arrived in this country on July 8, and was taken to Chorley Park. On July 11 the cast was removed and a dry dressing applied to the wound. Later on there was a very considerable discharge from the wound, requiring daily dressings. About that time a board was held for the purpose of filling out his discharge papers. On July 28 he was again examined by a doctor who found dead bone, and informed him that this would have to be removed and that perhaps his leg might have to be amputated. It was decided also to give him penicillin treatment. When the doctor told him that he would have to undergo an operation to remove the dead bone the private replied, "All right. When do we start, and how long before it heals?" The doctor answered that it could take at least six months to heal, but it would have to wait until headquarters got around to it and a bed was available at Christie street hospital, because Chorley Park hospital has not properly equipped operating rooms for the purpose, and that this might mean a delay of a week or a month.

Mr. MACKENZIE (Vancouver Centre): Was he discharged at that time?

Mr. BRUCE: I do not know what has happened to him since then.

Mr. MACKENZIE (Vancouver Centre): That is very important.

Mr. BRUCE: The last information I have is in regard to July 28. Whether he has been transferred to Christie street I do not know.

Mr. MACDONALD (Brantford City): Has he been put out of Chorley Park hospital?

Mr. BRUCE: He was at Chorley Park hospital, and when the condition I have described necessitated either the removal of dead bone, or perhaps later on the amputation of his leg, it was recommended that he be removed to Christie street. He was not able to get into Christie street immediately because there was no room for him there.

Mr. MACDONALD (Brantford City): Where is that soldier now?

Mr. BRUCE: I presume he is still at Chorley Park, unless in the meantime a bed has been found for him at Christie street. I would hope that that is so.

Mr. MACDONALD (Brantford City): I understood the hon. member to say that he was put out of the hospital.

Mr. BRUCE: No, I did not say so.

Mr. MACKENZIE (Vancouver Centre): Yes, he said that.

Mr. MACDONALD (Brantford City): Because there was no room for him.

Mr. BRUCE: No, I did not say that.

Mr. MACDONALD (Brantford City): *Hansard* will record what was said.

The CHAIRMAN: The hon. member has a right to proceed.

Mr. BRUCE: I think my statement was clear.

Mr. MACKENZIE (Vancouver Centre): Is he receiving medical treatment at Chorley Park?

Mr. BRUCE: He will be receiving suitable treatment, yes.

Mr. MACKENZIE (Vancouver Centre): What is the case my hon. friend is making out?

Mr. BRUCE: He is receiving treatment in the meantime, undoubtedly, but he needs an operation. That operation could be performed for him if he could get into Christie street hospital where such work is done.

Mr. MACKENZIE (Vancouver Centre): There is lots of room at Christie street hospital for operations right now. My hon. friend has his facts incorrectly.

Mr. BRUCE: Those are the facts I have, and they are correct.

Mr. MACKENZIE (Vancouver Centre): No, no; they cannot be.

Mr. BRUCE: That is the statement given to me, which can be shown to be true, and proved to be correct.

Mr. MACKENZIE (Vancouver Centre): I understood my hon. friend was endeavouring to substantiate a statement made in this house the other day that patients were sent from the hospital for treatment outside the hospital. This case he now brings up is that of a patient who is in Chorley Park, and getting the best medical attention there. And I will guarantee there are medical facilities at Christie street hospital for any operation of any kind at the present time. I cannot follow my hon. friend's argument at all.

Mr. BRUCE: My argument is very simple, and I do not think I need to simplify it further.

Mr. MACKENZIE (Vancouver Centre): I think you had better.

[Mr. Bruce.]

Mr. BRUCE: I stated clearly what the medical officer told this man at Chorley Park.

Mr. MACKENZIE (Vancouver Centre): Did my hon. friend see this case himself?

Mr. BRUCE: I have not seen it, no. I have not been home.

Mr. MACKENZIE (Vancouver Centre): Then it is just hearsay.

Mr. BRUCE: I would not say that it was hearsay. If the minister wishes to have the evidence I can produce it.

Mr. MACKENZIE (Vancouver Centre): Does my hon. friend say that this case has been denied the fullest medical attention?

Mr. BRUCE: He was denied the opportunity to go to Christie street at the time the medical officer at Chorley Park told him he should have an operation.

Mr. MACKENZIE (Vancouver Centre): I deny that. May I ask my hon. friend who is the medical officer who gave him this information?

Mr. BRUCE: I do not know the name of the medical officer.

Mr. MACKENZIE (Vancouver Centre): Good gracious!

Mr. BRUCE: I do not wonder you say "good gracious." You are much disturbed, of course.

Mr. MACKENZIE (Vancouver Centre): And you are more than disturbed; you are bewildered.

Mr. BRUCE: I can say to the Minister of National Defence, that I have no desire to involve more people in this matter than I have done.

Mr. MacDIARMID: Is it only in Christie street hospital that they can amputate? is that the only hospital in Toronto in which amputations are done?

Mr. BRUCE: I believe Christie street hospital is the hospital where they specialize in orthopaedic work, and orthopaedic surgery includes amputations. They have the facilities there not only for amputations but for fitting orthopaedic appliances such as artificial limbs, afterwards.

Mr. MacDIARMID: Then as I understand it, the criticism has been levelled at Christie street hospital that it is not a fit place to take them. I am very much interested in this, and I want to understand what the hon. member for Parkdale says. If Christie street hospital is not fit, then why take the case there?

Mr. BRUCE: Because there is nowhere else in Toronto equipped for this work.

Mr. MacDIARMID: The hon. member criticized them before and he is doing it now, if it is as he says it is I must say that I back him up, and if Christie street hospital cannot take the load and take the patients in there, then let this government get the accommodation or get a government that will.

Mr. BRUCE: I am pleased to have the hon. member back me up in this way. That is what I am saying.

Mr. MACKENZIE (Vancouver Centre): Has the hon. member spoken to the doctor who was quoted, to verify the statement made in regard to the operation?

Mr. BRUCE: Have I what?

Mr. MACKENZIE (Vancouver Centre): Have you spoken to the doctor who was quoted in this case, to verify the statement made?

Mr. BRUCE: I have not been home since I spoke in the house. This information was sent to me, from an absolutely reliable authority.

Mr. RALSTON: You see, I had the idea that my hon. friend was answering a question I asked him. He made a statement. The statement my hon. friend made, and which I questioned, was the statement that men had been sent from Christie street hospital to their homes, although they required medical attention. I asked him if the medical officers had said that the men who went home needed hospital treatment and he said he did not know.

My hon. friend has not dealt with that at all. To-day he is dealing with a case of a man who went to Chorley Park, who could not be given accommodation in Christie street hospital and was taken back to Chorley Park again. I am certainly interested in that case, but I call this to my hon. friend's attention, that he is not meeting the inquiries I made of him.

Mr. BRUCE: Mr. Chairman, I do not intend to enter into a long argument with the Minister of National Defence who, after all, is a very skilful lawyer. That has been his business for many years—to cross-examine witnesses. I am not his witness, and I do not purpose being put into that position.

Mr. RALSTON: My hon. friend said he was meeting a challenge, but I am pointing out to him that he is not meeting any challenge at all. My question was with regard to a statement he made that men who require hospital treatment had been sent home from Christie street hospital because, as he alleged, they could not get beds there.

Mr. BRUCE: No, not because they could not get treatment, but because—

Mr. RALSTON: But my hon. friend has not dealt with that at all. He has not talked about sending men home; he has been talking about a man being sent back to Chorley Park.

Mr. BRUCE: I am talking about overcrowding at Christie street. And what I have said shows that the hospital is so crowded that men who require treatment there could not get in.

Mr. MACKENZIE (Vancouver Centre): There are at least two hundred vacant beds there all the time.

Mr. GRAYDON: I rise to a point of order. I suggest the hon. member who has the floor should be allowed to continue, and that unless he consents to interruptions, they ought not to be made. Surely he should at least be asked to give his consent.

Mr. RALSTON: All I am objecting to is my hon. friend's suggestion that he is meeting my challenge, as he calls it, by referring to this Chorley Park matter. That is a different case. He is not meeting the question I put to him at all.

Mr. MACKENZIE (Vancouver Centre): In the interests of public information and for the information of the country may I say that there are 327 beds at Christie street hospital that are available, and the hon. member's statement is absolutely inaccurate.

The CHAIRMAN: The point of order is well taken, and the hon. member for Parkdale has the floor.

Mr. BRUCE: I have another case, but I will not record it, because I do not wish to be subjected to cross-examination such as I have been given.

Mr. MITCHELL: If I might say this to my hon. friend, that the rules—

Some hon. MEMBERS: Order.

Mr. GRAYDON: You are breaking the rules.

Mr. MITCHELL: My hon. friend is breaking the rules by his own objection.

Mr. GRAYDON: Is the hon. member for Parkdale not to be allowed to continue? Surely we have not got to that point.

The CHAIRMAN: I have allowed a lot of latitude to all concerned. The hon. member has five more minutes.

Mr. ROWE: He has been interrupted so often, he must have more than that.

Mr. GRAYDON: Go ahead.

Mr. BRUCE: I hope, Mr. Chairman, that you are keeping track of all these interruptions, and that I will be given credit for that time.

Mr. GRAYDON: The hon. member for Parkdale must be making out a good case; that is all I can say.

Mr. ROWE: He can speak for another forty minutes.

Mr. BRUCE: The other day the Minister of National Defence objected because I talked about Christie street hospital, and did not extend my criticism across Canada. I then referred to a situation in Montreal, and a statement made by Doctor Penfield which, I believe, confirmed the criticism I was making. In that connection the *Gazette* of May 30 contains the following:

The situation is one that calls for immediate and vigorously pressed action, which the Department of Pensions and National Health has thus far showed itself incapable of taking. As the responsible head of the department, Honourable Ian Mackenzie, should either show results within the near future or let somebody else take over this vital task.

I should like to refer for a moment to the words of a journal which is not unfriendly to this government, the Winnipeg *Free Press* of June 5, 1944, under the heading of "Stubborn Incompetence" has something critical to say about the handling of this department by the present minister.

Mr. MACDONALD (Brantford City): That is out of order.

Mr. BOUCHER: Everything is out of order that you people do not like.

Mr. MACDONALD (Kingston City): If the article which the hon. member proposes to read casts reflection upon any minister or member of this house, then it is out of order.

Mr. GRAYDON: On the point of order, for the first time since I came into the house we seem to be witnessing the government objecting to something being read out of the Winnipeg *Free Press*.

Mr. ROWE: If it is complimentary I suppose it will be in order?

Mr. MACKENZIE (Vancouver Centre): My hon. friend is entirely wrong there.

[Mr. Graydon.]

Mr. BRUCE: Referring to Deer Lodge hospital this article states:

It was then urged that if more beds had to be provided they should be in a building placed as near as possible to the Manitoba medical college, that is to say, near the general hospital which provides the clinical background for all the teaching of medicine in Manitoba.

And again:

Striking confirmation of this view now comes from Montreal from the lips of the man whose claim to be considered the greatest surgeon in Canada is recognized by everyone but himself. Dr. Wilder Penfield, head of the Montreal neurological institute, which, in a few years under his dominant leadership, has won an international reputation. In his most recent report Dr. Penfield declared that, foreseeing the great increase in the type of cases handled by the institute, he had suggested to the government that an annex should be erected; or if not an annex that a new hospital should be built as near as possible to the institute. The suggestion was turned down flat on the ground that it would create an embarrassing precedent. Said Dr. Penfield, with studied moderation:

"It seems possible that returning service men with wounds of nerves, spine and head may think little of embarrassing precedents and much of their chance to regain their health."

The CHAIRMAN: The hon. member has spoken for forty minutes.

Mr. BRUCE: I would like to have just a few moments to finish.

Mr. GRAYDON: There have been a number of interruptions.

The CHAIRMAN: The hon. member started to speak at five minutes after three o'clock and it is now five minutes to four o'clock. I have allowed fifteen minutes to the hon. member for the interruptions.

Mr. GRAYDON: Let him finish.

The CHAIRMAN: I believe it is the wish of the committee that the hon. member should complete his statement.

Mr. BRUCE: On Monday last the minister said:

I have been many times in that hospital (Christie street) and I must say I have never seen the slightest justification for the attacks which have been made.

By his own words the minister reveals his own incompetence to be in charge of hospitalization for wounded soldiers.

Mr. MACKENZIE (Vancouver Centre): Just what they found out about you in your medical administration in the last war.

Mr. BRUCE: Any man who is so blind and lacking in knowledge of what modern accommodation is like is incompetent to be in charge of work as important as this.

Mr. MACDONALD (Brantford City): If my hon. friend is reading from an article I submit that it is absolutely out of order.

Mr. ROWE: He is reading from his notes.

Mr. BRUCE: I wish the hon. member for Brantford City would please get glued to his seat for a few minutes and let me go on.

Mr. MACDONALD (Brantford City): On a point of order, I must say I have every right to rise when my hon. friend is out of order. I think he should stay within the rules of the house.

Mr. ROWE: On the point of order, the hon. member for Parkdale is not reading from any press clipping; he is reading his own notes.

Mr. MACKENZIE (Vancouver Centre): The *Globe*.

Mr. ROWE: The hon. member for Brantford ought to know that there has been a steady stream of interruptions. When anything has been said that did not please the government, that is what happened. The hon. member for Parkdale is only following his notes. Surely a member can follow his notes.

Mr. MACDONALD (Brantford City): It is impossible to know when the hon. member for Parkdale is reading from an article or when he is making a speech. He appears to be reading all the time. I think he should inform the committee when he is reading from a newspaper and when he is making a speech.

Mr. ROWE: That is a measure of intelligence.

The CHAIRMAN: If the statement made by the hon. member for Parkdale was read from an article, or is one that had been made by somebody else, it would be out of order. I believe the hon. member is reading his own written statement, and the peroration of his speech. I think he should have the right to finish.

Mr. BRUCE: If the hon. member would like to see my notes I will send them over to him. I have had typed for convenience sake the statement made by the Minister of Pensions and National Health and I have written underneath in my own handwriting a few comments upon that statement. If the hon. member for Brantford City thinks that is not a proper thing to do, then I am afraid that many hon. members have been out of order many times.

Mr. ROWE: The whole government is out of order.

Mr. BRUCE: Even from an economic point of view the necessity of restoring these men to health as speedily as possible should be recognized by any one. I submit that the statements I have read of impartial observers and investigators show that the situation at Christie street is deplorable and should not exist to-day. Eighty-two patients are crowded into one room where yesterday the temperature must have been nearly 100, and that condition added to the suffering of these wounded who have already suffered so much for our sakes overseas. I do not wish to amplify this, I have dealt with it on a number of occasions, as have other hon. members.

From what I have said and from the criticism in many other quarters I think the time has come when some other minister should be put in charge of this important department. Therefore, I am going to recommend to the Prime Minister that he relieve the minister of his office and get some competent, up-to-date earnest executive who will sincerely get about his job and provide what these soldiers require, that is, adequate, comfortable and modern hospitals and equipment to look after them during the trying time when they are recovering from wounds obtained while fighting for us overseas. I say again that I will never stop advocating proper hospitalization of the most modern kind for these wounded men so that their suffering may not be added to when they come back to what they will regard as an ungrateful country if conditions continue as they have prevailed under the present minister.

Mr. MACKENZIE (Vancouver Centre): Mr. Chairman, I think the real purpose of the address of the hon. member for Parkdale was contained in the last few sentences.

Mr. ROSS (St. Paul's): What was that again?

Mr. MACKENZIE (Vancouver Centre): I say, his purpose was contained in the last few sentences.

Mr. ROSS (St. Paul's): I cannot hear the hon. gentleman.

Mr. MACKENZIE (Vancouver Centre): I cannot be responsible for my hon. friend's lack of hearing facilities.

Mr. ROSS (St. Paul's): The gentleman's voice is so loud that it is difficult to hear him.

Mr. MACKENZIE (Vancouver Centre): This diatribe was made by the man who was condemned for his own administration of the hospitals overseas, in Sir Andrew MacPhail's "History of the Canadian Medical Services,"—

Mr. GRAYDON: Was Sir Andrew MacPhail competent to do that?

Mr. MACKENZIE (Vancouver Centre): — and commiserated by Sir William Osler in the same book.

Mr. BRUCE: Mr. Chairman, I rise to a point of order, I ask the minister whether the man whom he calls Sir Andrew MacPhail was not relieved of his duties as historian of the medical services because his first book was inaccurate and untrue.

Mr. MACKENZIE (Vancouver Centre): If he was so relieved, he only shared the distinction of my hon. friend.

I should like to deal with this question with the greatest possible restraint.

Mr. BRUCE: It will be the first time you have done that.

Mr. MACKENZIE (Vancouver Centre): I feel it most difficult to do. I do not mind attacks upon myself personally, because any of us in public life must expect these things. But this is a campaign conducted by those sinister Siamese twins, the political Georges of Ontario.

Mr. ROSS (St. Paul's): Nonsense.

Mr. MACKENZIE (Vancouver Centre): But I was through it before.

Mr. ROSS (St. Paul's): Just nonsense.

Mr. MACKENZIE (Vancouver Centre): I remember when they said that the Bren gun factory was a disused boiler house, and it is to-day the finest arsenal of production in the whole British empire. This hon. gentleman and his political fellow-conspirators—

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: On a point of order,—

Mr. BRUCE: Withdraw that remark.

Mr. MACKENZIE (Vancouver Centre): I am glad to see these protests.

Mr. BRUCE: This from the minister who has thumbed the rules of this house so much that he has nearly worn them out.

Mr. BOUCHER: On a point of order, I ask the minister to withdraw his statement. Where is the restraint, the equilibrium, the dispassionateness which he said he would like to have, when he calls members of the opposition "political conspirators"? I think he should forthwith withdraw his remark.

Mr. MACKENZIE (Vancouver Centre): I certainly will so far as the hon. member for Carleton is concerned. I regard him as one of the finest men in this house.

Mr. ROWE: After all, Mr. Chairman, the rules of this house are for both sides. The hon. member for Parkdale was taken out of this house the other day because he used a word which you, sir, and the Speaker of this house said was unparliamentary. The word was about a bill, or an act. We accepted your ruling, naturally. But here to-day—

Mr. MACKENZIE (Vancouver Centre): Oh, no; you protested.

Mr. GRAYDON: We protested, and then we accepted. We had to, under the rules.

Mr. ROWE: The hon. member had to leave the house because the word "bribery" was used by him in reference to a bill or an act. Now we have a minister of the crown—

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. ROWE: There is no point of order raised by the minister. I am on a point of order. The minister now speaks of the hon. member for Parkdale and "his fellow-conspirators." What about the rules of this house? Are they for one-half of the house only?

Mr. MACKENZIE (Vancouver Centre): I would say that it refers to the two individuals I mentioned outside.

Mr. MACDONALD (Brantford City): He has not referred to anybody here.

Mr. MACKENZIE (Vancouver Centre): I was not referring to any member of this house.

Mr. ROWE: The minister referred to the hon. member and "his fellow-conspirators." He knows that "fellow-conspirators" is unparliamentary.

Mr. ROSS (St. Paul's): Mr. Chairman, on a point of order—

The CHAIRMAN: The minister is speaking to a point of order. An hon. member cannot raise a point of order on a point of order.

Mr. ROSS (St. Paul's): Is he speaking to a point of order? I should like to know what it is.

Mr. MACKENZIE (Vancouver Centre): I said that my statement did not reflect on any hon. member of this house, therefore it is not out of order.

Mr. ROSS (St. Paul's): On the point of order: the minister said of the hon. member for Parkdale that he was a conspirator.

Mr. MACKENZIE (Vancouver Centre): No.

Mr. ROSS (St. Paul's): He did say that. He said, he and his fellow conspirators. That is what he said, and, Mr. Chairman, the hon. gentleman must withdraw his remark absolutely. There is no conspiracy. All you have got to do when you think about this thing is to pick up some of the papers and see whether there is a conspiracy or not.

Mr. MACKENZIE (Vancouver Centre): That is the conspiracy.

Mr. ROSS (St. Paul's): No, sir. The hon. member must withdraw his remark.

The CHAIRMAN: Order. If I cannot get order, gentlemen, I shall have to name someone, or report to the whole house.

Mr. ROSS (St. Paul's): We ask that the hon. member withdraw his remarks.

The CHAIRMAN: If the hon. member for St. Paul's does not sit down when another hon. member has the floor I must exercise the authority of the Chair.

Mr. CASSELMAN: You cannot have it both ways.

The CHAIRMAN: Order. The time has now arrived in a very lengthy session when it should be possible to conduct a proper discussion.

Mr. MACKENZIE (Vancouver Centre): I think possibly, Mr. Chairman, I can end this right away.

Mr. BOUCHER: The minister said in his statement that he did not refer to any hon. member in this house. We may judge that from what he said originally, when he said "you and your fellow conspirators"; then he said, "I did not refer to any member of the house." The hon. member for Parkdale likewise said when he spoke of political bribery that he did not refer to any member of the house.

The CHAIRMAN: Order. A decision was rendered on the statement made by the hon. member for Parkdale. This is neither the time nor the place to revive that matter; it can be done only when Mr. Speaker is in the chair.

Mr. BOUCHER: I am just referring to that, sir, as a means of guiding you, as a precedent for your decision on this point. On a previous occasion a member of this house—I need not mention his name—said that when he referred to an issue as "political bribery" he was not referring to an individual or any individual member of the house. The Minister of Pensions and National Health has said likewise. The statement of the hon. member who said previously that he was not referring to any member of the house was not accepted, but a retraction was exacted, and having been refused, the hon. member was punished by being expelled from the house.

Mr. ROWE: And the minister moved the motion.

Mr. BOUCHER: I should add, upon the motion of the Minister of Pensions and National Health himself, and the punishment was on the motion of the Prime Minister. I now say that, by virtue of a precedent already established, the Minister of Pensions and National Health must unequivocally recall the statement he made and the allegation he made, or he must be dealt with by the house.

Mr. MACKENZIE (Vancouver Centre): I thank my hon. friend for his assistance. I think I am fairly familiar with the rules, and I say without the slightest hesitation that, if my remarks can be construed in any way whatsoever as reflecting on any member of the house, they are completely withdrawn.

Mr. ROSS (St. Paul's): They certainly reflect on this hon. member.

Mr. BOUCHER: I think the minister should make an unconditional withdrawal.

Mr. MACKENZIE (Vancouver Centre): I have made an unconditional withdrawal.

Now, Mr. Chairman, after this breeze, let us discuss the situation which has been introduced here repeatedly by the hon. member for Parkdale. He said one thing and one thing only in his address with which I can agree; that is, that every member of the house desires to provide the best possible medical and hospital facilities for those who are coming back. That is the unanimous desire of the house. I do not mind public attack in the slightest; I have been under it before; but I deplore the breaking of a tradition we have had in this house for twenty-five years, in having the slightest suggestion—I am not referring to my hon. friend, so that I shall not be ruled out of order—of political

attack in respect of the affairs of our returned soldiers. I think that that is the thing which is most to be condemned. We should agree to fight on questions of tariffs, of trade, of finance, of reconstruction policies if you will, but on this one question the house should be united at all times, and it always has been. Among the committees in which I have had the honour, sometimes in a private capacity, at other times in a public capacity, to participate, I have never seen a finer sense of trusteeship to the nation than in the returned soldier committees of this house.

The result of it all has been that we have to-day by and large, with certain flaws and faults and weaknesses, the finest fabric of returned soldier legislation of any country in the world. Let no party claim all the credit for that. It has come from the generous heart of this parliament, of the various parliaments since 1918-19. Look at Christie street. I hate to refer to it. It is a legacy from the old Tory union government. I did not found Christie street. When I became minister of the department I had to do the best I could with the institutions at our command, and I say this without the slightest hesitation to-day, that for brilliancy of staff work and medical care it is not excelled in the whole dominion, and has been rated number one by the American Medical Association.

My hon. friend referred to preparations made in the United States. What is the situation? The United States veterans bureau were unable to build sufficient hospitals two months ago and reported 200,000 beds behind. What is our situation? We are ahead in Canada. At the present time there are beds completed available for use, 8,317; under contract, 2,322; plans in preparation, 3,585; under advisement and approved in principle, 1,314; in Hamilton 200, in Victoria 250, or a total of 7,671. That gives a grand total of 15,988 beds, or available, to accommodate, between now and Christmas, 20,000 casualties in the dominion.

My hon. friend spoke about Deer Lodge. We have a committee for hospitalization, consisting of the four departments of government, which has recommended that 400 beds be put at Deer Lodge in preference to the conditions at the General hospital in Winnipeg, which was the occasion for condemnation referred to by the hon. member for Parkdale in connection with a certain journal in the city of Winnipeg. We have been working on this matter not for months but for the last four or five years. All departments of defence and the department of pensions have been working at it and we have a war hospitalization committee to deal with the recommendations from the various departments and pass upon them in the light of medical, surgical and hospital administration experience; and when my hon. friend sets himself up as a special authority on hospital administration, I do not find that borne out by the facts that have come to my attention. I say at once without the slightest hesitation that these distinguished medical men who comprise that medical hospitalization board are far more competent to advise me and my colleagues in the defence services, and to advise the country in regard to the actual necessities of hospital accommodation, the adequacy or inadequacy thereof in this country, than is my hon. friend the member for Parkdale.

I deprecate in the deepest possible way the intrusion of political considerations—I think I put it mildly—into this vital question. I would pray that this house be united upon this question. I should like to see, if you like, a joint committee of all the parties in this house to look into the question to see if our preparations are adequate, to advise us, to cooperate with us, and to satisfy themselves that all the arrangements we have made and have now in contemplation throughout Canada will be sufficient to carry out that sacred purpose of seeing to it that these gallant fellows overseas to-day who are making freedom possible for us at home shall receive every possible care when they come back.

Talk about delay in connection with Sunnybrook! I can tell my hon. friend, and he knows them, who the architects are. I assure the committee that not one single hour has been lost that could have been saved in regard to Sunnybrook.

Mr. BRUCE: I never suggested it.

Mr. MACKENZIE (Vancouver Centre): My hon. friend in this house a few minutes ago suggested that we could proceed with buildings immediately without the slightest delay or hesitation, apart from plans and specifications. I wonder if there are any practical construction men in this house who know what is necessary in connection with plans and specifications. That is the most stupid and inane suggestion I have ever heard from a so-called intelligent man.

Mr. BRUCE: On a point of order, I would like to tell the minister that I have said nothing of the kind.

Mr. MACKENZIE (Vancouver Centre): I am glad to hear it.

Mr. BRUCE: I reported the opinion of Mr. Williamson and also of Colonel Reynolds, both engineers and capable of giving an opinion.

Some hon. MEMBERS: Order.

Mr. MACKENZIE (Vancouver Centre): Mr. Chairman, I am only a layman, only an amateur, and I place myself within the judgment of the construction association of Canada or of the architectural association of this dominion when I say to you definitely, and without the slightest hesitation, that the suggestion made by the hon. gentleman—and I have seen it in some of the press—is entirely impossible of attainment. He referred to Christie street. I am not in order, but I have a letter signed by twelve patients of Christie street, with the names and regimental numbers, showing their gratitude for the treatment received at Christie street and calling the attack made by the hon. gentleman and by the *Globe and Mail* nothing but a political attack, which I believe it is.

Mr. BRUCE: Mr. Chairman—

Some hon. MEMBERS: Order.

Mr. BRUCE: I would ask the minister if these testimonials to which he has referred are not testimonials to the excellent treatment these men have received from doctors and nurses at the hospital, and which I have not in any way criticized.

Mr. MACKENZIE (Vancouver Centre): If my hon. friend challenges me I suppose I can break the rules and reply to him. Let me quote:

> In our opinion the whole idea behind this publicity is nothing more or less than politics. They have taken a few bad aspects of Christie Street hospital and made it appear as though these aspects are typical of the whole hospital and of the hospital staff. Nothing could be further from the truth. The effect of this publicity—

I want to stress this, sir.

Mr. GRAYDON: Who signed those letters?

Mr. MACKENZIE (Vancouver Centre): I am going to come to that before I finish.

Mr. GRAYDON: Don't get uneasy about it.

Mr. MACKENZIE (Vancouver Centre): It is my hon. friend who is getting impatient.

Mr. GRAYDON: The hon. member says that I am impatient when I allow him to get away with the word "political" when as a matter of fact there is nothing political about it.

Mr. MACKENZIE (Vancouver Centre): To continue:

> If it was the result of actual conditions, it might be justified, but when conditions are nothing like the *Globe and Mail* article would indicate, then it can only be taken for granted that politics, not the feelings of mothers, are the principal consideration.

That is signed by the following persons:

> Yours sincerely, Robert B. G. Gray, F. E. Grant, Reg. No. 296, Wm. Reeves, 186227, A. Patterson, G. A. Brown, D. F. Williams, Robert Stewart, C. Mellett, Fred Shier, W. D. Hunt, R. J. LeBlanc, G. Hamilton, J. Hemlam, G. G. Love, C. J. Gilmore.

Here they say that politics more than the consideration of the feelings of mothers is apparently what counts, What has worried me more than anything else is the effect of this discussion on the morale of the next of kin at home, and its effect, through the press, on the boys themselves overseas. If they believe these things to be true, Mr. Chairman, what will be the effect? This is a human parliament. This is a kind-hearted parliament, and this parliament would not stand for twenty-four hours for any condition of unkindness to these lads who have done so much for us, because this parliament is the judge and interpreter of public opinion in this nation and it has always been true and has stood true to these lads who have saved us and are still saving us. And when you find this sort of stuff coming out, just to attack a public man—well, that is not of the slightest importance in itself, but what are we to think of its effect on the boys? As an attack on a public man it is not of the slightest importance, because you must expect that from one side or the other. But when it has the effect of getting the mothers and the next of kin disturbed across the broad acres of the nine provinces of Canada, and when it has the effect of disturbing the morale of the lads overseas, the lads who this afternoon are in Florence and in Normandy—well, Mr. Chairman, I can find no words sufficiently strong to condemn it.

Regardless of our ordinary political battles—let us fight on other things—let us join together and cooperate on this question. If the leader of the opposition, who himself has a fine heart would like to have a committee come in with us, or my friends of the other parties, to go into the whole situation, I shall be very glad to have them do so. If they can tell us where we can correct the things that may be wrong, they will be corrected at once, because the united judgment and the united heart of parliament should work in the

direction of tender loving care of those who are saving us by their examples and their heroism.

Mr. MacDIARMID: I am much relieved after hearing the minister's explanation of the situation at Christie street hospital. It makes the hearts of those who have loved ones suffering overseas in our behalf very heavy to read articles and to hear remarks made in this house to the effect that Christie street hospital is an old factory. I was very much perturbed about that. Since hearing the explanation of the minister a great load has been lifted from my mind. I accept his explanation and I congratulate him upon the great work he and his department are doing. He is the No. 1 minister of health in my opinion now.

Mr. ROSS (Calgary East): It seems to me that we have had sufficient discussion on Christie street hospital and I intend to change the subject. There is one matter in respect of which the ex-service men of the last war are, in my opinion, in my riding at least, not getting a fair deal, and I wish to direct the minister's attention to it. Under the Soldier Settlement Act, 1919, a great deal of land was acquired. Much of the land in my province is owned by the farmers outright. They not only own the surface rights but the mineral rights. They acquired everything in the land from the centre of the earth below to the sky above, with the exception of gold and silver in the land. The entire land, surface and mineral rights were acquired by the soldier settlement board. When they sold the land they carried into the contracts those same terms; but when it came to conveying title—it was sold under agreements for sale—they withheld the mineral rights. I suggest that is not right. The price paid for that land was an entire price. It covered the minerals in the land and the surface rights. To withhold the mineral rights is improper and unjust. I suggest to the minister that it is just as wrong for the government to confiscate the property of a private individual as it is for one private individual to confiscate the property of another. It is just as wrong to take the property rights from a soldier wrongfully as it is to take them from any private individual. This is a matter which should be set right.

I wish to refer to a couple of sections of the Soldier Settlement Act. Paragraph (a) of section 16 reads as follows:

> Where the parcel to be sold has been separately acquired the sale price shall be the cost of the parcel to the board.

[Mr Ian Mackenzie.]

Under that section the soldier settler who is purchasing the land would be entitled to the mineral rights as well as the surface rights. He is entitled to the entire land because it was bought entirely by the board. The two properties, mineral rights and surface rights, were not bought separately. They were bought as an entire deal from the board, and the government is doing wrong in splitting it up and selling one part to the soldier settler and holding back the other part and not allowing the soldier settler to have it. They are withholding that under section 57, which is inconsistent with section 16 (a), which I have read. Section 57 says:

> From all sales and grants of land made by the board, all mines and minerals shall be and shall be deemed to have been reserved, whether or not the instrument of sale or grant so specifies, and as respects any contract or agreement made by it with respect to land it shall not be deemed to have thereby impliedly covenanted or agreed to grant, sell or convey any mines or minerals whatever.

These are two inconsistent sections. Unfortunately the board is following section 57 rather than section 16(a). Can the minister not do something about it in order that the soldiers may receive justice under this section?

Mr. MACKENZIE (Vancouver Centre): Mining does not come under my department, but I shall be very glad to draw my hon. friend's remarks to the attention of the appropriate department.

Mr. ADAMSON: When was the rule changed? I understand that the McIntyre mine is partly on a claim called the Platt Veteran claim which is part of a farm of a veteran of the South African war, I believe. Has the policy of the department been changed with regard to the lands granted as farms to veterans?

Mr. MACKENZIE (Vancouver Centre): My hon. friend must realize that I know nothing whatever about mining; it is not under my department, but I am very glad the hon. member has brought up the question.

Mr. ADAMSON: I should like to know, because I know of cases where veterans have received proceeds from minerals.

Mr. MACKENZIE (Vancouver Centre): I shall be very glad to draw my hon. friend's remarks to the attention of the appropriate minister.

Mr. MacNICOL: I regret that I am compelled to bring up two cases that I brought up before. I do not like repetition, but if the minister will pardon me I shall try to present them once again in the hope that at this time

the case of these two returned soldiers I shall refer to will be looked into by the minister. I feel confident that if the minister with his sympathetic heart would interest himself in these cases something would be done. Perhaps it is contrary to the act, but something must be done or there will be trouble in Toronto. We do not want that. Both these men are planning to parade on the streets. They have placards ready with printing on them about Christie street hospital and so forth. I have seen the placards. I feel it my duty to refer again to these cases to try to prevent if possible any further controversy over the treatment of the veterans there. I refer to William Robertson, No. 534262, 18 Somerset street, Toronto. The other day I saw a card from Doctor Ormston Smith, of 3 Regal road, who lives not very far away from where I reside. This card was addressed to William J. Robertson, Log Cabin, Muskoka, telling him to go on a milk diet again for the relief of stomach ulcers. I cannot understand it. Every time this man goes to the hospital he seems to say things which are resented by the doctors in that hospital with whom he comes in contact; I know the names of those concerned, but I do not care to use them. I am very much afraid he is not receiving the consideration he should receive. He is unwell. I have been to see him many times.

Mr. MACKENZIE (Vancouver Centre): What is the complaint? Is it treatment or pension?

Mr. MacNICOL: He gets a small pension, $22 a month.

Mr. MACKENZIE (Vancouver Centre): What is the complaint—not enough pension?

Mr. MacNICOL: Yes, it is not enough for his disability. In my judgment he is very badly disabled. On many occasions I have found him lying on his bed with froth running out of his mouth, apparently suffering from congestion through having been gassed, though when he goes to Christie street they tell him he has not been gassed. Well, his condition shows it. I have seen him when I did not think he was going to live very long. The fact is that to-day he is in Muskoka to try to recuperate not all at his own expense but partly at the expense of a friend.

Mr. MACKENZIE (Vancouver Centre): He is a veteran of the last war, I take it?

Mr. MacNICOL: Yes. I might add that he is a brother Scot, and he has that Scottish characteristic of resenting what he considers unfair treatment. He bitterly resents the treatment which has been given him. I am convinced that if somebody who has nothing whatever to do with Christie street hospital should examine him; if he could be sent to some other hospital where they do not know anything about him, he would be sympathetically treated and given the consideration to which he is entitled.

Mr. MACKENZIE (Vancouver Centre): We can do that.

Mr. MacNICOL: I am satisfied that he is entitled to consideration which he is not getting. Furthermore, I do not believe he can live very long under present conditions.

Mr. MACKENZIE (Vancouver Centre): We can do that.

Mr. MacNICOL: That is fine. The other is that of a man named George Stevens, 57727, 416 Salem avenue, Toronto. I have known Stevens for the last fifteen or twenty years; he is a returned soldier. For some reason or other they are also down on him at Christie street. I am not blaming Christie street in either case, but for some reason or other neither of these men get on well when they go there. I have seen Stevens sitting on the sidewalk, trying to catch his breath and give his heart a chance to come back strongly enough to enable him to get home. He does not work, though the last letter I had from the department said he was working.

Mr. MACKENZIE (Vancouver Centre): Is he pensioned?

Mr. MacNICOL: Yes, he gets $20 a month, but he lives under conditions such as no returned soldier should be asked to endure. When I hear all this talk of the last few days about taking care of the returned soldiers, and think of these two men, I just cannot figure out why they are not treated as they should be. Stevens enlisted on November 11, 1914; he was wounded in action in April, 1916, and sent down to No. 18 general hospital. He was offered leave thereafter, but instead of taking the leave to which he was entitled he went back into the line and was captured at Ypres on June 2. The department has the record.

What were the circumstances in this man's case? He and some others were in a dugout when the trench was captured by the Germans, who told them to come out otherwise they would throw grenades and blast them out. They came out; they were lined up against the trench, and perhaps because there were too many of them to be handled safely the Germans debated as to whether or not they should be shot. As a matter of fact they were getting ready to shoot these prisoners when a higher officer came along and stopped them.

What these men went through from that time until they were released in 1918 was worse than hell; I cannot picture it. For days they were compelled to carry out their own wounded, and they went through a great deal. Why the departmental officials here in Ottawa or those at Christie street hospital have kept these poor fellows suffering all through the years, starving to death, subsisting on what was not fit for returned soldiers, is something I cannot understand, when the act says they should be given the benefit of the doubt. In behalf of these men I saw the late General McDonald, than whom there was no finer or better loved administrator in the department. The last time I spoke to him here in Ottawa was shortly before he died, and I was in his home town of Banff on the day of his death, intending to call upon him and thank him for what he had told me before leaving Ottawa, as to what he was going to do for these two men. Well, nothing was done for them. He was very kind to them; I believe he and some others paid their expenses while here and paid their way back to Toronto. I am going to appeal to the minister once more. The department will not do a thing for these men. Whoever is in charge of these matters, with whom these people have to get in touch, will do nothing for them. I believe there is in the department a file of letters several feet high concerning these men.

Mr. MACKENZIE (Vancouver Centre): What was the reason given for turning them down?

Mr. MacNICOL: I imagine it was because of the language they used in their letters; the information I get from the department is that they do not like the way the letters are written. I can well imagine men who have been turned down but who know they have a good case writing letters which would not be very well received by the department. I must say the men in the department have always been very courteous to me, and I could not wish for better officials than those with whom I have had to deal. But I should like to see these two cases settled. They are the only two of the kind I know of in all my contacts with the department since the great war that have not been settled. The department has always done its best in dealing with any case I have brought up, with the exception of these two men, who I am convinced have a one hundred per cent claim. They are not getting what they deserve. I am not going to blame anyone for that, but I would ask the minister to interest himself personally in these two cases, and not to pay any attention to the letters that have been written in the past. Start all over again; if necessary bring them both to Ottawa, or send them to some hospital away from Toronto. I venture to say that the minister, with his sympathetic heart, will see that they get the benefit of the doubt, as they should under our legislation.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to see that both cases are reviewed at once.

Mr. ROSS (St. Paul's): Mr. Chairman—

The CHAIRMAN: Order. The hon. member for Parkdale wishes to conclude his remarks, I believe.

Mr. BRUCE: In view of some of the statements made by the minister a few minutes ago I should like to offer a few further observations. The minister spoke of this being a political attack. I want to say, Mr. Chairman, that as far as I am concerned it has nothing whatever to do with politics. I am a humanitarian, not a politician, and it is only on humanitarian grounds that I have ventured to intercede in behalf of the returned wounded men. The minister has mentioned the number of beds available for these men. I would say to him that it is not a question of the number of beds; the question is where you put those beds. You need suitable buildings, adequately equipped with modern conveniences, in which to house our wounded; and up to the present that situation has not been met.

I just want to refer to one other thing the minister mentioned in his very impassioned address. He referred to my work in the last war. I have no hesitation in inviting anyone to review the work I did in the last war.

Mr. ROSS (St. Paul's): And no apologies to make.

Mr. BRUCE: I suffered then, as many people have at other times, from the politicians. And it was for political reasons and no other that I left the Canadian service and went to the British service. I say that because at that time my own party was in power, and the minister of militia was a Conservative.

When I was asked to investigate the situation in regard to the hospitals in England in 1916 I looked around and got hold of men who were familiar with the situation in England, in surgery, medicine, neurology, and other branches of the medical service. We made an investigation, and we reported the actual findings of our investigations, without colour. I asked the minister whether my report was to be a confidential one and he replied in the affirmative. As a consequence we simply

stated bald facts, without any veneer. Somebody took my report and handed it to a Liberal newspaper in Toronto. From day to day they published a certain section of that report. As a consequence of that there was a good deal of criticism in Canada with respect to the medical service overseas; and the minister in charge thought that to quiet that criticism the best thing he could do would be to appoint a board to inquire into the medical services which I had investigated. He selected as chairman for that purpose Sir William Babtie, a British medical officer who had been in charge of the medical services in Mesopotamia, and who was severely criticized for the mishandling of the wounded there and was relieved of his office. Three or four other medical officers, then in France, were brought back to England to join him. They did not investigate the hospitals we had investigated, but they sat in a room in St. James square and investigated me and my report. And upon that investigation they wrote a whitewashing report which was submitted to the minister and duly reported to Canada. The object was to quiet the unrest which some people felt, lest the wounded were not being properly taken care of.

We made twenty-four recommendations in that report. Those recommendations were made to remedy the defects we found in that service. Each of those recommendations was adopted, which proved conclusively that the criticisms which the recommendations were to remedy were well founded. Later on a certain junior medical officer who was at headquarters in London, Captain Andrew MacPhail, came to Canada and was given the job of writing the medical history of the war.

Mr. GRAYDON: He was not even a doctor, was he?

Mr. BRUCE: No, not even a doctor.

The ACTING CHAIRMAN (Mr. Golding): Order.

Mr. BRUCE: I am only replying, and I suggest I am quite in order. The minister made an attack upon me, and I am replying to his attack. I would not have mentioned this, had he not introduced the subject. Captain MacPhail wrote the first volume of what was to be the medical history of the war, and it was so prejudiced and so untrue that officers from all over Canada wrote to the press at that time complaining of inaccuracies and untrue statements contained therein. Amongst them was Colonel George Nasmith, of Toronto, who during the war rendered brilliant service in France, and was responsible for discovering the proper method of dealing with the first gas attack suffered by the Canadians overseas. I think perhaps the Minister of National War Services will recall that. He wrote a letter to the press in which he denied the accuracy of that so-called history. So many of these complaints were made to the department of government that they cancelled the commission to Captain MacPhail to complete the work with the result that he stepped out of the picture and did not continue to write the remainder of the history of the war. I think that is a complete answer to the criticism which has been made.

Following that I spent two years in France as consulting surgeon with the British army.

The minister has seen fit to dig up something from the last war which he thinks might discredit me. Therefore, although I dislike doing so, I shall refer to something about himself, found in the debates of the House of Commons of February 13, 1939, where this statement is made by Mr. Cahan—

The ACTING CHAIRMAN (Mr. Golding): Order. I do not think it is in order for the hon. member to carry on this discussion. He has answered the minister, and I think that is sufficient. We are in committee. The debate must be relevant to the item before us.

Mr. GRAYDON: On a point of order, the chairman has said that we are in committee, and I think the hon. member for Parkdale has the right to proceed for that reason. I do not think the chairman is yet in a position to assess what the hon. member is going to say in connection with the general situation under discussion.

Mr. BRUCE: I submit that what I am about to say—

The ACTING CHAIRMAN (Mr. Golding): Order. The item before the committee is for departmental administration. What the hon. member is about to refer to has nothing to do with this matter.

Mr. ROSS (St. Paul's): If the hon. member for Parkdale has something to quote which is relevant to the discussion, he would be at liberty to do so and, with all due respect to you, Mr. Chairman, I do not think you can make a decision until you hear what the hon. member is going to say.

Mr. MACKENZIE (Vancouver Centre): Anything I said was connected with hospitals, and the matter we were discussing. It was therefore germane to the discussion. Anything else is entirely out of order.

Mr. BRUCE: I submit what I am about to say is relevant to the matter under discussion, which is as to the competency of his administration—

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. BRUCE: —in respect of the provision of adequate hospitalization for our wounded.

Mr. Cahan says, as reported at page 886 of *Hansard* for 1939:

As I have already stated, the Minister of National Defence has proved inattentive and neglectful of his primary duties, and, on the whole, has shown himself incompetent for the efficient administration of the most important work of his ministerial office.

Mr. MACKENZIE (Vancouver Centre): More politics.

Mr. BRUCE: It continues:

If that minister is really sincere in the professions and protestations which he made to this house on Thursday evening last; if he really sincerely desires, despite his manifest ineptitude and inefficiency, that proper measures may now be taken, quoting his own words—

"—to provide such measures of national defence and security as will preserve the welfare and well being of our Canadian people—"

—then he should forthwith place his resignation in the hands of the Prime Minister.

Mr. MACKENZIE (Vancouver Centre): The answer is that I was elected by the biggest majority of my life, and Mr. Cahan was licked.

Mr. ROSS (St. Paul's): I have a few words to say in connection with this matter. Criticism can be levelled at any man in public life, and criticisms certainly are levelled at the minister. Nobody can question the hon. member for Parkdale, so far as his knowledge of hospitals is concerned. He is a reputable surgeon, and has defended himself here to-day in this House of Commons.

Mr. MUTCH: What is this, a nominating convention?

Mr. ROSS (St. Paul's): Well, so far as that is concerned—

Some hon. MEMBERS: Order, order.

Mr. ROSS (St. Paul's): —the hon. member needs no defence. He does not need any defence on medical grounds. I think everyone knows who he is; they know what he has done in a medical way. So far as the Department of Pensions and National Health and Christie street hospital are concerned he has not spoken in a partisan way. And neither will I.

There are none so blind as those who will not see. That is the whole point about it. It is true that there are vacancies at Christie street, but a good many of the boys would rather go home than stay there and have proper treatment. I go there quite often. One of my business partners was shot through the spine and could not walk, and he has been there for many years. I used to go there to see him and the living conditions were disgraceful. We do not need to go into the details of these things. I do not know anything about the administration of the hospital, but I think it is pretty good. However, I should like to say a word about the doctors. A great many of them are giving a good deal of their time free and they are just about the finest men you can find in this country.

This afternoon the minister referred to the hon. member for Parkdale and his conspirators. I do not know who the hon. member's conspirators could be in connection with this matter. All you have to do is see what is in the press. This is not good enough for our returned men. Hon. members have been quoting a lot of papers, but I have here one of the finest papers that is written. It is a weekly newspaper published in Orillia where my dear old friend Stephen Leacock lived, the *Packet and Times*. The minister is laughing. He is Highland Scotch just like I am. I wish I had as good a command of English so that I could go after him the way he goes after some other members in this House of Commons. The first picture in this paper shows the view from the bed of an amputation case in an annex at Christie street hospital. A travelling crane and a derrick haul steel girders to two electric saws. How can a man sleep with the bang, bang, bang of those machines all the time? They would be slamming back and forth all over the place and yet this fellow has had an amputation. Every twenty minutes a train passes this hospital. The caption of this picture reads:

The wall of the main hospital building can be seen beyond this freight train as it chuffs smoke and soot to drift in through open windows and to cling to screens.

From the picture the track would appear to be no more than thirty feet from the building. The next picture shows what happens to a hand when it is wiped over the window sill, despite the valiant efforts of the staff to keep things clean. This is not from the *Globe and Mail*, the Toronto *Telegram* or anything like that; these pictures are in an independent weekly newspaper. I know these fellows and I know they know what they are talking about. I am approaching the situation on a non-partisan basis. This hospital should have been out of there years ago. We should have done something about it.

We have been spending millions and millions and billions and billions, and yet we cannot find two or three million dollars to put up a proper hospital for these fellows. That is all I have to say about the matter.

As I said before, I am going there again on November 11 and the minister and I are going to dig up another sod. There will be a couple of bands around, although I do not know what we shall have this time. Somebody asks if there was any liquor last time, but I do not know because I could not find any. We shall have to have another little silver spade and all that.

These pictures show the conditions under which these returned men have to live. They are conditions which should not exist in any hospital. The hon. member for Parkdale who has just left will remember the great agitation we had in connection with the old general hospital in Toronto which was overrun by cockroaches and everything else. Finally, after a great deal of trouble we got our present fine hospital. It always seems to take so much work to get rid of the conspirators that prevent these things from being done. The next picture is a view of the roof ward where twenty-seven bed cases, some of whom have been on their backs for more than a year, are housed. It states that they share three electric fans. There are twenty-seven bed cases and they share three electric fans. Just think of that—three electric fans! We kick because it is hot in the House of Commons. We have no electric fans here in the chamber, but we do have in our rooms.

Mr. MACDONALD (Brantford City): You must speak for yourself about electric fans.

Mr. ROSS (St. Paul's): Haven't you one?

Mr. MACDONALD (Brantford City): I have not one.

Mr. ROSS (St. Paul's): Then I suppose you have one of the cooler rooms. Twenty-seven bed cases with only three electric fans! Then it states that the steel-beamed roof has no ventilator and pockets the hot air in it. Then another picture is a typical ward with eighty-two beds in one room. Just think of that—eighty-two beds in one room!

Mr. MACDONALD (Brantford City): What is the size of the room?

Mr. ROSS (St. Paul's): What difference does that make?

Mr. MACDONALD (Brantford City): It makes a great deal of difference.

Mr. ROSS (St. Paul's): Have you been there?

Mr. MACDONALD (Brantford City): I have been there and I have also been in a hospital.

Mr. ROSS (St. Paul's): Have you been there recently?

Mr. MACDONALD (Brantford City): I have been in the hospital as a patient where there were a great many of us. Many soldiers would prefer being in a large room and have the companionship of other men than to be in rooms by themselves.

Mr. ROSS (St. Paul's): Oh, yes, I think you are probably right to a certain extent, but think of eighty-two beds in one room. Have you been there to see the hospital?

Mr. MACDONALD (Brantford City): I am not defending the hospital; I merely asked my hon. friend the size of the room.

Mr. ROSS (St. Paul's): I have a friend in the hospital; I have been there very often and I know the condition. I am asking my hon. friend whether he has been there or not to see conditions as they exist at the present time?

Mr. GLADSTONE: Was the hon. member there between 1930 and 1935 when his party was in power?

Mr. ROSS (St. Paul's): What difference does it make whether my party was in power or any other party was in power? The hospital is a disgrace. As a matter of fact it was taken over as an emergency and carried on by all parties. It was carried on from 1921 when your party was in power and nothing was done about it. When your party came into power in 1930 why did they not do something about it? Why did they not do something about it from 1921 on? I am going on with my argument. Eighty-two beds in one room where the men in the centre of the room have to yell for an orderly because there are no signals except on the wall beds. When this picture was taken most of the patients were out of the room. All you have to do is to look at these pictures to see the conditions under which these men are living. Are these the conditions to which we are going to bring our men back? As has been so convincingly said by other hon. members, it does not take much money to build a real hospital. At Gravenhurst, the old tuberculosis establishment, there are German prisoners at the present time. Why not put the German prisoners in Christie street hospital and take our boys out to Gravenhurst? There's an idea, but for heaven's sake, let us do something about it. I am not talking in a partisan spirit; I am pleading with the minister to do something. Let us get Sunnybrook started.

Mr. MACKENZIE (Vancouver Centre): It is started.

Mr. ROSS (St. Paul's): What has been done?

Mr. MACKENZIE (Vancouver Centre): The contract has been let.

Mr. ROSS (St. Paul's): It has just been let. We had something happen the other day, did we not, just for show?

Mr. MACKENZIE (Vancouver Centre): Oh, no.

Mr. ROSS (St. Paul's): Oh, yes. We had something happen the other day just for show. What happened was this. Someone went over and did a little bit of grading.

Mr. MACKENZIE (Vancouver Centre): Oh, no.

Mr. ROSS (St. Paul's): What does that mean? It does not mean a thing at all.

Mr. MACKENZIE (Vancouver Centre): Mr. Chairman, I must correct my hon. friend. The contract was let the other day, for $2,800,000, for construction, which entails at least four hundred beds and other units of the hospital. It is only fair to have these facts come out.

Mr. ROSS (St. Paul's): The contract has been let. I am glad of that, so that I shall not have to go there with the hon. member and dig another sod this year. But we have to do something worthwhile about the situation. We cannot continue to keep these men at Christie street hospital. If the minister had spent as much time as I have with the boys there he would know more about it.

I have taken many things up with him, and at this point I must congratulate him upon the fact that he has corrected some of them to a great extent. I give him that degree of credit. But the hospital must not be continued in Christie street. It is just no good.

Mr. MACKENZIE (Vancouver Centre): I have another appointment at five o'clock, and if my hon. friends will allow me, we will transfer back to the Post Office estimates now and resume those of my department as soon as possible.

Item stands.

POST OFFICE DEPARTMENT

242. Departmental administration, $699,070.

Mr. CASTLEDEN: I do not wish to thresh over any old straw this afternoon, but just to draw the minister's attention to the case of the Dafoe post office. There were returned soldiers who made application for that position. I think, if the minister would look into the situation, he could remedy what in my opinion is not a satisfactory state of affairs. I believe he would agree with me if he looked into the matter.

Mr. MULOCK: I am very glad to consider the hon. member's suggestion. I understand that no applications by returned men were received until after the position had been filled, and that the applicant referred to earlier in the day who was in the post office was not a returned soldier. It being Saturday, I have not been able to obtain the file, but I shall be glad to look into the matter as suggested.

Mr. CASTLEDEN: Thank you very much.

Item agreed to.

243. Post offices, including salaries and other expenses of headquarters and staff post offices and supplies and equipment for revenue post offices, $18,998,373.

Mr. STOKES: Why is it that in the city of Belleville, where we have quite a staff of letter carriers, some of them have been classed as temporary for a number of years? They are veterans. I understood that there was an arrangement by which at least ten per cent of the staff would be classed as temporary, but in this case about thirty per cent of our staff is temporary. Also the salaries of these men are being kept down. I believe they have been working on salaries of about $1,060 a year. I should like to know why these men are not made permanent.

Mr. MULOCK: I am advised by my officials that the reason is that there are no vacancies on the permanent staff at the present time. So far as the salaries are concerned, I understand that as temporaries their salaries, following certain changes which have recently been made, can now go up to $1,320 a year if they have been employed for three years. Probably the difficulty is that there are no permanent vacancies in the staff at Belleville, but if the hon. member will be kind enough to give me particulars of the matter I shall be glad to look into it and give him a reply with full information on the subject.

Mr. BRYCE: Have any post-war arrangements been made for the replacing of post offices that have been burned down during the war? I have in mind post offices at Ashern and Winnipeg Beach. Is it intended to replace them with structures which will be a credit to the government of the day, or will the old rickels which are there now continue to be used?

Mr. MULOCK: Some time ago we completed a check-up and investigation of post office facilities right across this country,

and recommendations have been made for post-war construction of post offices and improvements, not only to the buildings but to provide better working conditions for our staffs. I do not think that at this time I should go into any particulars. The hon. member will understand that if I mentioned one place and another was not mentioned there would be a certain amount of pressure that some things should be done immediately. A programme has been arrived at which we consider is in the interest of the post office service, according to the best judgment of the senior officials of the department, after discussing the matter with me on many occasions.

Mr. BRYCE: Could the minister give me privately what is contemplated in the constituency of Selkirk?

Mr. MULOCK: I shall be glad to give the general idea, but I have not disclosed that information, so far as particulars are concerned, to any hon. members.

Mr. BRYCE: If the minister is prepared to give it to me privately I shall treat it as confidential.

Mr. MULOCK: I think the hon. member will realize that recommendations, even of a minister, are not always followed.

Mr. GRAYDON: They may yet elevate the hon. member for Selkirk to the position of a defeated candidate.

Mr. BRYCE: This was brought forcibly to my attention to-day. I have repeatedly had letters and complaints from constituents who complained bitterly that the defeated candidate was being recognized. Being green and not experienced in political life, I wrote back and took the part of the government, and said they would not do a thing like that; but I have had my eyes opened this afternoon. I am still going to appeal to the minister for fair play. I want to take my seat satisfied that the minister will give me fair play as far as the constituency of Selkirk is concerned I am not going to bring up the matters about which I have written to him because I expect that he will thresh them out and reply to me in the near future.

Item agreed to.

246. Air and land mail services, $15,703,199.

Mr. GRAYDON: I return to the favourite subject of members like myself who have the honour to represent rural constituencies. I suppose there is no question that is brought closer to the average rural member, or that has been during the last few years, than the situation in connection with rural mail couriers. This is not the first privilege I have had of saying a word on behalf of the rural mail courier, or inquiring of the minister in charge of these estimates about his plight or whether his condition had been bettered throughout the rural parts of the country.

While the rural mail courier is an underpaid contractor of the government, I believe that a good deal of sympathy is aroused on his behalf because there are few people who really come to know more closely the lives of the people in rural Canada than the rural mail courier. I remember very well when I was on the farm the part which he played on rural route No. 2, Brampton, Ontario, and he has played the same part in other districts throughout the country. The advent and the departure of the rural mail courier to and from the farm was always an important event, and perhaps it was more important in those days when the means of transportation were not quite as speedy or as available to the average farmer as they are now.

The rural mail courier has always been a very intimate influence in the life of rural Canada. Not only has he carried the mails, but the obliging rural mail courier always went a little farther. He has always done something extra that has not been contained in his contract. It does not always appear in black and white, but if you were to add up the little services, and those that are more considerable, in fact, the multitude of services and favours which the average rural mail courier performs, you would have a most imposing total, and I think every rural member in this house would support me in that statement. He has been faithful on six days of the week, rain or shine, in the most inclement sort of weather, and that is why there are so many who are always ready to take his part and to say a good word on his behalf.

Apart altogether from the position he has held in the esteem of rural communities, the system under which he has operated for a good many years, indeed from the beginning of the rural mail system, has been the cause of constant complaint and difficulty and criticism from time to time. I must confess—and I have gone as far as this in the house before—that the solution of the rural mail courier's difficulties has not been very easy. I think the present minister and past ministers as well will bear that out.

Problems have arisen from time to time and a multitude of solutions have been offered, even sometimes by those who are themselves intimately interested. It seems to me that the rural mail situation constitutes a very real challenge to this parliament and

government. It is not enough for members of parliament and the government, year in and year out, to say that nothing can be done, that no light can be shed on this problem, and that year after year, decade after decade, the rural mail courier must suffer in comparison with others from the point of view of the amount paid in urban sections for carrying the mails from door to door.

It is difficult to explain to the public why there should be a system whereby a man who carries His Majesty's mail along the sidewalks from door to door is paid on one basis—and I suggest that he has not always been paid very well at that—while the man who carries mail from farm to farm and from gate to gate should have to suffer in comparison as regards the remuneration he receives.

I do not wish to direct any special criticism at this time at this government any more than at any other government, although on this occasion the present minister has to take this responsibility, and I ask him to do so; nevertheless it is not sufficient to take refuge behind the old argument that there is no other way than the contract-tender system in connection with rural mail routes. I think that in many instances it has been little short of a national disgrace the way in which rural mail contracts have been whittled down to the point where it is hardly justifiable to allow a man to carry His Majesty's mail under the conditions that very often prevail.

I fancy the minister will say that there has been some improvement. Well, seeing that a difference has arisen in the cost of living as well as in operating rural mail routes, as compared with the situation that has existed previously, it would be strange indeed if something had not been done to alleviate the lot of the rural mail courier. I made a suggestion last year, but apparently the minister did not think very well of it because he did not take it up.

In view of the fact that many different solutions have been offered for bringing the rural mail courier up to the position where he should be, and while there were divergencies of opinion as to what should be done, we as a parliament should not simply lie down in the face of a challenge of this kind and decline to do anything about it. We should at least appoint a select committee of the house to investigate the matter thoroughly. There can be no real reason why that should not be done. I asked the minister to do it last session. I was hopeful that there would be something done during the session just closing. Surely we cannot simply take it for granted that the rural mail courier is to work under the same conditions as he has in the past. I should like to think that this parliament is at least big enough to measure up to its responsibilities. We should go into the whole matter and deal with it from the point of view of the public representatives in the house to see if we cannot do a better job and try to devise a better solution than has been offered by the Post Office Department. I ask the Postmaster General, if we are to have another session of this parliament, to see to it that one of the first committees to be set up at the next session will be a committee to go into the whole question of the rural mail couriers. I think that is something we can justifiably ask for, and something that the Postmaster General cannot justifiably refuse. If he decides that this is a move in the right direction and if this is to be the last session of this parliament he might have the preparatory work done so that the next Postmaster General will be able to carry on where the present minister has left off.

Mr. STOKES: I should like to make a plea to the minister on behalf of some of the best of our people who do not get as good service as the rest of the country. I speak particularly of those farmers who happen to live on what we call a "dead-end street" a little off the main line. Generally speaking, they are just as good producers as the men on the main line, but they have to travel out to the corner to get their mail. In some cases the routes have been extended. The rural mail couriers go down those lines and retrace their steps, but in several instances in my particular part of the province applications have been made and have been refused. We were refused on one line where applications in connection with stub lines were granted a few years ago. When I think of the conditions under which our farmers and their wives are working to-day, often with only two of them on the farm, I say that they should not have to walk out to the corner to get their mail. They all like to read the daily paper if they have time. If they receive a communication that requires a reply they must walk back to the corner again. They are the partly forgotten people of the country. I earnestly ask the minister to take the plight of those people into consideration because they are obliged to tramp out in all kinds of weather. It is not too bad when they have children going to school, but on most farms the children are away to-day. I do not see why this service, which is a real service, and which is brought to the doors of our people, should not be made available to the farmers who are on these less accessible farms. I hope that the minister's department will give some consideration to these people.

Mr. BOUCHER: I should like to say a few words on that question because it has come to my attention on numerous occasions. In the winter before last the snow was very heavy and it made it very difficult for the mail couriers to do their work. I believe that because of that hard winter some of the existing services were cut down last winter; but we did not have the same conditions last winter. There are two ways of looking at this problem. I believe the time is long past when every Canadian citizen should get the benefit of the privileges to which he is entitled. These people who live on the dead-end streets or the side roads have the same inherent rights as every other citizen and they are entitled to this service. The rural mail couriers who, under our tender system, have been putting in bids for certain routes have said to the department that they are willing to give their services at reduced rates. Those mail couriers have to carry the mail in fine weather and foul, winter and summer. They are rendering an excellent service for a paltry amount. I say emphatically that it is almost a disgrace to the government to have that excellent type of man doing that type of work for such a small amount. The amount they receive is a mere pittance. The government should give consideration to giving the rural mail couriers compensation which would enable them at least to make ends meet. I believe that a very great wrong is done to a great number of our people by the government being niggardly in its compensation to the rural mail couriers and in not extending the rural mail to the sections referred to by the hon. member. Rural mail delivery has been in existence in our country for a great many years, but the extension of it has not been in keeping with the times.

Item agreed to.

539. Departmental administration — further amount required, $100,000.

Mr. GRAYDON: May I ask a blanket question covering items 539 and 540? Will the minister indicate why there is an increase of $100,000 in connection with departmental administration, and also why he is asking for an additional amount of $4,000,000 for air and land mail service? I think that item calls for a detailed explanation because it is a very heavy increase in the departmental estimates.

Mr. MULOCK: First I shall deal with the large amount of $4,000,000. In the main estimates for 1944-45 the sum of $6,788,494 is provided for mail service by air. That amount covers requirements for domestic air mail only. Since the main estimates were brought down, arrangements have been completed for the conveyance of mails across the Atlantic by Trans-Canada Air Lines for the Department of Transport, as authorized by order in council P.C. 5472 dated July 19, 1943. Canadian postage rates and rates of payment per pound were fixed by order in council P.C. 1790, dated March 16, 1944, and I have appended hereto an analysis of the amounts.

Mr. GRAYDON: This is all for civil account?

Mr. MULOCK: It is on civil account but it is for carrying the mails to the troops and bringing the mails back.

Mr. GRAYDON: Would that increase not normally come under the war appropriation measure?

Mr. MULOCK: A certain amount of civilian mail is included. It could not very well go under the war appropriation because these are partly civilian mails. Westbound figures have been received from the Canadian postal corps in the United Kingdom, showing the mails available for air carriage each week as follows: troops' free mail, surface, 6,000 pounds per week or 312,000 pounds per year; troops' air mail, 2,000 pounds per week or 104,000 pounds per year; British civilian air mail, 3,000 pounds per week or 156,000 pounds per year. That is a total of 11,000 pounds of air mail a week or 572,000 pounds a year. The estimated cost westbound if all carried by Trans-Canada Air Lines is $2,259,920. The eastbound cost is estimated at $1,847,430, making a total for both ways, if conveyed by T.C.A., of $4,107,350.

Item agreed to.

540. Air and land mail services, further amount required, $4,000,000.

Mr. GRAYDON: Before this department is finished I wish to ask the minister one further question, although I do not want to start a discussion on the matter. Perhaps the minister misunderstood the tenor of my inquiry in connection with the setting up of a special committee of the house with regard to rural mail couriers. When I asked the minister the question last year he remained silent as to the proposal, and he has repeated that performance this afternoon. I wonder if he would be good enough, before his estimates are finally carried, to indicate his position in the matter, because if he is going to agree to the suggestion I should like him to get the credit, or at least I should like to share the credit with him if I may.

Mr. MULOCK: The leader of the opposition will be glad to learn that the estimate for stage and rural route services has been increased this year by $981,000. He will be

interested also to know that bonuses have increased some 2,183 contracts by approximately 32·9 per cent, while 1,012 contracts were increased by 41·4 per cent through new tenders. That is, where contractors were in difficulty and felt that they could not properly carry the mail at the rates they were receiving under their tenders, they applied to the department; the matter was investigated, and if their claims were substantiated they received a bonus to assist them through this time. The difficulty of going into the matter of rates at present is that there are great shortages of labour in certain areas, which make it difficult to get a true and fair picture of the actual cost of operation. The same thing applies in regard to equipment and everything else; that is the difficulty.

Mr. GRAYDON: Then can the minister foresee at the moment any difficulty in the way of having an investigation such as I have suggested, after we have entered the peace period?

Mr. MULOCK: I can assure the leader of the opposition that the assistant deputy minister and the senior officials of the department are going into that matter constantly. I know that to be a fact because I have discussed the matter with them on various occasions. If there are any suggestions as to how the present system may be improved, we shall welcome them. I want hon. members to feel free to bring forward any suggestions of that kind, and to be assured that they will receive the most careful consideration.

Item agreed to.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—
185. General administration, $975,845.

Mr. GRAYDON: I presume we are returning now to the main estimates?

The CHAIRMAN: Yes.

Item agreed to.

Income tax division—
189. General administration, including authority to create positions and make appointments within the division, notwithstanding anything contained in the Civil Service Act and the said positions and staff so appointed are hereby wholly excluded from the operation of the said act, $930,852.

Mr. GRAYDON: Has the minister anything further to add to the information already conveyed to the committee with respect to a simplification of the income tax forms?

Hon. C. W. GIBSON (Minister of National Revenue): I have nothing further to add. As I have said before, with the tax structure as it is, the income tax division is simply compelled to prepare a form which will include all the features of the income tax act both to show the taxpayers what taxes are imposed and also what benefits or deductions they are entitled to receive. In order to include all this information quite a complicated form is required.

Mr. GRAYDON: Then I should like to mention another matter which I might properly have brought up under the estimates of the Department of Finance, but since it is only a suggestion and I have no desire to initiate any discussion, perhaps I may mention it here. The matter has to do with the vexed problem of the tax on incomes of merchant seamen. I bring it up again only because since the debate on income tax took place in the house this matter seems to have caught the imagination and to have excited the sympathy of the people of Canada perhaps more than any other single thing that has come before parliament for a long time. The public realize, I think, what the merchant seamen have done; and because the matter has been brought out into the open in the house, where the skill of debate has been utilized in behalf of these men, the public have become pretty thoroughly aroused. At this time I only want to impress further upon the minister how important it is that the government should not neglect to make some change in this regard at the earliest possible moment.

Another point I desire to mention is this. It has been brought to my attention that prisoners of war are liable for arrears of income tax if they have not been paying the tax in connection with their general income. Perhaps the minister will not be in a position to answer the question I am about to ask, but I would ask him to consider this matter which has to do with income tax.

Mr. GIBSON: A member of the armed forces serving overseas is not liable to income tax on his service pay and allowances. If he had any tax liability before proceeding overseas, that is still standing against him on the books. No action, however, has been taken. He is not being pressed to pay it. No soldier overseas is being billed, but I must say it is still standing against his name on the books of the income tax division.

Mr. GRAYDON: There may be cases where the government may want to keep the liability alive. I can readily understand where a wealthy man may have enlisted and, having regard to his position, it might not be fair

to relieve him of arrears. Generally speaking, however, I cannot conceive of cases of that kind coming up. It does seem to me, however, that we might readily wipe off those arrears which are in smaller amounts. We might give the income tax branch authority to wipe out arrears for those who owed them before they left. I do not think we should be too niggardly, and I should like to see a generous attitude in this respect.

The senior hon. member for Halifax has mentioned another matter, one which perhaps he desires to deal with himself. It came to my attention through an observation he made, so that I shall give him full credit and take none to myself. I refer to interest on income tax liabilities charged against those who are in the armed forces or who are prisoners of war. Certainly that interest should be wiped out, regardless of what was done with the principal sum. I agree with the hon. member in that.

Item agreed to.

Income tax division—
191. District offices, $7,894,674.

Mr. GRAYDON: In view of the greater number of people paying income tax, are the district offices being increased?

Mr. GIBSON: No, we have not increased the district offices. It may be desirable to do so after the war, but at the present time there is great difficulty in getting persons with the required qualifications for senior positions. I refer to chartered accountants, and people with accounting experience. It has not been considered advisable to make any radical change at the present time.

Item agreed to.

Mr. MACKENZIE (Vancouver Centre): May I ask for the unanimous consent of the committee to introduce item 324, in the Department of the Secretary of State. That department has not been properly introduced on a Monday, Tuesday or Wednesday. Therefore the unanimous consent of the committee is required.

Mr. GRAYDON: It is the last to come in?

Mr. MACKENZIE (Vancouver Centre): Yes.

DEPARTMENT OF THE SECRETARY OF STATE

324. Departmental administration, $97,679.

Mr. KNOWLES: In his capacity as custodian of enemy property, would the minister make a statement as to the present status of the profits of the Bayer company, and others in a similar position? Considerable publicity was given in the press a short time ago to a court decision made affecting that company. I understand that the Bayer company in Canada has tried to secure for itself all the profits made here, rather than carry out its original agreement, whereby a portion of those profits was to be credited to a company with its head office in Germany.

It does seem to me that the Secretary of State, in his capacity as custodian of enemy property, might well make a general statement as to the general situation with respect to profits made in Canada, but which would go to the credit of companies in enemy countries.

Hon. N. A. McLARTY (Secretary of State): This matter goes back for several years and, as has been suggested, is now before the courts. A contract was entered into between either Bayer Aspirin or Sterling Products, I am not sure which, with the I. G. Farben company, whereby a certain percentage of the net income was to be paid by the Canadian company to the German company. Action was commenced either by Bayer Aspirin or Sterling Products, whichever name is correct, cancelling the contract on account of failure of consideration.

The case was tried in the Supreme Court of Ontario and judgment was rendered against the Bayer company. It has also been before the court of appeal, where the appeal was dismissed. The matter is still before the courts.

Mr. KNOWLES: It still stands that a portion of the profits made by the Bayer company is credited to the I. G. Farben company?

Mr. McLARTY: To be fair, it should be said that a portion of the profits is credited to the custodian. The ultimate disposition of those profits must await the terms of peace. It would not be fair to say that it is credited to the I. G. Farben company; rather it is credited to the account of the custodian, and the custodian will be bound by the conditions provided in the treaty of peace.

Mr. KNOWLES: If what the minister has said means that the money is credited to I. G. Farben company, but held in trust by the custodian of enemy property, it would simply mean that after the war we would be paying to ourselves a portion of the reparations payable to this country, out of profits made in Canada.

Mr. McLARTY: It would be entirely dependent upon the terms of peace arrived at at the conclusion of the war. I cannot anticipate those peace terms, nor do I think my hon. friend would ask me to.

Mr. KNOWLES: I trust that the matter is being watched closely by the department.

Mr. McLARTY: Yes, it is.

Item agreed to.

326. Companies branch, $43,034.

Mr. BOUCHER: I had intended dealing more fully with this matter, had it not come up so late in the session. It seems to me, however, that the dominion is lagging behind the provinces in its law in connection with the chartering of cooperative companies. The provinces have cooperative companies acts which, in my view, are superior to the Companies Act in the dominion statutes. In my experience as a practising lawyer I have encountered the difficulty of securing the right kind of charter for a dominion cooperative organization. There is provision for certain types of cooperative companies under that act. Those sections recognize the principle behind cooperative companies, but they do not go far enough. There have been cases where consumers or producers desiring to establish cooperative enterprises for the welfare of the community, rather than for profit-making, have found that the provision in the dominion statute is not broad enough.

The minister is probably acquainted with the circumstances I refer to and I need not go into further detail. I simply rose to ask his department to give their attention at the earliest possible date to the Companies Act and bring it up to date with the cooperative companies acts of the various provinces. I should like to deal with this matter more extensively because I have further arguments to offer, but I do not wish to delay the committee at this late day. I realize also that it would be futile to expect anything to be done to-day about it, but I think the time has come when something should be done.

Mr. McLARTY: Consideration will be given to the representations of the hon. member for Carleton.

Item agreed to.

Office of the chief electoral officer—

471. Salaries and expenses of office—further amount required, $25,000.

Mr. GRAYDON: Was an additional amount required last year, or is this to cover special services to be performed this year?

Mr. McLARTY: This is purely a contingent vote. The leader of the opposition will notice that there was no increase in the main estimates for the chief electoral officer, and this amount is put in the supplementary estimates as a contingent vote in possible anticipation of an election occurring within the next fiscal year.

Mr. GRAYDON: The position is something like this: if necessary there will be an election, but not necessarily an election.

Mr. McLARTY: I think that would be fair.

Mr. GRAYDON: Was a similar item placed in the estimates last year?

Mr. McLARTY: No; I believe no such item was placed in the estimates last year.

Mr. GRAYDON: This would indicate a little more danger perhaps from the point of view of the government?

Mr. McLARTY: Perhaps the lightning may be a little closer.

Mr. ADAMSON: Does this cover the returning officers for overseas?

Mr. McLARTY: No; this is only for the staff of the office of the chief electoral officer in the event of an election being held. It has nothing to do with the general expenses of any election.

Mr. ADAMSON: To be expended in Ottawa?

Mr. McLARTY: To be expended in Ottawa.

Mr. GRAYDON: How far has the chief electoral officer gone in arranging for the enumeration of electors in case there is an election in the offing?

Mr. McLARTY: I think it would be fair to say that no steps in that direction have been taken. The only steps taken so far by the chief electoral officer are in connection with the war services electors vote. Two special returning officers have left for overseas, but nothing has been done in connection with the procedure ordinarily followed.

Mr. GRAYDON: Have all vacancies for the position of returning officer been filled? In some constituencies I understand that the returning officers, no doubt on the instructions of the chief electoral officers, have sent out instructions to the various candidates in the 1940 election to have enumerators appointed where there are enumerators to be appointed within a certain length of time. I was wondering if those were general instructions that had been issued.

Mr. McLARTY: They would be general instructions. I believe there are seven or eight vacancies in connection with the appointment

of returning officers. Any instructions that go out are sent to the returning officers in all ridings. Any instructions received in any one riding could be considered as being general instructions.

Mr. ADAMSON: An article appeared in the newspapers the other day about the returning officer in the riding of York West; his picture was shown and he was said to have received special instructions from Ottawa with regard to the forthcoming general election. Have any special instructions gone out recently?

Mr. McLARTY: No. Any instructions received would have been received by the 245 returning officers, less the eight that have not been appointed. There are no special instructions.

Mr. GRAYDON: If my understanding is correct, the instructions to the returning officers are that the machinery with respect to enumeration should be started at an early day so that should there be an appeal to the people the machinery will be ready for operation.

Mr. McLARTY: My hon. friend is quite correct.

Mr. ADAMSON: No special instructions have gone out to ridings such as mine where there were only 3,500 people in one district in 1940 as compared with 16,000 to-day?

Mr. McLARTY: I am aware of no special instructions. The instructions sent to one riding are sent to all.

Mr. GRAYDON: In other words, there has been nothing to arouse the suspicion of the Secretary of State with regard to an unduly early appeal?

Mr. McLARTY: The Secretary of State will not express his opinion on that question.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. McLARTY: We are on the supplementary vote for the chief electoral officer.

Item agreed to.

Public archives—

542. General administration and technical services—further amount required, $7,466.17.

Mr. GRAYDON: Is there some new development in the archives, that it requires a supplementary vote?

Mr. McLARTY: No. It is a matter of an archivist who has returned from the front, statutory increases provided, war risk insurance, and compensation for temporary assistance.

Item agreed to.

Progress reported

WAR SERVICE GRATUITIES

CANADIAN ARMED FORCES ACTIVE SERVICE PERSONNEL—PAYMENTS ON RETIREMENT OR DISCHARGE—CONCURRENCE IN SENATE AMENDMENT

Hon. J. L. RALSTON (Minister of National Defence)—for the Prime Minister—moved the second reading of and concurrence in amendments made by the senate to bill No. 184, to provide for the payment of war service gratuities and for the grant of re-establishment credits to members of His Majesty's forces in respect of service during the present war.

He said: The amendments made by the senate are to strike out section 25, which provided that the act should come into force on the 1st of October, 1944, and to substitute that this act shall come into force on the 1st day of January, 1945, or on any date between the 1st of October, 1944, and the 1st of January, 1945, as may be fixed by proclamation of the governor in council.

The reason for the amendment is that on consultation, particularly in my own department, with the officers this morning, I find that it will be extremely difficult, and I think really likely to be detrimental to the best interests of a smooth running machine, to attempt to be ready to pay gratuities and to provide the necessary computations for the provision of reestablishment credits by October 1. This proposal is, therefore, that the date for coming into force of the act be extended until the 1st of January, but a provision is contained which authorizes the governor in council by proclamation to bring the act into force at an earlier date, not before October 1. While there may be the odd case of disadvantage in connection with that postponement of three months, I am satisfied that it will be to the advantage of the scheme as a whole and of the great mass of men and women whom it is intended to benefit by this legislation.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, in following the minister with respect to the amendment which the senate has made to this bill, I am in agreement with him having regard to the facts which he disclosed in his explanation. If, after

consideration, the departments of government affected find that their machinery for the purpose of administering this very important measure is apt to be inadequately set up on the 1st of October, I am in agreement with the minister that the measure should come into operation at a time when applications from veterans can be received and dealt with and the machinery is in perfect order, because I could readily understand the disappointments and discouragements which might occur if premature word went out stating that the 1st of October was the time when operations would commence, some plans had been laid on the assumption that that was the date, and it was then found that the situation could not be taken care of until later. I think it is best to postpone the commencement of the measure to a time when the administrative machinery can be actually put into operation and effect given to the measure in a practical way for those who are to benefit by it.

Motion agreed to, amendments read the second time and concurred in.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

36. Departmental administration, $410,189.

Mr. NEILL: Mr. Chairman, having one eye on the calendar and the other on the thermometer, I will endeavour to curtail my remarks. I will at least confine them to the one subject only, of great interest to the province from which I come.

When the Prime Minister, speaking the other day, announced his policy on that subject, I expressed my regret that I was compelled to speak without having seen his policy in writing, because the change of a word in a phrase might make quite a difference in the proper interpretation of the policy. I have now had an opportunity to study it carefully, and I wish to make one or two corrections or revisions of what I said the other day.

The Prime Minister laid down three principles in formulating his policy. The first one was, and I quote his own words, as reported in *Hansard* at page 5915:

> . . . it would be unwise and undesirable, not only from the point of view of the people of British Columbia but also from that of persons of Japanese origin themselves, to allow the Japanese population to be concentrated in that province after the war.

Further on, I quote again at page 5916:

> . . . a maximum can be set on the number of persons of Japanese race to be allowed to return to British Columbia, and persons of Japanese race can be given encouragement to move and remain elsewhere.

The whole matter is of so much importance to British Columbia that I want to emphasize certain points, because some people and perhaps some of the press have interpreted the Prime Minister's remarks in a way different from what he intended and rather in accordance with their own wishes, instead of giving a precise and definite account of what he really said—which of course is unfair both to the Prime Minister and to British Columbia.

For instance, let me note here that there is no guarantee expressed or implied, as some have translated it, that we in British Columbia would be allowed only to take the same pro-rated quota of Japanese to our population as the other provinces. Neither is it explained how either we or any of the other provinces can be compelled to take our due proportion, especially as regards those provinces which have written agreements from the dominion government that the Japs allowed into those provinces on account of war conditions shall be removed whenever a particular province asks for such action. This constitutes a vital point on which we have no statement. After the war is over and peace is made, if we now accept that idea, that they are loyal, definite Canadian subjects, there will be no longer any opportunity of preventing them individually from drifting back into British Columbia, which I am sure a very large number of them would do. Indeed, the Prime Minister himself foresaw that because he said:

> It would be most undesirable, I believe, to establish a permanent barrier to the movement within Canada of persons who have been lawfully admitted to Canada or who are nationals of Canada. Even the establishment of a temporary limitation would be undesirable in principle, but as a practical question of policy it may well be inescapable.

He then goes on to say:

> There is little doubt that with cooperation on the part of the provinces it can be made possible to settle the Japanese more or less evenly throughout Canada.

No doubt it could be done with the cooperation referred to; but, I ask the committee, have we not every reason to believe that this cooperation will not be forthcoming, especially when we see that every province which has up to date allowed them to go in on account of the war has exacted the pledge that they will be moved out again on demand or at the close of the war? One can hardly expect much cooperation from a number of provinces who have exacted that pledge, and from other provinces who have not been consulted. That I consider to be one of the

greatest obstacles. As I said before, if Alberta wants them moved, to what place or province are they to be moved? British Columbia will stand strictly on its promised restriction, whatever that may be, and there is no reason to suppose that the other provinces would be willing to accept any quota at all. Therefore that leaves only one place that they could be moved to, and that is Japan.

But since I wrote those notes, I have received a newspaper from British Columbia containing an item to the effect that the acting premier of Saskatchewan, Mr. C. M. Fines, says that he is willing to cooperate with the dominion government in any reasonable way. However, he protects himself by so many qualifications that it practically does not amount to anything at all. He says that occupation might have something to do with it. He would not want fishermen, and that cuts out a good many. Then he said that he would not want them in colony settlements, and that is what the Japs want; and he would not want any absorption of Japs so as to reduce labour standards.

Well, he has named three of the objections that we in British Columbia have against them. I do not know if his promised cooperation amounts to very much more than lip-service, but an idea comes to me here. Is it not Shakespeare who said that "like draws to like throughout the boundless deep?" I think it would be a grand idea to put the Japs and the C.C.F. together in Saskatchewan. They love each other; they are devoted to each other. It would seem, therefore, most appropriate to have them together. What a new heaven on earth it would mean for those people—who are outside Saskatchewan. Think of British Columbia.

Looking down the corridors of time I envision two conditions in British Columbia which we might achieve if we adopted the right plans now. Under one condition the place would be flooded again with Japanese as of old, Japanese who had drifted back individually—and it cannot be said that a so-called British subject cannot go where he likes in the dominion. They would all come back again and put our white fishermen out of business. The labour unions in the province are now getting satisfactory and workable agreements looking toward peace with their employers. But there is something else that people do not see, although, in my opinion, it is one of the worst evils. It would stop the importation into British Columbia of foreign capital or investment. The man with money to invest, tired of war-worn Europe, might say, "I will transport my business, my factory and my employees to some place in Canada." Then he looks around him to see where he will come; but he will not come to a place where, from a cursory investigation, he is convinced that there is growing up in substantial numbers a political philosophy that preaches that any private enterprise, any man who earns money or obtains money or properly gets ahead by hard industry and toil, is a blackguard who should be liquidated. When the prospective investor sees these things—and he has only to glance at the propaganda of my hon. friends to the left to be convinced that these things are taught here, seeing that one gentleman went to New York the other day and made a statement to that effect—what will that investor say? No one knows how many million dollars of investment with consequent employment were diverted from Canada on that occasion alone, when the gentleman I have mentioned went to New York. But if investors abroad see that these things exist they will say to themselves, "Well, we have not gone there yet. Those who are there now will have to put up with it, but we do not have to go and therefore we will keep out. We will keep aloof." Now that is one picture that I envisage.

Let us now look the other way and consider the British Columbia that might be. Let us consider the Japanese and the C.C.F. happily liquidating each other in Saskatchewan—more power to them. But British Columbia is the scene and home of prosperous white fishermen employed in numbers. It used to be said that we could not maintain the industry without the Japs. But if anyone says that now it is nonsense, because there are more white fishermen now than there were before, taking whites and Japs together before the war, and the white fishermen are happy and contented. In this other picture that I envisage I can see the labour unions growing in numbers, able to make suitable arrangements by means of trade agreements, cooperative movements in the way of labour and capital management, and possibly sharing in profits. They know exactly what their rights are and can maintain them, and capital has come to realize that it is much more likely to make money when employees are contented, so that capitalists will work with employees and there will not be any temptation to engage cheap labour such as was knocking at their doors in the shape of orientals. In short, it will be a place to which capital will come because it can make money without having to live in a state of continual dispute with cheap labour or unscrupulous politicians.

It was Napoleon who said—he enunciated the principle and he carried it out—that every soldier carried a marshal's baton in his knapsack; that is to say, he was capable of rising to the highest rank in the French army. And Napoleon lived up to that principle. We could say to the poor immigrant coming from the United States or from the old country or from any part of Europe, "Leave the place where they have wars every twenty years and come here. We invite you to come. We ask nothing more than your honesty and integrity, your thriftiness and willingness to work; and to any of these houses which perhaps suggest luxury to you, remember you have the key if only you will apply yourselves here. You will not be penalized by cheap labour on the one hand or dominating labour unions on the other."

I leave it to the house and the country to say which of these conditions that I envisage is the more attractive. Surely no objection could be made to putting the Japs in Saskatchewan because we have evidence of the support that the C.C.F. obtained from and the support that they give to the Japanese. Therefore they could not very well object to having them. In fact, their acting premier, although guardedly, has expressed the desire to have some of them. By all means let them go there. Put them all in.

I wish to refer now to the suggestion that has been made that the presence of 25,000 Japanese among twelve million Canadians could not be a menace. That sounds all right on the surface. But I have no doubt the same argument was used when there were only 25,000 negroes in the United States. I can remember reading of when that argument was used. They could have been deported then and there was a demand that the negroes should be deported. Well, there are twelve millions of them now and it is too late; and when the Japanese-Canadian population reaches twelve millions in Canada it will be impossible to talk about deportation of Japanese. It will be too late then. The statesman that sees farthest ahead and outlines his policy in that regard is the one who is the most successful in the long pull, but perhaps not in the immediate future.

The second basic principle upon which the Prime Minister based his policy was that these Japanese who had remained loyal and refrained from active sabotage should be allowed to stay in Canada. The Prime Minister stated that he regarded that principle as fundamental. The obvious difficulty, of course, is, how are you to find out who amongst them are disloyal? A man may be utterly and entirely disloyal and treacherous, and there may be thousands and thousands of them, but until you find them blowing up a bridge or doing something of that kind you cannot convict them of sabotage and consequently of disloyalty. The method by which the Prime Minister suggested we could ascertain their loyalty or disloyalty in Canada was by an investigation by what he terms a quasi-judicial commission. I am fearful of quasi-judicial commissions. I have seen too many of them in British Columbia. Surely this matter is important enough to have the highest judicial courts settle it. We have had too many of these quasi-judicial investigations dealing with situations in British Columbia. We had one to which I referred the other day. Before that gentleman reached British Columbia he said that he knew what the trouble was, that it was due to mob hysteria of a few people of the province. That included, incidentally, all of the members of parliament from that province, with one exception. You have met them; you have seen them here. Do they give you the impression of being likely to fall victims to mob hysteria? They all belong to different political parties and are nearly all of different racial origin; yet they are united on this question.

I have on my desk a quotation from a Vancouver paper. It appears in big headlines and is as follows: "Mayor Insists on Deportation of all Japanese." He was supported in that by most of his council. Vancouver is the third largest city in Canada. They are not all likely to be carried away by mob hysteria. "Government missing opportunity our children's children will regret", Mayor J. W. Cornett said, and he was supported by most of his council. These men cannot all be subject to mob hysteria. You might as well say that the people and the mayor of the city of Toronto are all suffering from mob hysteria. Let us be frank about this.

I would have no confidence whatever in a quasi-judicial commission of that type. The question has been raised and it has not been denied that probably the method adopted to find out a man's loyalty would be to ask him if he would take an oath of allegiance to the king and to this country; yet we all know or we should know that to a non-Christian, and especially an oriental non-Christian, the white man's oath means nothing at all. It is no more binding than asking you to put a postage stamp on a letter. You would do it willingly, would you not, if it were the price

of some advantage for you? The occidental oath to one believing in a different form of religion is of no effect.

I should like now to refer to two sessional papers that I hold in my hand as an illustration of how far we would go. These papers were laid on the table a short time ago. There is no feature of mob hysteria here. They are numbers 182F and 182G and were laid on the table on August 5. Number 182F asks the government the following question:

Was one Noboru Yamanoto, a twenty-one year old Canadian-born Japanese, charged with refusing to obey an order of selective service officials and sentenced to a fine of one hundred dollars and costs or in default four months in gaol?

The answer is:

Yes. Persuasive efforts to induce the man to enter useful employment having failed.

I now wish to quote from the same sessional paper a letter that this man addressed to the hon. the Minister of Labour. Here is the letter:

Naboru Yamamoto,
Registration No. 03283,
Canadian born Japanese,
Greenwood, B.C.,
May 22, 1944.

To the Honourable the Minister of Labour:—

I am very sorry to interrupt your precious time for stating my concerns, but I think you will be kind enough to listen and judge to what I state under the following order.

Now I am already twenty-one years old. Speaking from this standpoint I must be working or otherwise, be serving in the armed forces in this country, however, as I came here from Japan just before the war, 1940, after being educated eleven years school course there; I have no desire to be working for this country especially in this war time because such a work would be considered as though I were helping this country to win the war against Japan.

This is the Canadian loyalty that they are supposed to respect once they have taken the oath. I continue:

I feel very sorry to Japan if I do work, as you might have been already noted that the Japanese have very strong patriotism to their mothers country, especially in the war time; they are willing to offer everything that they have to their country even their life if they asked to do so.

You will notice that he classifies himself as a Japanese although he was born in Canada. He says so himself, but he must classify himself as a Japanese. I continue:

There is no exception in my case to this conclusion particularly as I had been under the military training while in the school course there.

Here is a Canadian-born Japanese who says that he has taken his military training in Japan. The letter goes on:

I know that there is left only two ways by which I can keep my living in this country. The first and best thing is to keep my studying until the end of war. By doing so, I would neither hurt Canada nor Japan. The next thing is to be interned or imprisoned until the end of war however this would hurt Canada.

Although I have no intention to hurt this country, there is no alternative course left for me, but to be interned or imprisoned if the selective service or commission (B.C. security commission) would force me to work.

I have professed my suggestion so that there will be left nothing indefinite between us.

Will you be kind enough to tell me if there is left any chance by which I could keep my study in the east? I hope to receive your answer as early as possible.

I have the honour to remain,
Your most obedient servant,
Naboru Yamamoto.

Apparently the Minister of Labour was not as speedy in getting a move on as this gentleman thought he should have been and evidently expected. He appears to have considerable respect for British law. He gets tired waiting for the minister to do something, so that he decides to do something about it and he writes another letter, this time to the national selective service officer, and it is as follows:

No. 3 Building,
Greenwood, B.C.,
June 26, 1944.

National Selective Service Officer,
Unemployment Insurance Commission,
Penticton, B.C.

Dear Sir:—

It has been long time since I received your order written on June 1, 1944, which ordered to me that I had have to go out to work the Midway sawmill from the June 7.

At that time I was still going to school and due to my special circumstances I did not go out to the work as I was directed.

Weeks later from the due date I was asked by the mounted police at Grand Forks the reason why I was not going. At that time I expressed my reason very clearly.

Then the two weeks passed but still there is no sign from the mounted police, also no sign from your office up to this moment.

I wonder what has happened.

He did not understand that he could play you for a sucker. I should not address that remark to the Minister of Labour because the letter is addressed to the national selective service officer. The letter continues:

Generally speaking if the man who refused the order of national selective service must be imprisoned at least six months.

I also have stated my reason fully to the Spanish consul general.

The Spanish consul general is the agent of the Spanish government, and the Spanish government is the nation that has kindly undertaken to look after the Japanese interest in the war, the same as we have Switzerland to look after our interest. They are allowed to do that. He is a Canadian-born

Japanese as he flaunts before the minister, but he does not go to the Canadian government to look after his rights, oh, no; he speaks to the Spanish consul general as a Jap appealing to that nation to look after his interests. It gives away the whole picture. You see the whole plan of these people who prate about their loyalty to the British empire, and when the time comes to fight they say they are not going to fight and they say they are loyal to Japan, although this particular man was actually born in Canada.

I go on with the letter:

Under these circumstances please notify me at once your regulation with regard to this case referring to my reason to the mounted police of Grand Forks.

Then he signs his name again.

Mr. ADAMSON: Is Spain the protecting power for us in Japan?

Mr. NEILL: I will come to that a little later; not having been there I cannot speak with personal knowledge, but the hon. gentleman should not expect that conditions in Japan will be the same as those here.

Mr. MACKENZIE KING: Switzerland is the protecting power for Canada in Japan, and Spain is the protecting power for the Japanese here.

Mr. NEILL: This lad is twenty-one years of age and was born in Canada, and this is how he describes his loyalty to the country of his birth, to which I have no doubt he would swear allegiance if there were anything in it for him. He was born in Canada, but when it comes to a pinch he says quite openly that he owes his allegiance to the country of his forefathers. He says he has been trained to fight for it, and will not do anything else. I quoted the second letter, in which the writer asks the government why they do not take some steps in the matter. He says he has already stated his reasons fully to the agent of the country representing Japan, but he did not appeal to the Canadian government, as he should have done.

In speaking of this matter the other day, the Prime Minister said this commission would have to be careful in coming to a decision, that misunderstanding is not the same as traitorous intention. That is true, but I would pause here for a moment to put this definite question before the committee and the country. Would a man who would write letters such as I have read, as to which there can be no possibility of mistake or misunderstanding, expressing the sentiments that they did, be considered a loyal citizen of Canada? If he would, then you can pour your quasi-judicial commission down the sink for all the value it will be. If, on the other hand, you are of opinion that this quasi-judicial commission would decide that he was disloyal, this demonstrates the complete uselessness of having the commission, because it is obvious that they never would have heard of this man at all, and of thousands like him, if the matter had not happened to come up in this peculiar and unusual way. As soon as the Japanese hear that they are to be interrogated by this commission there is no doubt in the world that they will have their answer down pat: yes, they love the king and everything Canadian, and they will swear to anything. They will swear loyalty to the king as readily as they would give utterance to an expression about the weather. Even if this commission were a strictly legal body it would be impossible for them to look into the minds or souls of the Japanese; and the Japanese, who are no fools, will speedily realize this and have their answers all ready. There is only one remedy; that is, to deport them. Perhaps hon. members do not know what is going on. When the Prime Minister was making his remarks the other day, and I was feebly commenting upon them, two Japanese nationals were sitting in the gallery and one of them, a stenographer, was taking notes all the time that debate was going on, which is absolutely against the rules of the house. And they were occupying the room of a private member of this house, making it their headquarters. Did parliament or the government know that?

Mr. ADAMSON: There were actually five nationals of Japan taking notes. I was in the house at the time and I complained to the Speaker about it.

Mr. NEILL: And they were occupying the room of a member of parliament, making it their headquarters.

Some hon. MEMBERS: Who was the hon. member?

Mr. NEILL: These are not fictions, you know; these are facts.

Mr. MITCHELL: Who was the hon. member?

Mr. NEILL: It was the room of the hon. member for Vancouver East. He was not here; he was away at the time.

Mr. HOMUTH: They had the key?

Mr. NEILL: They had it, I presume from the party to which the hon. gentleman belongs. I do not know how they got it, but certainly they could not get into the room without it.

Mr. CASTLEDEN: Would the hon. member mind giving us the date when that room was so used?

Mr. NEILL: Yes; it was during the debate on the elections act.

Mr. MACKENZIE KING: Was there anything they could possibly take down that was not taken down by *Hansard?*

Mr. CASSELMAN: They were getting advance information.

Mr. MACKENZIE KING: My hon. friend says they were taking notes and listening. Was there anything they heard or saw, or could possibly have listened to, that was not reported in *Hansard* and that they could not have obtained the next morning in printed form?

Mr. CASSELMAN: *Hansard* was not available until the next day.

Mr. MACKENZIE KING: Is it not rather absurd to be trying to make a sensation out of a few people being in the gallery taking notes when the whole proceedings of parliament are reported and published in *Hansard?* After all, this house is capable of protecting its own interests. If my hon. friends were frightened, all they had to do was ask Mr. Speaker to protect them.

Mr. NEILL: I know these gentlemen were doing something I would not be allowed to do.

Mr. MACKENZIE KING: If my hon. friend was in any way intimidated, all he had to do was appeal to the chair and ask for the protection of the house.

Mr. NEILL: I have something better to do than look around the galleries and see who is taking notes, but the rules of the house were being broken.

Mr. MACKENZIE KING: Then why did somebody not appeal to the chair?

Mr. NEILL: Somebody did.

Mr. ADAMSON: I spoke to Mr. Speaker.

Mr. MACKENZIE KING: On the floor of the house?

Mr. ADAMSON: No; I did not know about it until afterward.

Mr. MACKENZIE KING: Was my hon. friend frightened, or what was his reason? I am anxious to see the rights of hon. members and their property and persons protected, but after all the line has to be drawn somewhere.

Mr. ADAMSON: I understand that under the rules of the house you must not take notes in the gallery. I objected to the nationals of a country whose soldiers have murdered our men overseas taking notes and having rights which are denied to us. I maintain that stand, and I intend to keep on maintaining it.

Mr. MACDONALD (Brantford City): Why did you not rise in your place and say so?

Mr. ADAMSON: I reported it to Mr. Speaker, who told the protective staff. I thought that was the proper thing to do, and they were moved out. I still think that was the proper course for a member of this house to take.

Mr. MACDONALD (Brantford City): I think you should have risen in your place and objected to it. Did the hon. gentleman think they were drawing pictures of hon. members?

Mr. BOUCHER: Some of the pictures on that side would not be very good.

Mr. NEILL: It may well be suggested that they were not doing any particular harm, as the Prime Minister says; they could have got it all the next day in *Hansard,* but the point is that until somebody protested they were apparently allowed to break the rules. They must have had some very special object to send three or four of their number to take notes and get the proceedings twenty-four hours before they could read them in *Hansard;* the matter must have been of considerable importance to them. I suggest that this is the significant point, that we have the representatives of an enemy nation—

Mr. MACKENZIE KING: In what way could they use that information to the detriment of anyone here? They cannot cable to Japan; they cannot send a message out of the country without that message being seen by the government, who could prevent it from being sent. What is the great danger my hon. friend sees in this?

Mr. NEILL: I know that when I write to my sister in the old country my letter is censored, and I do not write treason. This is not a case like that. The Prime Minister says that everything they do is known. Is it? They are allowed to publish a paper in Japanese in British Columbia. Can we read that? I believe that is going a long way. I do not know what was in their minds; heaven forbid that I should. I do know they thought enough of the importance of getting the early dope on what was going on —perhaps that is their national point of view —to take the trouble and risk being arrested, to sit in the gallery and take notes, which was against the rules. For all we knew they might have dropped a grenade or a bomb from the gallery. They should not have been

there in the first place. Mind you, they are representatives of a country with which we are at war. If the Prime Minister thinks that is all right, why cannot an ordinary man be allowed to sit up there and take notes?

The third basic principle laid down by the Prime Minister, which I heartily endorse and have heard commented upon very favourably, is that the immigration of Japanese into this country should not be allowed after the war. But the people who so heartily approve perhaps failed to note the qualifying clause, where the Prime Minister said:

It is realized of course that no declaration of this type can or should be attempted which would be binding indefinitely into the future.

There is, of course, the well-known axiom that there is no law passed by man which subsequently cannot be repealed, unless we put it into the form of a constitution, and even that is liable to correction. I saw no necessity of putting that qualifying clause in there, unless, it was sort of to hold out a hope. I think it was regrettable that it was put in there, because there is plenty of time to make changes later on, and we all know that any law passed by man can be repealed by man.

I should like to conclude with a reiteration of what I said the other day. First, I said that we are not seeking to treat these Japanese with anything but strict justice, and as long as we do that we shall gain the respect of the oriental mind. On the other hand, if we show fear it will be worse instead of better for our soldiers and civilians who are at present within their power, because that is the mentality of their native race.

Also, as I said the other day, as reported at page 5948 of *Hansard,* we should not be influenced in the slightest degree by the considerations of what possible trade we might or might not lose in the future. If we are to be so influenced, if that is to be the way we look at it, we are going back into the old policies of the time when the last peace was made, when each nation was trying to get ahead of the other by some advantage in trade.

I hope and believe that there will be little or none of that spirit at the peace table. I say we should look much further into the future than a trade agreement, but rather look to the humanities of the human race. Perhaps I might put it in these words, "Ye shall not sell our children's birthright for a mess of trade pottage."

I wish to give a few quotations, and they are all true. Every one of these substantiates my statement, and most of them are statements from Japanese law—not Canadian law. I quote:

A male of full seventeen years of age or upwards does not lose Japanese nationality, unless he had completed active service in the army, or navy, or unless he is under no obligation to serve.

That is not a Canadian statute; it is Japanese law—the 66th, I think it is.

And again:

A male of full seventeen years of age does not lose Japanese nationality unless he has performed his military service.

And again:

You will especially note the terms of article 24 which prescribes that Japanese nationality is not lost unless military service has been performed before naturalization.

That is not military service in Canada, but military service in Japan.

And I quote again.

Prior to that time—

That was August 13, 1934.

—Japanese persons were frequently naturalized here who had not performed military service in Japan, and thus they became dual nationals.

Note that "dual nationals".

That order in council—

That was the order in council of August 13, 1944.

—provided, however, that no Japanese would be accepted for naturalization who did not have a certificate from the Japanese minister in Canada indicating that they had complied with Japanese military service requirements.

That last order in council is Canadian law. What would you think if Germany declared that we must not naturalize a man of German birth unless he had produced a certificate that he had performed his German military service?

It is said of one of the big religions in Canada—one of the great religions of the world—that if they have a child under their domination until he becomes seven years of age he will always live and certainly die of that same religion. It begins to look as though it was the same thing here.

This is no passing obscession; this is no mob hysteria. These are not the thoughts only of the member for Comox-Alberni. These are quotations from Japanese law supported by our order in council which was passed, and which provided—and this was in 1934, when the Prime Minister was not in power—that no one would get a naturalization certificate after that date unless he could produce a certificate of the Japanese consul in Canada, certifying that he had performed his military duty, and those military duties

were in Japan. If you knew how intense the military training is in Japan you would understand how there is so much difficulty for the Japanese citizen to grasp the ideals of the white man's civilization and Canadian citizenship.

I have just one more word to say. It is beginning to dawn on me in the last two or three days that the people of Canada, even members of parliament outside British Columbia, are not taking this matter seriously enough. They seem to think it should be confined only to British Columbia members. If they are so indifferent, then why should we in British Columbia worry so much?

The other day the hon. member for Lake Centre made a very fine speech in which he outlined the policy of his party, and referred to the statement which had been made by the Prime Minister. The hon. member made an excellent speech, covering the whole ground—with the exception that he did not mention that one question which is such a burning question to us in British Columbia. Well, if that is so, and if that is the view they take, we can be satisfied, and we shall be satisfied. If the government—this government or any other government—declares British Columbia a complete danger zone and prohibits any Japanese from living there, we would be satisfied, or at least silenced.

That is the situation as far as British Columbia is concerned. What you do to keep them somewhere else which is a matter of indifference to other members, will satisfy British Columbia if you make British Columbia for all time a danger zone and cut out all residence by those of Japanese origin. The solution is a poor one. It would be only the path of expediency, rather than of statesmanship, because statesmanship involves looking ahead to see what is best for the nation in the long run.

But in the meantime if the Prime Minister and this government gave his announcement that he would declare British Columbia to be a danger zone, and keep all those of Japanese origin out of it, so far as British Columbia is concerned we would have very little kick. It is a poor thing, this path of expediency. But so far as we are concerned, it is the one we would accept. It would be easily enforced, and we would not be forever asking whether this man was loyal, or whether the other fellow was loyal. It would be just a matter of having a danger zone. And the history of international law would justify it, because British Columbia is the danger zone for all time against the intruder from the orient; it does not matter whether he is Japanese, Chinese, or anything else. If you keep them out of there you prevent them from presenting any danger in the future.

I have overstepped my time, and I thank the committee for giving me this extra time. However, I feel very strongly in the matter, and I do hope the Prime Minister will take into consideration these matters I have mentioned.

Mr. COLDWELL: May I on a matter of privilege have something to say here? I understand the hon. member for Comox-Alberni said that there were Japanese in the house, and that they used one of the member's rooms as headquarters. He named the room of the hon. member for Vancouver East. That room is in my charge at the present time. I have the key to it, and to my knowledge no one, other than my own secretary, has used it for any purposes. And he has never reported to me that any person of Japanese origin has been in that room. Therefore I would ask the hon. member to withdraw that statement. Obviously it is not true, because the room could not have been used without my knowledge. I have no knowledge of anyone of Japanese origin being in that room. I have seen no person of Japanese race or origin, myself, during this session of parliament.

Mr. NEILL: I have been in the house the whole session and I have never seen any Japanese, either. But that does not prove they were not here. The fact that my hon. friend did not see them does not say they were not there. I did not see those men in the gallery, but that does not prove they were not there, for the police officer went and spoke to them. If the hon. member believes that they were not, I will say he is simpler than I thought he was.

Mr. COLDWELL: But the hon. member says that the room of the hon. member for Vancouver East was used by these people as their headquarters while they were here.

Mr. NEILL: That is true but I will put it in another way, in a way that will be more definite. You know sometimes people are likely to make a big fuss and claim they are being libelled when they are only being labelled. I will put it more directly. I claim that there is a direct permanent connection in British Columbia between the C.C.F. and the Japanese.

Mr. COLDWELL: That is not true.

Mr. NEILL: If that does not satisfy them—

Mr. COLDWELL: We are not filled with the hate that some people are.

The CHAIRMAN: I think it is a matter of interpretation of the statement made. I take it that there was no personal attack on any one, and I understand the hon. member for Comox-Alberni has stated that he was not aware personally that there were Japs in the room of the hon. member for Vancouver East.

Mr. NEILL: They were there but in order to save dispute and time, I will say, "Yes, dear, I will withdraw."

Mr. COLDWELL: I could not hear what the hon. member said.

Mr. MITCHELL: He said, "Yes, dear, I will withdraw."

Mr. MACKENZIE KING: He said, "Yes, dear, I will withdraw."

Mr. KNOWLES: Why did he ever make it?

Mr. GRAYDON: I think that comes with singular propriety from the Prime Minister.

Mr. ROSE: Mr. Chairman, the comprehensive statement made by the Prime Minister shows that, generally speaking, our government has followed a correct foreign policy. It is obvious that under present circumstances the first objective of our foreign policy is to win a victory along with the united nations as rapidly and as decisively as possible. Secondly, I believe that our policy in the post-war period aims to assure security for Canada and for the world through collaboration with the united nations, to promote such machinery as will unite these nations and guarantee them political, economic, social and cultural well-being for them and for all other nations. The Labour Progressive party has on a number of occasions stated its position with regard to foreign policy, and I think I can give this in a few words as stated by Tim Buck, the national leader of the party:

> The ideal toward which Canada's foreign policy should aim is that of Canada playing a democratic role as a sovereign state in a world association of sovereign states.
>
> Such an ideal does not exclude or contradict continued Canadian membership in the British commonwealth; on the contrary, it envisages development of Canada's role in the commonwealth to one of increasing importance. A member of the British commonwealth of nations, next door neighbour to the United States and a friendly near neighbour to the great confederation of Soviet socialist republics, Canada can and should be a link between the great democratic powers. To do that effectively she must not be subordinate in any way to any one of them. Canada's foreign policy must be based squarely upon Canada's national interests and needs.

If we approach Canada's foreign policy from that point of view it is then no more a question of whether Canada is a small nation or is to be a big power within an empire scheme. The real problem as I see it is that we are going to be either a nation speaking up independently and showing an interest in Canada and the world or we shall simply mouth what others say. The only thing that will make us great will be our independent position, based on Canada's interest. We have reached maturity during this war economically, politically and in many other ways. That is recognized throughout the world, and it is high time that we all recognized that from the point of view of foreign affairs we must accept the stature of full maturity.

Looking at the world at the present time, I believe it is necessary that we notice what is happening throughout the world. We must do this not just because we may want to go travelling over the globe but because what happens throughout the world affects us. We cannot disregard what happens in any part of the world, and it is therefore necessary that we look at what is happening in the various united nations and consider how we may best achieve victory and a state of peace.

Through the conferences at Moscow, Cairo and Teheran we have been given a pattern of collaboration, referred to by the Prime Minister. I wish to make it clear that this pattern of collaboration includes both great and small powers. We should not try to create the feeling that the large powers are going to run away with things and that the small powers will be left alone or will be oppressed by the large powers. I believe that to consider it from that point of view is to create ill-feeling and suspicion.

There is a tendency at times to refer to the big powers as wolves and the little ones as lambs. I have not time to go back into history, but if I had I think I could show that there has been a number of wars fought by the little powers, wars that were inspired by reactionary governments. We must endeavour to see how we can collaborate best in the post-war period. The four powers in their declaration at Moscow indicated how they intended to include the small nations. Parts one and four of that declaration read as follows:

> 1. That their united action, pledged for the prosecution of the war against their respective enemies will be continued for the organization and maintenance of peace and security.
>
> 4. That they recognize the necessity of establishing at the earliest practical date a general international organization based on the principle of sovereign equality of all peace loving states and open to membership by all such states large and small for the maintenance of international peace and security.

This was repeated at the Teheran conference in the following words:

We shall seek the cooperation and active participation of all nations, large and small, whose peoples in heart and mind are dedicated, as are our own people, to the elimination of tyranny and slavery, oppression and intolerance. We will welcome them as they may choose to come into the world family of democratic nations.

Here is something else:

Emerging from these friendly conferences we look with confidence to the day when all peoples of the world may live free lives untouched by tyranny and according to their varying desires and their own consciences.

Has the situation become better or worse since those conferences? If one wants to be pessimistic he will say that things have not become much better. It is true that there are many things that have not been remedied, but in my opinion many things have been improved. The difficult situation that existed in Jugoslavia has been changed since the conference, and in his last speech in the British House of Commons Prime Minister Churchill made it clear that this matter is well on the way to a final solution.

There is also the situation in Italy where Badoglio and King Emmanuel insisted on staying in power, where certain reactionaries behind them insisted that they stay in power. Since then, a government representing all sections of the Italian people has been established. While that government has not yet been given all the necessary power, it is trying to bring all sections of the Italian people together to help to drive the enemy from Italian soil.

There was the situation in France. We in Canada feel especially strongly about France. No doubt many of us were distressed about the situation that was created by hoisting Darlan, Peyrouton and others into power. Many of us could not see any reason for the use of these people. The other day in front of this house we heard Charles de Gaulle speaking. We believe that the fact of his standing and speaking there may be regarded as symbolizing the victory of the forces of progress over reaction, the victory of the heroic people of France.

Then there is the Polish situation. I know that this problem has not been solved, but there are good signs that it will be settled in a way which will satisfy all the united nations and primarily the people of Poland. Not all is well as yet, but I am quite optimistic that even those things which are still wrong will be changed, because I have a lot of faith that the peoples who have gone through this war do not mean to return to the conditions which prevailed before the war.

There is the problem of Italy. It is true that the Italian people now have a government, but some of the actions of others who are now in occupation of that country are not so reassuring. In many places the allied civil administration does not act in a manner most encouraging to anti-fascists. The other day I read a story by Matthews in the New York *Times*, written from Rome, that partisans, men who have risked their lives to destroy bridges and tear up tracks to help the Canadian and British forces, have been disarmed and left helpless. That sort of thing must not happen. These men, who had the "guts" to fight Mussolini, must be encouraged. They must be formed into an army to help us in the fighting, and given an opportunity of coming to the fore in their native land.

Here is a story of civil administration. A town was taken by Canadian troops. The Canadian civil administration entered the place and, finding a committee of anti-fascists had been set up, collaborated with it. The British took over the town and continued the collaboration, until one fine day the committee, taking seriously the statements of the Moscow conference about clearing fascists out of important jobs, sent a letter to the local bank asking them to "fire" fascist employees. What happened? This committee found themselves arrested and given gaol sentences; their office was closed, and they were informed that they had broken the regulations, because they had no business to send out letters. Somehow the true spirit of collaboration is still lacking. Too often there are officials in the civil administrations who come from business circles. Their minds generally being not of the most progressive type, they cannot understand these anti-fascist committees. That is not the best way of dealing with the problem of occupied Italy.

I should like to deal for a few minutes with the situation in Greece. We hear very little about it. There have been several refugee governments, at least three, I believe, in the period of a few weeks. The government was to include representatives of the fighting forces of Greece, the EAM. There have been troubles. Both the army and the navy revolted. They did not revolt because they did not want to fight; they revolted against a regime for which they did not want to fight. The result was that twenty-four sailors have been sentenced to death. Is that going to promote the unity of Greece? I have a feeling that British imperialist interests still believe they must have a hold on that area and feel it incumbent

upon them to tell the Greek people what sort of government they are to have or are not to have. That is not in accordance with the declaration made by the Teheran conference, that each people should have the right to the kind of government they wanted, and according to their own choice.

I do not know how soon the Polish situation will be cleared up. I have some personal knowledge of Poland, and I doubt whether Watson Kirkconnell, or Wilson Woodside, the C.B.C. commentator who, every chance he has, takes a crack at the Soviet Union as regards the Polish situation, or any other like-minded commentators, can tell me much about it. I remember as a young boy that there were many streets in my native city which we did not dare to go up, because stones were thrown at us. Jews could not pass along those streets. I can recall that Jews had to put handkerchiefs around their beards, because there were anti-Semitic specialists in beard-clipping who went around with scissors to clip the beards of orthodox Jews. Despite the fact that the present Polish government in London is made up of people from various parties, in the subordinate ranks of the diplomatic staff and among some of the officers there is a reactionary pro-fascist clique which we have to take into consideration when we speak about Poland. These are the people who want to carry forward the policy of pre-war days in Poland. You do not have to take my word for it. I am going to quote what Lloyd George had to say about Poland in 1938. Writing that year in his book, "The Truth About the Peace Treaties," David Lloyd George, former Prime Minister of Great Britain, said as follows, referring to the treatment of minorities:

> Poland is one of the worst offenders. She actually repudiated the minority treaty at Geneva in 1934 by unilateral declaration in which her delegate laid down that the treaty would no longer be regarded as applicable to Poland.
>
> One of her greatest breaches of faith relates to her treatment of the claim by the Ruthenes (or Ukrainians) to local autonomy for at least eastern Galicia. . . . There are some 6½ millions of this race on her territory.

Such is his reference to the Ukrainians. As to the treatment of Jews, I have not time to go into that, but I have come across a number of articles, in the Manchester *Guardian,* the London *Daily Herald* and other journals, dealing with anti-Jewish pogroms. I do not wish to dwell too much upon the past, but the fact is that anti-Semitism still exists in the Polish army. Only a few months ago the British foreign secretary, Right Hon. Anthony Eden, admitted to the House of Commons that an anti-Semitic situation existed and that a number of Jews were going to transfer from the Polish to the British forces, but he hoped that the problem would be solved, because all the troops were about to go into action.

There is a story in the New York *Times,* appearing on March 19, 1944, by James Alderidge, in which he tells about a colony of 134,000 Poles who had left the Soviet Union and gone to Iran. He writes:

> The Polish camp was divided into classes . . . conditions got progressively worse as one's station was lower. The Jews were scattered into a Ghetto, the camp was run on totalitarian lines and you did what you were told. . . . When more than 300 Jewish children had been fixed up to go to Palestine the Polish elite who were very anti-Semitic put pressure on the Iraqui authorities not to allow the Jewish children to pass through Iraq to get to their destination.

To verify this, Quentin Reynolds writes in his book "The Curtain Rises," which appeared only a few months ago:

> I knew, as everyone in Iran knew, what they did with some of our lend-lease and Red Cross equipment. I know that they cared for the Poles one way in Iran and for the Jewish people in quite a different way—oh, in quite a different way.

These are the words of Quentin Reynolds. I want to go a bit further and elaborate on this point because misunderstanding is created in Canada by people who are anti-Soviet on every occasion they get, especially in regard to the Polish situation. That is the thing they look for chiefly as a means of creating confusion. In this book "The Curtain Rises," Quentin Reynolds has a chapter called "Poland believed Goebbels." The story about the ten thousand Poles who, it was claimed, had been murdered by the Russians is commented on by Quentin Reynolds in these words:

> When we first heard this we yawned, and switched over to the Rome station. It was we thought just another of the good Doctor's bedtime stories. . . . Then we were shocked to see that the Polish government in London was actually taking the story seriously. Alexander Werth, Marjorie Shaw, Ralph Parker and two or three others who knew the Polish ambassador well hurried to his embassy. . . . He regretted the whole incident exceedingly but he emphasized the courteous treatment he had always received from the Soviet officials . . . he told Alexander Werth that he did not for a moment believe Dr. Goebbels' story of 10,000 dead Polish officers.

In this chapter, Quentin Reynolds gives other facts about Soviet-Polish relations since 1941. He writes:

> Soviet-Polish relations got off to a fresh and favourable start under the agreement of July 30 of that year. The Sikorsky government said, in effect, "Well, for the moment we're allies fighting the same enemy. Let's let bygones be bygones until we sit at the peace table." All embassies were stationed in Kuibyshev then. Moscow was too near the front. The Sikorsky government made the mistake of staffing its

embassy and its military mission with diplomats and officers who had always been identified with the avowedly anti-Soviet policies of Josef Beck. These gentlemen entirely lacked the gift of reticence.

Reynolds tells them about Kuibyshev, the temporary capital, during those days. He said that the Poles hated Russia and made no effort to conceal their feelings. He tells the story about the army in the Soviet Union —a Polish army on Soviet soil:

Meanwhile, what of that Polish army that was training? General Anders had little faith in the ability of the red army to withstand the full impact of the German blows which were increasing in fury each week. It was stated repeatedly that the German army would eventually smash Russia.

Now, Mr. Chairman, these were people who were happy in the belief that the Germans would eventually smash Russia and they would save their hides by withdrawing to Iran. Such people cannot deal with the Soviet Union. We here on this continent understand very well, when we are concerned about what happens in the Argentine because any such event disturbs the situation in the Americas. But very many in this country refuse to understand why the people of Soviet Russia do not feel so happy about having on their borders governments that are always plotting against them. Let me emphasize that, if anything, we want to learn from this whole Polish affair that the calamities of the past, which were due in very large measure to anti-Sovietism, must not be repeated in the future.

Unfortunately, anti-Sovietism is something to which too many still resort. But if we are to have peace in the future we must wipe this out completely. Because of that I felt rather peeved the other day when a little book came to my attention, bearing the title, "When the Iron is Hot", written by the hon. member for Ontario (Mr. Moore). I do not know what he tried to prove. I gather that his idea was that socialism is not good, but I do not know why he found it necessary to seek his materials in the events of 1925, 1926 and 1927, and slander the Soviet Union. Why should he use the arguments that were advanced by the worst enemies of the U.S.S.R. at that time in order to prove his point? That is beyond me. It does not help good relations, especially when such a book is sent out with the compliments of a member of the government.

Mr. MACKENZIE KING: A member of the government?

Mr. McLARTY: A member of parliament.

Mr. ROSE: I do not like to mention names, but the person in question was Ernest Bertrand, K.C., P.C., M.P., who franked it and sent it out.

I should now like to turn to another country which has not been given very much attention in this discussion. I mean China. China is one of the four great powers, but if we speak frankly I think we will admit that the war in China is not going very well. President Roosevelt not so long ago made that admission, and I would say that the fact that certain appeasing elements, certain reactionary forces, are still active in Chungking, speaks for itself. Inflation is running riot there. In fact, it has reached catastrophic proportions, and I think members of this house are old enough and responsible enough to be aware of these facts. The situation there is not very good. The rich refuse to lend their money, or they will not lend it except under compulsion, and there is little compulsion there. The other day a translation of a book written by Chiang Kai-shek came into my hands. I hope that Chiang Kai-shek has changed his mind since he wrote that book, because he does not express the kind of sentiment toward the western powers that one would expect. Generally, the situation there is not a healthy one. Vice-President Wallace visited him a short time ago and I hope that he was able to improve the situation there.

I should like to say a little about the eighth route and fourth route armies. Very little is known about it in Canada; we should know more about it. Here is what Lieutenant-Colonel Carlson of the United States marines said about these armies a few months ago:

In the early years of the Sino-Japanese war I spent a number of months with this group. I found that its military successes were due in large measure to the democratic political action of the people and to the solid integrity of its leaders.

Recently I had a report from Professor Michael Lindsay formerly of the faculty of Yenching university and now present with this group on the activities of the group up to the end of last year. Professor Lindsay tells me that the military agencies of this group, the eighth route and new fourth armies are containing about 350,000 Japanese troops. These Chinese armies operate for the most part in small mobile columns which engage the enemy daily. Activities have been extended northwest of Peiping and into southern Manchuria where they constitute a constant threat to the Japanese lines of communication with China. These armies with their militia units now number about one million men.

Hon. members may wonder why I am saying so much about China? I am saying it because I have heard hon. members ask, are we to participate in the war in the Pacific? Yes, we are. But we want everybody to fight. Everybody who wants to fight should be given an opportunity to fight. We want them to fight because that is the way in which we shall work better in the future—by speaking

of these issues; by seeing that China is united; by seeing that the troops who are holding back half of the Japanese army are given support. If we are giving mutual aid then we should give mutual aid to these groups as well as to the forces of Generalissimo Chiang Kai-shek.

Madame Sun Yat-sen, the wife of the great leader of Chinese freedom, recently made an appeal to the American people and the American workers in which she said:

> Insist that the products of their efforts, and the gifts they make to China shall be equally distributed to every force wherever situated, that is actively engaged in operations against Japan, and to no force that is otherwise engaged.

I wish to say a few words in passing about this Japanese rumpus. We are spending too much time on a small group of people in this country. We are wasting too much effort when we do not know what the post-war solution is to be. If the Cairo decisions are carried out, and I have no doubt they will be carried out; if Manchuria comes back to China, if Korea is made independent; if Formosa is taken away from Japan; if the Mitsui-Mitsubiski industrial enterprises are smashed; if Hirohito and the small group of Japanese war lords are dealt with, there will be no Japanese danger and there will be no reason to persecute here in Canada a group just because they happen to be of Japanese origin. Why were some of the Japanese supporters of Hirohito feeling so cocky in this country before the war? They were that way because they considered their country invincible, and we encouraged them by shipping scrap iron to Japan. While in Vancouver in 1938 I was to be interviewed on the air about Japanese espionage. I went to the radio station, but I got as far as the door only. The man who was to interview me told me that he was sorry, the mayor of the town had intervened and the broadcast was cancelled. If we smash Japanese imperialism and the Japanese military clique we shall solve the Japanese problem in Canada too.

May I say a few words about another far eastern problem, India? I come back to the problem, shall we fight in the far east? Yes, we can send a lot of troops, but they cannot do as much as one-fifth, one-tenth or one one-hundredth as the solution of the Indian problem would achieve. Vice-President Wallace spoke about that part of Asia not long ago. He said:

> If the war ended to-morrow Asia would find itself divided into free and subject divisions.

[Mr. Rose.]

He declared that the latter would be India, the Dutch East Indies, Burma, Malaya, Indo-China and a great many small Pacific islands. Wallace said:

> It is to our advantage not to perpetuate this division but to see an orderly process of transition so that the area of free Asia will grow and the area of subject Asia constantly diminish.

A few days ago Mahatma Gandhi made some proposals—I would say those proposals were very moderate—calling for the setting up of a provisional Indian national government with the British viceroy retaining control over military affairs, and pledged not to renew the civil disobedience campaign during the war. He made separate proposals to the Moslems. There seems to be a means for solving the problem; and we in Canada, in the interests of the people of Canada and in the interests of the people of India and everywhere else, should say to the British government that we expect them to take up these negotiations and proposals. This is the finest way of cutting short the war in the far east; it is the finest way of having stability in the far east in the post-war period.

I wish to deal with one more area under British control. I have covered a large part of the world, and I shall conclude with this. I refer to Palestine. A number of hon. members have spoken on it and I wish to say a few words too. There are 600,000 Jewish people who live and toil in Palestine. People of various nationalities, Christians and others have travelled there, and they have come back and admired the things that were done by the Jewish people both agriculturally and industrially in that area. In the difficult days before El Alamein the people of Palestine looked after the repair of the machines of war for the British army. Tens of thousands of the sons of Palestine were fighting in the army. The Jewish settlement of Palestine has been cramped by the white paper. Jews have not the right to buy land, a lot that is worse than anywhere else in the world. They cannot emigrate to Palestine. Immigration is limited. I would say that Canada, together with the governments of Britain, the United States and Russia, should try to find a solution of the problem of those six hundred thousand people living in Palestine and those who want to go there. I believe that a solution can be found on the basis of collaboration between the Arabs and the Jews, and I believe that this idea is becoming more and more popular with both these peoples. It is true that there are a few extremist elements among the Jewish people who talk about Palestine as their own hunting ground,

but they form a very small minority. I believe that we should do our best to help to find a solution of that problem.

Mr. BLACKMORE: How would you suggest it should be done?

Mr. ROSE: By suggesting that the great powers get together with representative groups of the Jewish and Arab leaders, trying to find some solution. I do not say it would be easy to get these people to come together, but at least we would be trying to solve the problem on a sound basis instead of on the basis of the white paper.

While I am on the question of the Jewish people in Palestine, I should like to say a word with regard to Jewish people in general and anti-Semitism, which must be driven from the earth once and for all. There should be no place for it in our world; and at the peace table, or whatever the conference is called, anti-Semitism and the oppression of minorities by any one nation should be made a crime against all other nations. Our government should take a stand on this matter. After all, Hitler has used the Jewish issue to deceive the German people, and there are many would-be Hitlers who would like to use it again to-morrow. I see by the newspapers that in the city of Lublin, where I was brought up as a child, of the fifty thousand Jews who lived there before the war not one was alive when the Russians finally recaptured it from the Germans. While the Germans held that city they killed all the Jews, and to that city they brought Jews from all over Europe. The Russians found huge stoves in which Jews had been burned. So that I say that the evils of anti-Semitism and oppression against minorities are things against which we should all speak once and for all, things that must be discarded from civilized society. When we are united we are strong; when we are divided one from another we are weak. I want to cite this one example. When the Red army launched its offensive in white Russia, which brought it so close to German territory, its armies were commanded by four generals.

The ACTING CHAIRMAN (Mr. Golding): Order. The hon. gentleman has spoken for forty minutes.

Mr. ROSE: Then perhaps I may finish what I was about to say. There was Bagramian, the Armenian; Chernyakhovsky, the Jew; Zakarov, the Russian, and Rokossovsky, the Pole; four generals leading one offensive, men of four nationalities fighting in white Russia, to help liberate the Polish people. That is the spirit we want to permeate throughout Canada; that is the spirit we want in the world. With such equality and such opportunities in the new world it will be a better place for us to live in, as it must be.

I wish to conclude with the following quotation from a very fine book which I read the other day and which I recommend to hon. members for their vacation reading. It is "They Shall Not Sleep", by Leland Stowe. He concludes with these words:

> Yes, yesterday is dead. But only the weak or the incurably greedy will weep for yesterday. To-morrow is a different day. It will belong only to those who are as clear of mind as they are strong of heart. To-day is dying as swiftly as those who fall and those who have fallen upon the fields of battle. If to-morrow is not a better as well as a different day, we can be sure that they shall not sleep.

Mr. MacNICOL: The hon. member who has just taken his seat said something about supporting the movement of Jewish people from Poland to Palestine. That recalls to my mind a meeting I attended last winter in Toronto, a very large meeting of Jewish people at the Royal York hotel, one of the finest audiences it has been my pleasure to see. There were men from all over America, and I can say I was delighted to be there and delighted to meet the others who attended. At the conclusion of that gathering a very strong resolution was passed asking that Canada should support the programme of Jewish immigration to Palestine. I am entirely in accord with that sentiment, but I should not like to see all the Jewish people go to Palestine; I should like to see some of them come to Canada. In my own city of Toronto all I have to do is go down to the main business centre of the city, and there I see how much this country owes to the Jewish people who have come here. They have established great businesses. When I go to the university I see the great contribution they have made to education, to science and to music. In connection with the Jewish people I have always observed that when they come to Canada their first step is to learn our language and invest their money in business. I have seen many of them start very low on the ladder, and in their lifetimes rise to a very high position in business and all that go to make up this country. I have never had any animosity toward the Jewish people. There are Jewish people all around my neighbourhood; their sons have enlisted and are serving in the various branches of the armed services.

I cannot understand antagonism toward the Jews. I rose to say that from my own observation I have seen them make good in this country. I have seen them make a substantial contribution, in every walk of life, to

the building up of this country. I have seen them participate in the defence of this country, and I would support a programme that might be initiated by the Prime Minister to help them. As I said a moment ago, I should like to see this government do something to help them migrate to Palestine, and to have some of them come to this country. I have not been to Palestine, although I am going there one day. I should like to see the city the Jewish people built there in a short time; I believe it is called Tel-aviv, and the wonderful gardens they have constructed out of a sandy desert, converting it into a prolific country by means of irrigation. I have said a great deal about irrigation, but I should probably learn something from what the Jews have done in turning the sandy wastes of Palestine into irrigated areas producing vast quantities of commodities.

This is what I rose to say to the Prime Minister. If he makes an effort along the lines of the resolution passed by the Zionist movement and endeavours to assist in the return of large numbers of Jewish people to Palestine, he will receive my support. I believe they deserve a great deal more from this country than they have been getting, in view of the vast contribution they have made to the progress of the world.

Mr. HANSELL: I do not wish to take a great deal of time on this item, although I must say I regard it as perhaps the most important we have had to discuss during the present session of parliament, in view of the times through which we are now passing. Yet I suppose it will be one of the least discussed of all items. Perhaps there is a reason for that for, after all, I believe most of us know very little about international relations.

In my constituency not long ago I made it a point, just as a matter of carrying out a little test, to ask a number of people what we were fighting for. I must confess that the answers they gave were not in the realm of superintelligence. One man would say, "Well, we are fighting a war against Hitler." Another would say, "We are fighting a war to defeat the enemy." Those were the answers I received. It seems to me that all international relations, so far as our people are concerned, are shrouded in a sort of mystery. We do not appear to know what is happening behind the scenes.

I can understand this, if that which goes on behind the scenes has to do with military strategy. But when conferences of a diplomatic nature are called, the people should be well informed as to what is happening at those conferences. Several very important conferences have been held within the last few years. There was the conference at Casablanca. I do not know what happened there, and I doubt whether anybody else does—with the exception of those who attended. We were told, of course, that some great military strategy was being planned. Well, it occurs to me that perhaps the generals, admirals and air marshals would be the ones who would plan military strategy.

Then there was the great conference known as the Atlantic conference which gave birth to what was called the Atlantic charter. Somehow or another the Atlantic charter seems to have fallen into disrepute. In some sections of the world it is said that the Atlantic charter has failed. I question in my own mind whether that really was the object of the conference. When I look at the four freedoms I have to ask myself whether or not it was necessary to hold a conference in the middle of the Atlantic to decide that the peoples of the world are free from this and free from that.

Then there was the great Quebec conference, at which Canada and our Prime Minister played host. Certainly we were not told what took place behind the closed doors of that conference. As a matter of fact, when President Roosevelt, who, I suppose, was the one delegated to tell the world what did not happen, made his statement, he said that this time the enemy would know in due course what they had talked about.

Then there was the Teheran conference. Some little publicity has been given to it, but I doubt very much whether the people know a great deal about it. It seems to me that what we want, if we are to have an effective democracy, is an informed people. We need an informed public.

I am tempted to ask myself this question: What sort of information are the people getting? Any information they are getting with respect to international relations does not seem to come from officialdom. Most of it seems to come from all sorts of other sources. Stand at a modern newsstand in a railway station or on a street and look over the publications there offered for sale, and one will see that there is a lot of trash as reflected in certain types of literature dealing with foreign policy of foreign nations. What do we find? Well, I am quite certain that all that is publicized with respect to international relations only tends to confuse the public mind. I wish that our leaders would take the initiative and really inform the public as to what is happening. Tell our people, so that we may see the public reaction, and consequently move according to the wishes of an effective democracy.

That, I believe, is something that will make democracy more effective. A good deal has

been said with respect of certain announcements, and the timing thereof. Some little blame, rightly or wrongly, has been focused upon the Prime Minister. I must confess I am not interested in that aspect of the matter. I know that diplomatic relations are very delicate. Diplomats must be dressed properly; they must have their silk hats on properly, or they are not following the best form. I am not interested in whether the Prime Minister did rightly or wrongly in permitting an announcement to go out at a certain time. I am quite willing to leave it to him, and trust him to do the right thing in that respect.

But what I am concerned about is the basis of the announcement. What I am concerned about is the subject matter dealt with by the diplomats of the various nations. And I would say now to the Prime Minister, for whom I have some regard—although I am not a Liberal—that he would do well for this country and for himself, and would do well for his party—if party could be brought into it—and would do well for the nation, if he were to attempt to give the public the entire diplomatic picture, in order that they may be informed as to where this country is going.

Might I now turn to the role of the philosopher? Perhaps I am a very weak sort of philosopher. I never did major in philosophy, and I have often thought that common sense will take one where some types of philosophy will not. But I say emphatically, and I do not think I am wrong, that the way I see the picture in the world to-day is that the whole world is lining up into two camps, each one with a particular programme for a particular desired end.

It may be that some well-intentioned people are the victims of one programme or the other. As I see it, one camp fosters a programme of driving the world toward what I have termed world statism. The other camp has its programme of effective democracy, or a world of free men. The one that is driving toward world statism has as its guiding principle that of compulsion. The one that seeks to bring about a world of free men has for its main principle that of inducement. There is all the difference in the world between the two.

That programme which tends toward bringing about a world statism means dictatorship from the top. It may not appear so now, but that is the inevitable result. A programme to have an effective democracy in every country that so desires that sort of thing must be a programme which gives the individual absolute freedom along with absolute security.

I offer no apology for saying that I regard Holy Writ as authentic and indisputable. One of the principles of divine creation was to make the individual created in the image of God a personality with absolute freedom of will to choose. I do not think I need to take the time to repeat the story except to say that whether we want to take it as being symbolic or not, when man was created he was told that he could partake of all the trees of the garden. But we are reminded that the Creator said that there was one tree he should not touch. But the Creator did not place a fence around that tree and force man to stay away. Why? Because in the Great Almighty creative omniscience there was one principle that had to be realized, the dignity of man as a free moral agent. I will say philosophically that anything that tends to take away from or interfere with the dignity of a human being, to take away his freedom as an individual, is contrary to divine law.

I maintain that wherever the British flag has flown the great principles of freedom, equity, justice and peace have been its symbols. If we are to have an effective democracy it must be one where those great principles have free growth in our midst, the principle of the freedom of the individual, and the principles of equity, justice and lasting peace. I am quite aware that in many instances we have failed. I am quite aware that the privileges which have grown up under a free democracy have been abused. Nevertheless I say that any departure from the principle which recognizes the individual as a human being, as a free moral agent, will destroy democracy. When nations adhere to those great principles is what we mean by effective democracy.

An attempt is being made, and it has been going on for many decades, to destroy the British empire. The great underlying principles of British justice and democracy are as I have outlined and will always remain that. The one way to destroy freedom, the one way to destroy equity and justice in the world, the one way to take peace from the world would be to destroy the British empire.

The question is whether or not in our international relations we are to retain those vital Christian principles or whether we are to play into the hands of a world scheme for the setting up of world statism over which there will be, if the ultimate end is as I have pictured, a world dictatorship. I know the Prime Minister is well aware of this and we are all well aware that the old propaganda machine has been attempting to mould the minds of people to the bringing about of that international organization. It is all very well to talk about an international organization for peace, but we have to know what that international organization means, what its ultimate objective is, where it is likely to take us.

One thing is certain. If you delegate any power to an outside organization you cannot

delegate that power without losing it yourself. When you delegate that power to an international organization, all that is really needed is someone, to put it in a crude way, some great personage with a little more brains than the rest of them. The result will be tantamount to world dictatorship. I am convinced that what is being built is a programme to bring about a world state whereby each individual nation will surrender a certain amount of its sovereignty and power and, in addition, give that international organization a police force to force its will upon the rest of the world.

Personally I am against that. I often ask myself the question, as I view the matter along those lines, "Are we going to give our sons to fight in some war that in reality has nothing to do with us; are we going to give them to fight just because we have become tied to some sort of international organization?" Supposing some skirmish broke out in South America or in some other distant part of the globe. Are we going to give our sons to fight there just because we are tied to an international organization of that kind?

I know I shall not be contradicted when I say that that is the idea. I know that what is being propagandized is that this is an organization to ensure peace and world security. That sounds all very well, but I am wondering if in the end the idea is not to destroy the effectiveness of the British commonwealth of nations. I believe that it is. One thing is certain that what we need more than anything else is to remove the causes of war. My own common sense tells me that to simply build up an international organization, to give it a police force to impose its will upon the nations that are not in line, will not strike at the root of the matter. Such a programme presupposes that you are not going to get rid of the causes of war.

I have always had great respect for the British diplomat. When Mr. Anthony Eden was in Ottawa last year I had certain thoughts, but I did not think that was the occasion to raise anything by way of criticism. We must always be courteous to our visitors. In the speech he made in this chamber, he said, as reported on page 1748 of *Hansard* of April 1, 1943:

> The League of Nations suffered, no doubt, from a number of human failings and shortcomings. We all do. However, what above all it lacked was a sufficiently wide international authority to express its decisions with conviction and an adequate force to see them executed.

Somebody has said that the failure of the League of Nations was because it did not have any teeth in it. Well, just as soon as you begin to put teeth in anything, something is going to bite and something is going to be bitten; that is all there is to it. He goes on to say on the same page a little lower down:

> It is essential that when this war is over the united nations should maintain sufficient force to ensure that neither Germany nor Italy nor Japan—

I do not know why he stopped there.

> —can ever plunge the world into war again.

The only redeeming feature about it is that he says "again." But why not include all nations?

The point I am trying to put over is that the term "force" is a very undesirable term, and the principle of force is simply anti-Christian. I say again that we must remove the cause of war. The hon. member for Cartier said he believed that each nation should be permitted to lead its own life in its own form, be it democratic or some other. All right. If that is so, why all this talk about international organization? It does not "add up," to me. I do not want anyone to think I am against international collaboration and cooperation. I believe that you might have some sort of organization whereby the nations of the world can be represented around a conference table and have their problems and difficulties dealt with. But to say that the conference must make decisions and then have a police force to enforce those decisions means that we are to try to solve our internal problems by handing them over to somebody else. Personally I am against that.

One other thing which I should like to say is that nobody seems to know anything about what the peace issues are to be. I read some time ago a news item that Mr. Eden told the British House of Commons that they were ready with their peace proposals, but he did not say what they were. I do not know the reason. I do not know why they should be shrouded in mystery, but we will give Mr. Eden the benefit of the doubt; it may be that there is something which it would not be advisable for us to know.

In the first place, I do not know whether there will be a peace table. If there is, I do not know whether there will be one or two. I do not expect that any peace conference is capable of disentangling international problems and settling the peace overnight. It will take a long time and the peace programme itself will stretch over some considerable period.

Since I have been functioning as a philosopher, although maybe a pretty poor one, maybe I can now turn politician. There is a question in my mind as to who will be at the peace table, if there is one, to represent

Canada. I hope I am not sounding a false note, but we have to look into the future. I say that no peace proposals should be made until they have been brought before parliament and the whole problem discussed, so that whoever represents Canada will reflect the democratic will. I have said that I do not know who will be there. If one may judge from recent elections there is no guarantee that the Liberal government will be returned to power if there is an election this fall—and I imagine there is going to be one. Our Liberal friends lost heavily in Saskatchewan and Quebec, and I do not believe that our Conservative friends have been as "progressive" as they thought they were going to be, while our C.C.F. friends lost heavily in Alberta and Quebec, so that it is unlikely that they will form the next government.

Mr. HOMUTH: That is definite.

Mr. HANSELL: So nobody knows who will.

Mr. HOMUTH: Oh, yes, we do.

Mr. HANSELL: My hon. friend has a sort of a fifth or maybe a sixth sense, but what he needs rather than that fifth or sixth sense now is, yes, a little sense, a little common sense. We do not know who will form the next government.

Mr. HOMUTH: Speak for yourself.

Mr. DUPUIS: Anyway, it is not worth "six cents".

Mr. HANSELL: What I am saying is that I do not know who will represent Canada at the peace table.

Mr. DUPUIS: We know.

Mr. HANSELL: But I must say this if I am to express my own sentiments. I do not want to see either the Liberals, the Conservatives or the C.C.F. returned. But I would not like to think the present Prime Minister will not be one to go to that conference. I am not to be understood in saying that as having gone over to the Liberal ranks. I do not believe that the Prime Minister is going to that conference to propose the philosophy which I have outlined. My view of what he will do—and I cannot say that he is doing it unconsciously because he is too intelligent a man to do things unconsciously—is that he, too, may be a victim of a philosophy which is not too obvious in these days, that he may be the victim of influences causing him to advance a programme for a coming world socialist state with a world dictator. I hope that is not so, but I also hope, no matter what government is in power, that by a gracious as well as a common sense act which will be pleasing to the people of Canada, the present Prime Minister will be at least one of the delegation which will represent this country. But he should not go without obtaining the views of the people, and I do not believe those views can be ascertained by means of an election issue, because election issues become confused. This is an important matter. I suggest that whoever is the responsible Prime Minister should call in the leaders of every political party represented in this house and, if necessary, take days to thresh out the questions involved and ascertain the views of the people, so that he may go to the conference to bring about effective democracy in Canada and assure sovereign rights to each and every nation.

Having talked along political ideas for a moment, I am going to make this suggestion. I cannot make it to parliament. I cannot make it to the leaders of any party. All I could do would be to make it to the people of the country, and that is that the leader of every party be given an acclamation to this house in any forthcoming election. I do not know why my hon. friend the member for Vancouver Centre (Mr. Mackenzie) should show forth his very hearty and pleasing laugh; but this, to my mind, is no laughing matter. I believe that the brains of Canada do not all repose in any one political party. I think we all have something to contribute in these days. If it were a peace-time election it would not matter to me whether one Prime Minister was thrown out and another put in, but we are living at a time when the war is gradually approaching its end and sooner or later, when the minds of the people are turned toward peace, we shall need in parliament the very best calibre of political leadership. That is why I am suggesting this. I hope that the Prime Minister returns to this house after the next election. I hope that Mr. Bracken will return.

Mr. McLARTY: Come, you mean.

Mr. HANSELL: Well, I know he will not "return". Then, of course, there will not be this little controversy about absenteeism. While I have opposed my C.C.F. friends, especially in the Alberta election—

Mr. GRAYDON: You can afford to be generous to them now.

Mr. HANSELL: —I should like to see my hon. friend the leader of that party return.

Mr. GILLIS: They kind of mangled the Tories too.

Mr. GRAYDON: That is a word we do not know anything about.

Mr. HANSELL: Of course, the leader of the Social Credit party will be here anyway, so that I do not have to do much hoping so far as he is concerned.

I close my remarks with an appeal to the responsible person, whoever he may be. At the present time it is the Prime Minister. I appeal to him to consider the few remarks I have made to-night as between these two great philosophies, these two ways of life. Responsible people in this country will be forced sooner or later to take their stand on one programme or the other because there will not be other issues. That will be the only issue before the people: whether we are going on toward world statism and be one nation within that picture, or whether we are to fight for a world of free men, where men will be free, where they will be given the abundance which their common Creator has given them. There is only one issue and that is it, and we had better stop squabbling and get down to business, because sooner or later we shall be driven to it. That is my observation, and I say that the Prime Minister must put himself in the position where he is fighting for a world of free men.

Mr. KNOWLES: In the last two or three days I have refrained from speaking on a number of items in which I was keenly interested—

Mr. MacNICOL: You certainly deserve credit for that.

Mr. KNOWLES: —and I had no intention of speaking further on the item that is before the committee at the moment, until eight o'clock this evening. I shall not follow the remarks of the previous speaker, although he dealt with many matters of considerable interest, but I feel that the remarks of the member for Comox Alberni (Mr. Neill) cannot be allowed to pass without a few comments in reply, especially since there is now no chance of concluding the session's business to-night. Before I take my seat, I will direct a question or two to the Prime Minister which I feel quite certain he will be glad to answer. They will not be embarrassing questions, and I am convinced that his answers will be such as I would give myself. The reason for asking these questions is that we may have from the leader of the government of Canada a statement which will be an effective reply to the kind of speech we heard at eight o'clock this evening. My questions to the Prime Minister will be based on his own comments in the debate on this item in his speech of August 11, as recorded at page 6276 of *Hansard*, where he said:

> May I say to this committee that if anyone wishes a battle on the question of whether we are to have one part of this country singled out as non-Canadian as against what of others is said to be Canadian, no one would welcome that fight any more than I would.
>
> And anyone who raises the question of race to prejudice anyone of another race in this country is doing the greatest disservice that can be done to Canadian unity and to Canadian nationality.

The question I wish to ask the Prime Minister first is whether, when he makes a statement of that kind, he is thinking of all the races that comprise our Canadian citizenship. When he spoke on that particular occasion his reference was to the fact that some of us are of French racial origin, and some of English racial origin or others of that group. But we have also in Canada people of many racial origins from Europe, such as the Ukrainians, and we have a few people of Japanese racial origin, some of Chinese racial origin, and some East Indians, who come from a part of the British empire. We have also in this country the descendants of the full-blooded Indians who were here before any of us were born, or before any of our ancestors migrated to Canada. In other words, Canada is a nation of a great many races. On this question of racial understanding the Prime Minister's record is pretty clear. He has just had a few commendations from the hon. member who has taken his seat, and I will not hesitate to add to them and say that so far as I know there is only one flaw in his record on the question of racial tolerance and understanding. I do not hold that altogether against him personally, because I still doubt whether he knew in the first instance about the inclusion of clause 5 in its original form in bill No. 135. That is the one flaw I refer to, for I still do not feel that the position the Prime Minister took in connection with that matter was consistent with his own life-time record and with the Liberal position both with respect to the franchise and with respect to racial matters. Apart from that I say that the Prime Minister has taken the liberal position—liberal with a small "l"—in this matter down through the years. I was very glad to hear his interjections to-night in the midst of the speech made by the hon. member for Comox-Alberni when he pointed to some of the absurdities that the hon. member was uttering at that time.

Speaking of the Liberal position, I wish to quote from a Liberal newspaper. The day after we had the debate on the consequential amend-

ments to the senate amendments to bill No. 135, the Winnipeg *Free Press* ran what I considered was a particularly good editorial, and I trust that the committee will permit me to quote a few sentences from it. It dealt with the amendments that had been made to bill No. 135 under this heading: "Better, But Not Right." I shall not go into the details so far as its comments on that issue are concerned because for the time being at any rate, that issue is closed and I am not anxious to antagonize the Prime Minister because I want his agreement with the position I am seeking to lay down. After recounting what had happened, the *Free Press* said this:

> This seems like a small gain, but it is an important one. The whole country has had a sharp lesson in what can happen if racialists are allowed to have their own way, and it will be hoped the lesson has been thoroughly learned. Racial discrimination is something Canada must do without if it wants to continue and to improve the strength and character of its democracy.

Later on, after referring to the history of that bill and what happened and to the way in which its iniquitous clause was slipped through, the editorial says:

> This will not meet with universal approval, but, on balance, there may be a case—

—for what the government has proposed by way of an amendment. Then comes this conclusion:

> But, the matter having been thus sharply raised, we invite our readers to consider whether the historic discrimination invoked by British Columbia should be allowed to persist when the war is over. It is bad enough in itself, but the racialists who sponsored it and to-day strongly defend it have imprudently revealed their hand. They are prepared, as the record now clearly shows, to pursue certain groups of citizens beyond the limits of their own province and to open the door to the virtual destruction of the generally universal nature of the dominion franchise. They consider it quite proper that, if any province takes a dislike to any group inside its own borders, it can so legislate as to deprive the members of that group of the franchise no matter whether they live in the discriminating province or not.
>
> This fragmentation of Canadian citizenship would carry us a long step forward to the destruction of the unity of the state and should not be tolerated in any form. When the war is over a most suitable project for liberal-minded men and women everywhere would be to advocate and support the extension of the dominion franchise to every citizen of Canada regardless of race and regardless of any provincial disqualifications that exist.

The Winnipeg *Free Press,* which has taken a strong position in this matter, is published in the city from which the Winnipeg Grenadiers went to Hong Kong. Few cities in Canada have as many homes in which there is anxiety because their loved ones are in Japanese prison camps in Hong Kong. Few cities have as many homes where there is possibly as much bitterness toward the Japanese war lords because of what has happened to their loved ones. I represent a riding of that city. While the *Free Press* and I are usually at opposite poles, we agree in this instance and we take the position that we do because we feel and we know that even in the homes to which I have referred there are many who believe that in Canada we must rise above the racial discrimination, racial prejudice and racial hatred which have been displayed in this house at times by certain hon. members. Canada, of all countries, should be interested in broad understanding among racial groups. I have not the census figures before me, but I believe that there is no one racial group, so far as origin is concerned, which constitutes a majority of the people of this country. There are two or three groups which are very large, but we are a nation of many different backgrounds, and one might say that it is almost of necessity that we learn to get along well with each other and understand each other from one end of Canada to the other. I look upon this situation not just as a matter of compulsion but as a matter of opportunity. Much more important than racial origin or racial background is the basic fact of humanity. We have an opportunity presented to us by the very fact that there are so many different races in Canada to build a Canadian nationality which will be distinctively human and will have in it no element of racial discrimination, none of the kind of thing we are fighting in our war against Hitler and everything he stands for.

I say again I hope that the Prime Minister will amplify the statement he made the other day, making it clear, as the one who for the time being is the Prime Minister of Canada, that so far as he and his government are concerned he is prepared along with others of us to fight for a Canada in which there will be no drawing of any line as between various racial groups. There were some other points that I felt I should like to raise but perhaps I should let it go at that and express the hope that the Prime Minister will join with others of us in making it clear that whatever our feelings may be toward the Japanese war lords, so far as the citizens of Canada are concerned, whatever their racial origin, they are all Canadians and should be treated accordingly.

There is perhaps one other comment I should make before I sit down. Those who speak in this house against Canadians of

Japanese origin talk now only about the Japanese, but before the war some of those individuals were attacking not only our Canadians of Japanese origin, but Canadians of Chinese origin and Canadians of East Indian origin. Both of those groups have also been disfranchised in one province of this country. Therefore, what is being said now about those of Japanese background because we are at war with them is only a sample of the kind of thing that is possible on a larger scale and the kind of thing we do not want in this country. That sort of thing if it gets going knows no limits. It must be stopped before it gets started. I know the Prime Minister's instincts and sentiments are with me and with this group one hundred per cent on this matter; but I feel that because of the kind of speech that was made to-night and because of the speeches that are sometimes made by some hon. members of the Liberal party the Prime Minister should make a clear and definite statement along the line of the speech made a short while ago by his own parliamentary assistant, and along the line of the remarks made a short while ago by the hon. member for Trinity. In other words, the Prime Minister has many behind him, even as he has many on all sides of the house, who are liberal-minded so far as this issue is concerned and who want Canada to be a country in which no racial lines shall be drawn.

Mr. GRAYDON: At this late stage of the discussion, Mr. Chairman, I do not want to take up a great deal of the time of the committee. Perhaps the Prime Minister desires to make some reply before eleven o'clock—

Mr. MACKENZIE KING: I want to get my estimates through; that is all.

Mr. GRAYDON: Then I will try to help the right hon. gentleman. I had intended during this debate to make some extended remarks with respect to our position in external affairs and particularly in regard to the commonwealth and empire, but perhaps to-night I can confine my remarks within a very narrow orbit because of the time at which this discussion arises.

I should like to say to the Prime Minister and the committee that the views of our national leader, which are the views of this party, have been placed on record by the Prime Minister on at least one or perhaps two occasions already, by reading the questions and answers that appeared in *Maclean's* magazine. Those views I desire to endorse. In addition, I should like to say that I believe it may be properly said that there has been a great deal of loose talk and of woolly thinking in regard to the position of Canada in the commonwealth and empire. I believe there have been perhaps too many technicalities attached to the verbiage and phraseology used from time to time by public men in relation to our commonwealth relationships. And may I say further that a great many bogeys have been trotted out; a good many straw-stacks have been used to make straw men for various people and newspapers to knock down, particularly with respect to the so-called policies of our party in this dominion. So far as I know there is no one in Canada, at least I have heard of no one, who seriously proposes that, no matter what may be our relationship to the empire and the commonwealth now or in the days to come, the autonomy of Canada should be in any way impaired or prejudiced or interfered with. Anyone who advances a theory or policy of that kind must be thinking in terms of yesterday rather than in terms of to-day or to-morrow.

One reason why I asked the Prime Minister the question I did with respect to Mr. Curtin's proposal relative to an empire secretariat was that in my opinion very few people in Canada had any real conception of what Mr. Curtin meant. If the average person in Canada had understood the proposed secretariat to mean some suggestion of rigidity with respect to the position of the empire, then I do not think anyone would have considered supporting that idea. I was glad to hear the Prime Minister indicate—I have not his words with me at the moment—that at least one of the possibilities in regard to the secretariat was that it might take the form of an empire or commonwealth reference library or research institution, where some of the details with respect to commonwealth affairs might be investigated and information made available in greater detail than is the case under the present system. But so far as the delegation to any commonwealth organization that might be set up of any of the sovereign powers of Canada or any other part of the commonwealth, I am quite sure that has never been entertained, certainly not as far as the policies of this party are concerned, because Canada is first of all an autonomous nation, and parliament must always have the final say with respect to what Canada shall do. In a word, I believe that deals with at least one of the matters raised by some people and newspapers in an effort to show that this party, or certain groups in Canada, have the idea that there should be some sort of commonwealth arrangement which would interfere with the autonomy of this nation. As I said before, that idea belongs to a past era and may well be forgotten.

I mentioned these questions in a brief general way during the debate on the speech

from the throne. I was going to elaborate those remarks to-night, but because of the lateness of the hour I shall not do so. On January 31, 1944, at page 20 of *Hansard,* I said:

It is well that the views of all sides should be carefully weighed and considered. The views of the government would be particularly welcome, but it is not our intention to embarrass our own Prime Minister, or the representatives of other parts of the commonwealth, by tossing controversial issues into this debate when common sense indicates that every effort must be made to secure a united front in a united Canada in a greater and more powerful British commonwealth.

These observations followed closely a similar statement of my leader, John Bracken, on January 25 of this year, in which he expressed the hope that such matters would not become the subject of small political discussion. The wisdom of public men generally adopting such a policy in a period as grave and critical as this I believe has since been abundantly proven. Prior to the meeting of commonwealth prime ministers my leader gave the considered views of our party. With the indulgence of the committee I should like to place those views on record, and with that I shall rest my case instead of elaborating the matter further, as I had intended to do if the discussion had been brought on at a more convenient time. This is what Mr. Bracken said on that occasion:

I am proud that Canada is a member of the British family of nations. The courageous and noble leadership given by the British commonwealth to the world in this the most terrible of all crises has surely added to the pride we have always felt as sharers in its traditions and its goodly heritage.

In 1926 Canada, along with Great Britain and the other dominions, accepted the following as a just and worthy definition of the mutual relations, rights and responsibilities of members of this commonwealth—

This is the quotation:

They are autonomous communities within the British empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the crown, and freely associated as members of the British commonwealth of nations.

Then he goes on to say:

These words mean, if they mean anything, that the governments of Britain and the dominions, functioning in full freedom from anything in the nature of control, are to have the close association of partnership for common interests and common purposes. Our principal common interest and common purpose is peace.

This country is properly proud of its independent sovereignty as expressed in the above definition, and that independent sovereignty we ought to exercise. Up to now we have failed in many respects to do so. Our colonial days are long past. Further, this country realizes that it is only vanity to parade the glories of independent sovereignty and to ignore those responsibilities that independent sovereignty entails. This country also recognizes with pride the partnership and the duties of partnership involved in "free association" for common purposes. It is not only our duty but our interest to be loyal to that free association.

I believe also, and I am sure Canada believes, in world organization for peace. Experience has proved that an effective world organization for peace is an objective very difficult to reach. I, however, am convinced we can reach the objective best, not by weakening or dividing the commonwealth, but by even closer cooperation with the other commonwealth nations. It would be a terrible responsibility—a responsibility which we could not take with dignity, with prudence or with honour—to choose a course which would be likely to lead to the impairment or weakening of that cooperation.

The line of conduct I have just outlined for this country is in full accord with our autonomous and sovereign rights—indeed, it is the intelligent evolution of those rights, the expression of our maturity as a nation.

I am in favour, therefore, of Canada acting as an autonomous power, to strengthen the ties which bind the members of the commonwealth together, and to this end I believe that a plan for continuous consultation in matters of common interest should be worked out by us all. By that I mean consultation not just for purposes of talk whether described as "exchange of views" or a verbal "collaboration" but definitely with a view to a meeting of minds on matters of practical policy. It has not been suggested, and it could never be considered, that there should be such rigidity to any plan as would subtract from our sovereign rights. It has been suggested only that we, with other dominions and Great Britain, should frankly set forth our ideas or proposals and should seek to agree, if we can, on common principles of policy and especially of foreign policy, directed to the great purpose of world peace. On the rare occasions when in other years we have so tried we have succeeded. Surely it must be manifest that the failure of members of this commonwealth in the recent past to do that very thing has contributed to the catastrophe of this desolating war. No system, or lack of system, guilty of such a failure can set itself up as the highest evidence of our capacity to serve ourselves and mankind.

The Prime Minister has said that Lord Halifax asked us to make a "commitment", to fall in line, in any event, with a common policy for the commonwealth in all matters of our external relations. Lord Halifax made no such request or even suggestion.

Mr. MACKENZIE KING: May I interrupt? Repeatedly it has been said that I have made certain charges against Lord Halifax. My words are on *Hansard* as to what I did say about Lord Halifax. Things that have been attributed to me as having been said about what Lord Halifax said are not correct—and that is one of them.

Mr. GRAYDON: Perhaps I might just complete my remarks, and I shall deal with that later.

Lord Halifax made no such request or even suggestion. Very definitely he recognized our

completely autonomous position. He asked us to seek to agree with the other members of the commonwealth, and invited our full cooperation at the table of British nations in the determination of those features of commonwealth policy in which all of us are concerned.

I say Canada should not refuse to sit and act at that table. Canada should emerge from colonial habits and should not fear to take her responsibility as a full-grown nation and as a partner in this freely associated commonwealth. We have no reason to distrust our partners and we have now grown to a stature where surely we trust ourselves.

Our failure to function as a member of the British family will not promote the organization of another and better League of Nations; it is merely to lapse again into the trough of isolationism. Canada herself proved just shortly before this war that it is possible to be a full-paying member of a league and to be isolationist still. The folly of isolationism is the great lesson that we and others must learn from the tragedy of these times. Sorrowful evidence of the consequences of this folly is visible daily in the mounting casualty lists.

To these principles thus elaborated by our leader, this party adheres. As he has from time to time stated, the government and parliament of Canada has a primary concern in all commonwealth and all other international relations, as well as in its own domestic affairs; and it should keep the interest and welfare of our own people in the forefront of all deliberations and decisions and, having this firmly in mind, put forth vigorous efforts to increase our international trade and promote good will and permanent peace among all nations.

One of the things which has engrossed some of the newspapers in our land, and has formed part of our debate in the house, has been the famous speech of Lord Halifax. The difficulty I see with respect to the matter is one which I think is of importance to a great many people, and that is that it is so difficult to see the difference betwen the position which the Prime Minister has taken with respect to commonwealth relations and that set down by Lord Halifax himself. I have not tried to find differences. I tried to see where these two statesmen dealing with these matters found agreement, rather than division, and I found agreement.

But it does seem to me that the statement in the British House of Commons by Prime Minister Churchill and by Right Hon. Anthony Eden—and the Prime Minister will correct me if I am wrong—must, of course, be a reflection and an echo of those who took part in the empire meeting of prime ministers. Having that in mind, and taking that for granted, namely, that it is a true reflection, and a fair statement in respect of the decisions arrived at in the meeting of commonwealth prime ministers, may I just give one paragraph dealing with this matter, and put it on record at the present time.

Opening the debate on foreign affairs in the United Kingdom parliament on May 24 last, Mr. Churchill said of the London conference:

> There was revealed a core of agreement which will enable the British empire and commonwealth to meet in discussion with other organizations in the world in a firmly knit array. We have advanced from vague generalities to more precise points and agreements and we are in position to carry on discussions with other countries within limits which we have imposed upon ourselves by this debate upon foreign affairs.
>
> We, therefore, embark upon the present debate with the backing and hearty good will from all representatives of the commonwealth and empire.

Then on Thursday, May 25, in closing the debate, the Right Hon. Anthony Eden prefaced his statement on post-war policies with these words:

> When the victory is won the first task will be close collaboration between the British commonwealth—

And I wish to stress this, because it is an important part in his statement:

> —collaboration between the British commonwealth, the United States, the Soviet Union and China—but in the main, so far as Europe is concerned, between the first three—to ensure that Germany cannot start this business again. I want to speak for a moment about cooperation between the three in particular—ourselves, the United States and the Soviet Union.

I had intended to go farther in connection with that, but I think it provides abundant evidence from the language employed in the debate by both of these statesmen that the deliberate use of the expression "British commonwealth" indicated that a full degree of consent and agreement on the course which they charted had been given and reached by all at the commonwealth meeting.

As I said before, I wish to close this debate without extending it too far. But I should like to say this, that there has been much loose talk about one voice, a single voice, a bloc, and so on. I have watched carefully in the press from time to time and have seen in some instances where it is even magnified to the position where there is an assumption that when such words are used, autonomy in Canada is in some way interfered with.

So far as this party is concerned, the statement of our position is, I think, definite, in the questions and answers which the Prime Minister placed himself upon the record, in connection with this debate, and as answered by John Bracken himself. I think that makes

it abundantly clear with respect to the position which our party takes in connection with matters of this kind.

Before I conclude my remarks to-night I should like to make—

Mr. BLACKMORE: Would the hon. member permit a question?

Mr. GRAYDON: I would rather not. If my hon. friend does not mind I should like to go on with my discussion.

Mr. BLACKMORE: I am interested in what the hon. member is discussing.

Mr. GRAYDON: I seldom refuse to answer a question, but it is now ten minutes to eleven, and I wish to deal with the whole matter to-night, and perhaps might be able to close the debate.

On January 31, 1944, the Prime Minister took issue with the statement that had been made by Mr. Bracken to the effect that the Prime Minister had said that Lord Halifax had asked us to make a commitment, to fall in line in any event with a common policy for the commonwealth in all matters of our external relations. The Prime Minister's words are to be found on page 42 of *Hansard* of this year, when he said:

> What would seem now to be suggested is that the prime Canadian commitment should be to pursue in all matters of external relations—"in foreign policy, defence, economic affairs, colonial questions and communications," to cite the words of Lord Halifax—a common policy to be framed and executed by all the governments of the commonwealth. I maintain that apart from all questions as to how that common policy is to be reached, or enforced, such a conception runs counter to the establishment of effective world security, and therefore is opposed to the true interests of the commonwealth itself.

I wanted to put that on the record. That statement which the Prime Minister made there, and which I answered when he raised it in February or March of this year, is on all fours, if I may say so, with the statement which Mr. Bracken actually said he made in connection with the same matter.

Mr. MACKENZIE KING: May I draw my hon. friend's attention to the words used, and they were carefully chosen, "What would seem now to be suggested." That does not say that Lord Halifax asked us to make any commitment. What my hon. friend said that Mr. Bracken in particular had said was that I had said that Lord Halifax wanted us to make a commitment in advance. I said exactly what my hon. friend has read.

Mr. GRAYDON: I have no desire to enter into a controversy at the moment in connection with this. I have read this over very carefully, and my interpretation is that the effect of both statements is to represent a parallel sentiment and a parallel meaning.

In closing, I want simply to say, to the committee and to the Prime Minister that it is perhaps unfortunate that these matters should come on at the end of a very lengthy, busy and pressing session. I am attributing no special responsibility with respect to that to any one, but if I had an opportunity—and if we are to go on next week perhaps I shall have—I should like to go farther into some of these matters. But I wish to deal with this matter and to indicate to the committee the position which was actually reached and which was reflected by the speeches made by Mr. Churchill and Mr. Eden in the British House of Commons. I think those are fair statements of the position which the commonwealth prime ministers took at their meeting some time ago. That is something which the Prime Minister perhaps may want to deal with, and in order that he may have that opportunity perhaps I may be pardoned if I end my discussion at this moment.

Mr. MACKENZIE KING: I have made my statement repeatedly in this house as to my position and as to the position taken at the conference of prime ministers. I made my position very clear in the address I made before both houses in the British parliament, and all that I have said I stand by. As to what the conference of prime ministers agreed upon, that was clearly set forth in a declaration made at the conclusion of the meetings. That declaration was framed with the greatest care and agreed to by all the prime ministers. Anything that is in that declaration reflects exactly what was arrived at by way of conclusions at that conference. Anything that goes beyond that declaration is not made with the authority of the prime ministers as a whole.

Mr. GRAYDON: Is the Prime Minister in agreement with the statement made in the British House of Commons by the Right Hon. Anthony Eden?

Mr. MACKENZIE KING: Many people place different interpretations upon the same statement. I am not here to interpret Mr. Eden's words. Hon. gentlemen may interpret them as they wish. As I say, my position was made perfectly clear and I stand by the position as I have stated it from time to time.

Mr. ROSS (St. Paul's): I have a few words to say in connection with this situation and so on. A lot of people think about this foreign situation in a different way. They

think about the British empire and so on in different ways. I should like to quote from a Swiss paper in connection with Great Britain.

Mr. MACKENZIE KING: I wonder if my hon. friend would allow me to interrupt him just a moment. I do not often ask the indulgence of the house, but I have some very heavy duties to perform and my deputy has on his shoulders duties just as heavy. We have been here for a very considerable time, and I wonder if the committee perhaps would not agree to continue sitting until the estimates of the Department of External Affairs are disposed of? I have no desire to curtail discussion, but I must tell the committee that I have some very important matters to give attention to and I have not been able to give them any attention for some time past. I would appreciate any helpful cooperation in getting through these times unless there is some reason why they should not be passed.

Mr. BLACKMORE: I am not in favour of having this item carried at this time and I am going to tell the committee exactly why. I believe more damage has been done to public morale by the disgraceful squabbles that have occurred between the Liberal and Conservative ' parties about relationships between Canada and the empire than by any other matter that has come before Canada for discussion in the elections. I do not believe that the leaders of these two parties should discuss this matter until they are either one hundred per cent in agreement or one hundred per cent in disagreement. Then the people will know exactly where each one stands. Then there will not be any fighting in the elections between these two parties on this issue.

I have listened with the greatest attention to the leader of the opposition and I have listened to the expressions of the Prime Minister. If there is any essential difference between the stand taken by the Prime Minister and by Mr. Bracken, the leader of the Conservative party, I must confess that I fail utterly to see it. If there is no difference, then why should not these two leaders say so on the floor of this house? If that were done, there might not be any disagreement over this matter in the election campaign.

Mr. MACKENZIE (Vancouver Centre): What about Alberta?

Mr. BLACKMORE: Never mind about Alberta.

Mr. MACKENZIE (Vancouver Centre): The leaders are in Alberta.

Mr. BLACKMORE: That is all right; I am not talking about them. I feel strongly about this matter of imperial relations. From the time I was a boy, from the time I first took any interest in politics, I have noticed this different approach to imperial relations. I have noticed that when you really studied what had been said by each side it was exactly the same thing. For example, Mr. Borden made a pronouncement about imperial relations in words and expressions that were identical to the words used by Sir Wilfrid Laurier. I could not see any difference between the two. Yet by the time they got out to the constituency where I was and I went to the meetings and listened to the representatives of the two parties, you would have thought the one stood for a united Britain and the other wanted to tear the British empire all apart. There is no sense in that sort of thing and we cannot hope to have a united Canada with that sort of thing.

It must be borne in mind that there are at least two prominent races in Canada. There is the Anglo-Saxon race and the French-Canadian race, and the Ukrainians have increased to the extent of about 600,000. How are we to get these people to understand what we stand for if we quarrel about things like this? If these two leaders are prepared to make a statement that there is no difference and then fight the election on something about which there is a difference between the two parties, if there is such a thing as a difference between them, I will feel that something has been done even this late in the day. So that I am not in favour of passing this item, even though I sympathize, I must say, from the depths of my being with the Prime Minister in the position he is in. I do not believe that there has come before the house this year a problem of anything like the significance and importance which is attached to this particular problem at this moment, when you consider Canadian unity and the welfare of the British empire and harmonious relations between the empire and the rest of the world.

I think I have spoken with a little heat, but I mean every word I have said. I should like to see unity. If there is a difference between Liberals, Conservatives and C.C.F., we want to know what it is, and if there is a difference between them and what the Social Credit party stands for, we want to know what that is. We need to be very definite in this matter. If there is any one subject we ought not to quarrel about in election time, it is this particular matter of the relationship between Canada and the other members of the British empire and commonwealth.

Mr. GILLIS: I appreciate the Prime Minister's desire to get his estimates through to-night—

Mr. MACKENZIE KING: May I say at once that I am not going to have it said that I have in any way caused any shortage of discussion in this house. I am quite prepared to stay here all next week if the house wishes to keep me here, but I want it understood that I am thinking about the war and not about an election.

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, August 14, 1944

The house met at eleven o'clock.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ADDISON INDUSTRIES LIMITED—"WALKIE TALKIE" RADIO DEVICE

Mr. DIEFENBAKER:

1. When was the audit of Addison Industries Limited, covering the first 776 sets of Walkie Talkie, made (as referred to in return brought down on August 5, 1944)?

2. What are the particulars of the administrative expenses amounting to $34,144, as referred to in the said return?

3. What were the amounts of expenses allowed in the said sum for (a) office salaries, including persons to whom paid and amount paid to each, (b) supplies; (c) legal fees, and to whom paid; (d) audit fees, and to whom paid; (e) travelling expenses, giving particulars?

4. What is the amount of the monthly management fee paid, credited or allowed to the said company, from the beginning of the contract to the 30th of June, 1944?

5. Is the said management fee included in or exclusive of the profits allowed to the said company?

Mr. DIEFENBAKER:

1. What is value of parts going into the production and/or assembly by Addison Industries Limited per unit of each type of Walkie Talkie device?

2. How many employees has the said company?

3. What is the average rate of pay for each employee per day?

4. Are any royalties paid in respect of the said device?

5. Has the said company received any fee for engineering? If so, how much and when?

6. What facilities for development engineering did the said company have when given the first contract?

7. What is the value of all equipment and parts that have been subcontracted to, or sold by, A. Cross and Company Limited, Toronto, to Addison Industries Limited, for use in the assembly or production of Walkie Talkie, in each of the years 1942, 1943 and 1944?

8. What are the names and addresses of the directors of the said A. Cross and Company Limited, Toronto?

Mr. GRAYDON: Does the fact that these two questions have been passed as orders for returns mean that they are apt to be lost sight of until next session, or is it possible to have the returns tabled before we conclude?

Mr. CHEVRIER: I am afraid it will hardly be possible to have them tabled before the session is over. The hon. member for Lake Centre (Mr. Diefenbaker) has asked five questions on this subject. We have answered two or three as quickly as we could, and I am informed that with reference to a part of the first of the two passed as orders for returns to-day we have to send an officer to Toronto to obtain the information, while, with reference to the second, the information required is voluminous and we shall need some time to get the answer.

Mr. GRAYDON: I do not know whether this is possible, but perhaps the information, when the department does obtain it, might be relayed to the hon. member for Lake Centre.

Mr. CHEVRIER: Yes. I shall be glad to see that that is done.

Mr. GRAYDON: May I ask the Secretary of State if he has up-to-date a list of questions which have been passed as orders for returns and the returns to which have not yet been tabled? He did give a list the last week, but seeing that we are near the close of the session I was wondering whether there were many outstanding.

Hon. N. A. McLARTY (Secretary of State): Does my hon. friend wish the number or the actual items outstanding?

Mr. GRAYDON: I do not think I am especially interested in publication of the items themselves, but if my hon. friend, some time before the session closes, could give me a list of those which have not been tabled it would be helpful.

Mr. McLARTY: I shall be glad to do that. There may be some coming in later in the day and if they do, I might ask the consent of the house, to revert to motions in order to table them. The number of returns as of this morning is: 417 ordered, 398 tabled, 19 remaining untabled.

LABOUR CONDITIONS

MONTREAL TRAMWAYS STRIKE—OPERATIONS RESUMED

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): I am glad to inform the house that street car service has been resumed in the city of Montreal. Information to that effect was given to me early this morning by telephone by the controllers appointed to take charge of the tramways system on behalf of the government. From the leaders of both parties in the dispute, Mr. R. N. Watt, president of the Montreal Tramways Company, and Mr. A. R. Mosher, president of the Canadian Brotherhood of Railway Employees and Other Transport Workers, I have received assurances of full cooperation with the government in the step that has been taken.

KAMSACK CYCLONE DAMAGE

INQUIRY AS TO MEASURES FOR ASSISTANCE

On the orders of the day:

Mr. D. A. McNIVEN (Regina City): The Minister of Finance may have noticed in the press that last Wednesday evening the town of Kamsack in Saskatchewan was visited by a disastrous cyclone which demolished 250 homes and destroyed a large part of the business section of the town, with a result in monetary loss of between $1,000,000 and $1,500,000. First, would the Minister of Finance be good enough to arrange with the wartime prices and trade board for the immediate release of the necessary building material for reconstruction of the homes and business places in that town? Second, would the minister be willing to arrange for the application at once of the new housing act to the town of Kamsack so that funds may be available for reconstruction of that town? Third, would the minister take under consideration such further help as can be given to that town in the affliction which has fallen upon it?

Hon. J. L. ILSLEY (Minister of Finance): I shall see that immediate consideration is given to the hon. gentleman's suggestion. That is about all the assurance I can give at the moment. There is always a question, as the hon. gentleman knows, as to the extent of the dominion's responsibility in these matters, and careful consideration will have to be given to that phase of the situation.

Mr. CASTLEDEN: Since the town is in my constituency, I have been in contact with the officials there and I understand that assistance is being given through provincial headquarters. Has any request come to the minister in regard to this matter?

Mr. ILSLEY: Through the hon. member for Regina City only.

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN-YEAR EXTENSION OF BANK CHARTERS—CONCURRENCE IN SENATE AMENDMENTS

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of and concurrence in amendments made by the senate to bill No. 91, respecting banks and banking.

Mr. GORDON GRAYDON (Leader of the Opposition): May I ask the minister whether the government is satisfied to accept the senate amendments? I know they are not very consequential; they are largely a question of change of date, if my memory serves me correctly.

Mr. ILSLEY: The senate amendments to the Bank Act are acceptable to the government. I believe there is a change of date in the schedule or form of notice which clearly should have been made. It was just overlooked. The other amendment is of little more importance, but it is quite acceptable. It is an amendment to section 92, defining a little more appropriately the court which will have jurisdiction over the claims of depositors. The wording in the section as passed by the House of Commons would have led to some difficulty, and by the consent of everyone concerned the definition has been changed.

Motion agreed to; amendments read the second time and concurred in.

QUEBEC SAVINGS BANKS

EXTENSION OF CHARTERS TO SEPTEMBER 1, 1944—CONCURRENCE IN SENATE AMENDMENTS

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of and concurrence in amendments made by the senate to bill No. 131, to amend the Quebec Savings Banks Act.

He said: In this case there is an amendment to a section in the Quebec Savings Banks Act which corresponds to section 92 of the Bank Act. There is the same alteration of wording in respect of jurisdiction of the courts as is found there, and it is quite acceptable. The other amendment is a more substantial one; but it is also acceptable. The amendment to which I have referred extends the list of classes of securities upon which the Quebec Savings Banks may lend up to 100 per cent rather than 120 per cent of the value of the

securities. While we proposed 120 per cent on some securities and 100 per cent on others, we are quite agreeable to have the list extended as proposed by the senate to two or three other classes of securities.

Motion agreed to; amendments read the second time and concurred in.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

EXTERNAL AFFAIRS

36. Departmental administration, $410,189.

Mr. STIRLING: I want to make an observation or two with regard to the long awaited statement of the Prime Minister that was contained in the Prime Minister's speech of August 4 dealing with the government's policy about the Japanese. At this late date in the session I am not going to expand what I have to say into a speech, but rather to endeavour to put on the record in a few words the reaction that I have to the statement.

I appreciate the fact that the government has definitely stated that it recognizes the Japanese question to be a national one. Whatever individual members of the ministry may have had in mind in the past with regard to it, there is no question that a considerable section of the Canadian public has looked upon this in the past as a provincial matter, as something with which British Columbia should deal. I therefore appreciate the fact that from now on it must be recognized that the dominion government looks upon it as a dominion question. I appreciate also the statement that in the Prime Minister's opinion the view of many in British Columbia that the Japanese should not be allowed to concentrate in that province was a reasonable one. The government's policy has been to endeavour to distribute the Japanese in the other eight provinces of Canada. In that regard I ask him not to forget that at the present time there are sixteen or seventeen thousand of those Japanese within British Columbia and that the smaller number has been distributed in other parts of Canada. Therefore whatever solution is arrived at, if we agree that it is not reasonable that a great majority of these people should still live in British Columbia, something will have to be done with the sixteen or seventeen thousand.

I would also remind the Prime Minister that the figures quoted—on which I cannot be accurate because I do not know exactly how many have been sent out—do not cover the Japanese resident in various parts of southern British Columbia who did not come under the movement of Japanese from the protected area.

I appreciate also the statement that in future there should be no further immigration of Japanese to this country. It stands to reason that if this problem is to receive satisfactory settlement that must be the case. The operative part of this policy is that a quasi-judicial commission is to endeavour to investigate the loyalty of the Japanese now in Canada, and that the policy is to be continued and extended of placing these Japanese in different parts of Canada. What a task the government proposes to give to a quasi-judicial commission to ascertain the loyalty of the Japanese! A great deal will depend on the personnel chosen for that commission. I cannot envy them their task. It would seem to me a most difficult thing to endeavour to ascertain the loyalty of the Japanese. In this morning's paper we have the considered opinion of President Roosevelt with regard to the Japanese as a nation and as a people. We are about to endeavour to ascertain the loyalty of certain thousands of Japanese. It is possible that some of them may help us.

Attention has been already drawn to the Canadian-born Japanese Yamamoto, who was convicted for refusing to obey an order of the selective service officer and who was fined with the alternative of a prison sentence. He took the prison sentence. In the course of the court's proceedings we were told that Yamamoto had written to the Minister of Labour stating that for him to obey such an order would be harmful to Japan, that his sympathies belonged to that country and that furthermore he would do nothing to harm her or assist Canada. If I could believe that the majority of the Japanese would declare themin such fashion I would not look with such doubt on the success of the endeavour of a commission to decide on the loyalty of the Japanese. I trust that those appointed to the commission will not have the frame of mind which was found in some who in the past have been chosen as advisers by the dominion government, that type of thinking which appeared to result in the view that the opinion of British Columbians on the Japanese question was the result of hysteria, and that they should be smacked and ignored. I trust we have progressed beyond that stage and that the commission to be appointed will be able to work on the information furnished by the mounted police and whatever they may be able to adduce from their interviews with the Japanese.

In 1937 a delegation of Japanese appeared before a committee of this house apropos of the Dominion Elections Act or the Dominion Franchise Act, The attention of one of them —and he, if you please, was a professor of English at Wisconsin university—was directed to this question of dual loyalty, the registration of children born in Canada, who are considered by a very great number of people to be Canadian citizens with no loyalty except to Canada. It was definitely ascertained that in his opinion the idea of registering children born in Canada with the Japanese authorities was not only desirable but convenient. I cannot look upon a child born in any part of Canada, whose birth is registered in the country of his paternal origin, as having loyalty only to Canada. I wonder what the commission would have said of the Japanese envoy who in Washington, in December, 1941, was smiling and hissing at the secretary of state. I wonder if the commission to be set up would have been perfectly sure of his sincerity. I wonder what that commission would say with regard to that man's father and his ancestors, all of whom were steeped in the religion of Japan which has induced that people to believe themselves sent by some god to this earth in order to dominate at least the western part of the world. How is it possible to suppose that people of that nationality can come to another country, Canada, and eschew all those doctrines which they have learned from the cradle? How is it possible to believe that these people can give wholehearted loyalty to this country? I find it very hard to place reliance upon the results of the work of a quasi-judicial commission. It should not be forgotten that these Japanese children who have now grown up and become parents have never entirely divested themselves of their loyalty to their ancestors; and as long as that is the case it seems to me impossible to believe that their loyalty to Canada now is something that can be ascertained by a quasi-judicial commission.

The remainder of the operative part of the policy is that the dissemination of these people throughout the other eight provinces is to be carried forward, and they are to be largely removed from British Columbia. The difficulty there, of course, and it was touched upon by the Prime Minister, is that when all these war restrictions are removed; when we return to a period when the inhabitants of Canada will be able to move about at will, what can be done to prevent these seeded settlers from finding their way back to British Columbia, which province they have favoured hitherto? The climate of British Columbia is always attractive, and they have made their opportunities in that province. This is a country of seasonal occupation, and unquestionably their desire will be to return west of the mountains. Therefore it seems to me improbable that the policy pronounced by the government for dealing with the Japanese question can possibly succeed.

[Mr. Stirling.]

At the peace conference, as the Prime Minister has agreed, it will be possible to make some arrangement with regard to the Japanese in Canada. I am glad he acknowledged also the difficulties in regard to the problem of assimilation. In my opinion these people are not assimilable. Many years ago I saw something of the results of mixed marriages in the near east, and we have all read a great deal with regard to the Eurasian question in India and the countries nearby, in the islands of the Atlantic and the islands of the Pacific, not to be more specific than that. The horrors of the Eurasion question are so great that I would be ready to do well nigh anything to prevent that question getting a start in Canada. These mixed marriages are frowned upon and tabooed by both nations, but that does not prevent them from taking place, or from children being born to them. As a result we see half-breed children being born in Canada who will find little opportunity to work out their lives in this country on an equality with our children. Therefore in my opinion we must do every thing we can to dispose of this Japanese question at the peace conference in a way that will be satisfactory to Canada.

Item agreed to.

Canada's Contribution to Maintenance of External Organizations—

44. Expenses of the League of Nations for 1944, including secretariat, international labour organization and permanent court of international justice, $214,600.

Mr. GRAYDON: We are now entering a period which apparently is regarded by the united nations, and particularly the four great powers, as a time when the creation of a new peace organization is imminent and necessary. That this is contemplated is evidenced by the fact that in Washington during this month there will be a preliminary meeting of the four great powers. In the course of a debate on foreign affairs in the British House of Com-

mons on May 25 the Foreign Secretary had this to say with respect to the proposed peace organization:

I would like to leave with the committee just a few principles on which we suggest this future organization should be based. They are these: First, that the world organization must be designed, in the first instance, to prevent a recurrence of aggression by Germany and Japan and must be fully equipped with forces to meet the purpose.

In other words the organization was to have the strength and power for the purposes for which it was to be established. He continues:

Secondly, that to ensure this there must be close political and military cooperation between the United States, the Soviet Union, the Commonwealth and China—

An hon. Member: And France.

Mr. Eden: —and other powers; thirdly, that the responsibility in any future world organization must be related to power, and consequently the world organization should be constructed, on and around the four great powers I have mentioned, and all other peace-loving states should come in and play their part in the structure; fourthly, that the world organization should be flexible and not rigid, that is to say, that it should grow by practice and not try straight away to work to a fixed and rigid code or rule; and fifthly, that all the powers, great and small, included in the world organization, should strive for economic as well as for political collaboration.

On the basis of these quotations I wish to ask two questions of the Prime Minister: Does this vote No. 44, involving a sum of $214,600 for expenses of the League of Nations, mean we are going to make further contributions to the league? Will the League of Nations be disbanded, allowing this new organization to take its place, or will that new organization in some way work in conjunction with the league? I should like to know what the situation is, because we are here asked to contribute a large sum of money to the expenses of the League of Nations. At the same time I have no doubt in connection with the new organization there will be heavy financial and military obligations. And if my supposition is correct, the new organization for peace as envisaged by the Foreign Secretary will be on a basis entirely different from that of the League of Nations. It is my understanding that it would be built up, not from a great assembly of nations coming together in a time of peace, but rather in a manner which has now been planned, namely that of the four great powers getting together to form a core, to operate as a nucleus for peace, and then as time goes on other nations being permitted to come in as circumstances permit. As I see it, this procedure would mean one of two things. Either the League of Nations will have to be disbanded and this new organization take its place, or the two will have to be fitted together in some manner. It is my understanding that for the time being the league is simply carrying on until the new organization takes its place. There could hardly be room for both. I ask this question because there are many people in Canada who are making the inquiry.

I did not wish to extend the discussion on Saturday evening to any undue length, because I was desirous of giving to the government such measure of cooperation as I could in connection with the length of the session, but I believe I might be permitted now to repeat a question I asked some weeks ago, as to whether the representatives of the United Kingdom would also be in a position to represent the views of the British commonwealth, as well as those of the United Kingdom, at that conference of the four great powers. On the earlier occasion I understood the Prime Minister to say that the British commonwealth as such was not being represented, but that the representation was of the United Kingdom alone.

This brings me to a point discussed in Mr. Eden's statement. In every statement the Foreign Secretary has made concerning a new world organization he has been exceedingly careful, I think, never to use the words "Great Britain" or "the United Kingdom" in connection therewith. Coming on the heels of the statement of the Prime Minister of Great Britain, who spoke about the empire going forward in a firmly knit array, and that the prime ministers of the various parts of the commonwealth had reached what he called a core of agreement at the meeting, it was a normal procedure for the Foreign Secretary then to use words indicating that the four great powers were in cooperation to ensure that there must be close political and military cooperation between the United States, the Soviet union, the British commonwealth and China. I listened carefully to the Prime Minister's statement made a few days ago, when he referred to the fact that there was agreement and consent, and that there was no difference in the views of the various parts of the commonwealth on matters related to the setting up of a peace organization. At that time the Prime Minister did not indicate however whether the British representatives at the four-nation conference would go there with authority to express the views of the various nations in the commonwealth, and to speak on their behalf in the preliminary discussion.

It may be that when he used the word "British commonwealth" the Foreign Secretary had in

mind the fact that the United Kingdom representative would go there, knowing well the views of commonwealth prime ministers, and would act accordingly. I think it is rather important because the whole problem of how Canada shall fit into the new peace structure is involved. It seems to me that Canada has two ways of going into the peace organization. One is through the British commonwealth, as mentioned by the British foreign secretary, whereby we would be one of the great powers, and the other is to go in as one of the smaller nations.

I think the matter must be cleared up. Perhaps there is nothing serious with respect to it, but when the Prime Minister answers me he might indicate just how Canada will eventually come in and what her part will be in the new organization. I am sorry to have asked so many questions at the one time but perhaps the Prime Minister has made a note of them. I will appreciate anything he can say at this time.

Mr. MACKENZIE KING: First of all with regard to the position of the League of Nations and the new world organization that is to be created, obviously none of us knows how long the present war is going to last and we do not know how long after the war has concluded it will be before an international organization is set up for the purpose of maintaining peace throughout the world. Until the new organization assumes definite shape it may, I think, be regarded as without question that the League of Nations will continue to function, albeit to a very limited extent. There is no intention that I have learned of in the mind of any one which contemplates the coexistence of two great world organizations; one world organization undoubtedly is all that is expected, but just when the new organization will replace the other I cannot say.

Matters that are being considered at the present time in relation to the world organization do take into consideration the fact that already there is in the League of Nations a model on a certain scale and to a limited degree on which the new organization will be based and possibly in many particulars there will be a strong resemblance between the two. But until the world organization is actually in existence and approved by parliaments that will have to contribute towards its existence, the League of Nations will continue to operate as a world organization.

As to the other question asked by my hon. friend, I have made it clear that the conference which will be held shortly at Washington is a conference on the official level, that is to say, it will be a conference between officials of the four great powers. It is being carried out in accordance with what was set forth in the declaration of Moscow where only the four powers are mentioned, the United Kingdom, the United States, China, and Russia. So far as the pending conference is concerned the British commonwealth as such will not be represented. It is not a conference between ministers but, as I have indicated, between officials for the purpose of working out a plan of organization.

While it is true that the British representatives will be representatives of Great Britain only, I think I have made it clear that they will have in their minds the point of view of the nations of the commonwealth with respect to the questions that will be discussed there. Fortunately these matters were considered fully at the meeting between the prime ministers in London, and there was general agreement with respect to them between the representatives of the nations of the commonwealth, that is to say, the United Kingdom, Canada, Australia, New Zealand and South Africa, with regard to broad essentials of the world organization that is to be brought into being. While it is true that the officials who will meet this month in Washington to discuss the world organization will be representatives only of the United Kingdom, it can be said that they are fully aware of the views of the nations of the commonwealth. I do not know whether there is any more my hon. friend wishes me to say.

Mr. GRAYDON: I fancy the nature of the conference between the officials of the four great powers will be such as not to permit the presence of observers from other parts of the world?

Mr. MACKENZIE KING: That is correct.

Mr. HANSELL: Since the leader of the opposition has raised the question of the League of Nations perhaps being superseded by another organization I should like to ask the Prime Minister if it is his intention to come to parliament with any commitments that might have to be made to that new organization. I feel keenly about this. Our conception of democracy is that parliament is supreme, but somehow the mechanics of parliament are such that it seems to me that the government is supreme. I in my small way am going to insist that all commitments made by Canada with regard to her place in the post-war world shall be brought first to parliament.

These matters are very serious. It is not just a case of voting a quarter of a million dollars for the League of Nations. That is small stuff as compared to the ramifications

and implications involved in Canada's place in the post-war world. Personally I do not think that the Prime Minister or whoever it is that represents Canada at any international conference—perhaps one man with a few aides—should be able to commit the entire nation to anything. We have nine provinces, each one of which is a supreme state within its own rights. I can see difficulty if the government makes any commitments without first laying them before parliament and allowing them to be discussed and our views to be presented. I said the other day that I thought that the leader of every political party in this country should be brought into discussion with the Prime Minister. I would go further and say that I think the premiers of all the provinces should be brought in too. Surely we are not going to commit twelve million loyal Canadians to a policy about which they know very little but which in the end, perhaps generations hence, may wreck our nation as a nation. I just wanted to ask the Prime Minister that one question which I think he is prepared to answer. I hope that he will make it clear that commitments will be made only after parliament at least has had full opportunity to look into the whole matter and have the fullest possible discussion.

Mr. MACKENZIE KING: May I say to my hon. friend that so far as I may have to do with any of these matters the principle of responsible government on which the whole practice of government in Canada is based will not be violated in any particular. That, I think, answers my hon. friend's question. The principle of responsible government takes cognizance of the fact that parliament, being the body which votes the money which it is necessary to have to carry out any proposal, should have the fullest opportunity of considering and discussing all aspects of the matter which may be in issue and give the authority which is necessary before any final action can be taken.

Item agreed to.

473. Representation abroad—including salaries of high commissioners, ministers plenipotentiary, consuls, secretaries and staff, notwithstanding anything to the contrary in the Civil Service Act or any of its amendments—further amount required, $98,500.

Mr. GRAYDON: Will the Prime Minister indicate the changes that have been made during the past year in our representation abroad? From time to time there are elevations in our diplomatic service in other countries, with ministers being raised to the status of ambassadors, and so on. I think the Prime Minister indicated on one occasion that when one nation desires to raise the status of its representative abroad, the other nation reciprocated, but I should like to know what is the underlying principle in these changes. When, for instance, is a nation entitled to an ambassador, and when not? The question is perhaps an elementary one, but perhaps the Prime Minister will be good enough to indicate just what the situation is.

Mr. MACKENZIE KING: In a general way may I say this, that in the beginning of foreign missions or representation abroad concern was primarily for ambassadors. The representative of the sovereign or head of the state in a foreign country was an ambassador. There grew up the custom of having as well ministers to less important countries and on less important missions. As time has gone on, the distinction between the functions of an ambassador and of a minister has practically ceased to exist. An ambassador had certain special rights in the matter of direct approach to the head of the state to which he was accredited, more, I imagine, of a ceremonial nature than anything else, but as I have said the necessity of maintaining the distinction between ambassador and minister has been lessening as the years have gone by. So far as the United States is concerned, which next to the United Kingdom receives perhaps the largest number of representatives from different countries, that country for some little time past has completely done away with that distinction by appointing to other countries on this continent ambassadors only, and it has readily accorded to the representatives of other countries in the United States the status of ambassador rather than that of minister. The United Kingdom in its representation at Washington has not only an ambassador as its chief representative but, particularly during the period of this war, has added to its diplomatic representation several ministers. There are I believe five or six ministers at Washington attached to the United Kingdom embassy in addition to the ambassador. That has made it apparent that the status of ambassador is somewhat higher than that of minister and that the functions of a minister have come to be slightly different from what they were when a country was represented only by a minister or by an ambassador.

We have felt that Canada certainly should not be the only country on this continent whose sovereign is represented at Washington by a minister when the heads of all the other countries on this continent are represented by

ambassadors. That was one of the reasons why the change was made at the time it was made, changing the status of our representative at Washington from that of minister to that of ambassador and the receiving of an ambassador from that country here. Of course the main reason was that we believed that the position of Canada as a nation holding a very high place among the nations of the world was being misunderstood by other nations in that we were represented only by a minister at the great capitals while other countries of lesser power and influence and standing in the world were represented by ambassadors.

In making appointments or in elevating the status of minister to that of ambassador the government proceeded by raising first the status of our representatives in certain nations which were our allies in the present war and were fighting with us, the United States being first, followed by Russia, China, and in South America, Brazil. The next group were from those other countries of the united nations which are immediately associated with us in the war. At the present time, as hon. members know, there are several enemy occupied countries which have their governments in London. Our representation to these allied governments is at present a single mission. Up to the present time, the character of the representation has not been altered, except in the case of Belgium. In the case of Belgium the minister, Baron Silvercruys, who represented that country from the beginning, was, as hon. members are aware, the dean of the diplomatic corps in Ottawa. He has been in the capital continuously, and it was felt that it would be a mark of recognition which we would like to give both to his country and to himself at this time to welcome him here as an ambassador.

What I have said will help to illustrate the necessity for the supplementary estimate we are asking for. It is just possible that the war may be over before the fiscal year is out, in which event we shall seek again to have diplomatic representation in some of the countries at present wholly, or partly, occupied by the enemy. Instead of having in London one representative from Canada to these various countries as a group, we shall be appointing representatives again to the countries themselves—to France, Belgium, the Netherlands and to some other countries in Europe in which up to the present time we have not had any representatives, but which countries have representatives in Canada at the present time.

[Mr. Mackenzie King.]

Mr. GRAYDON: Does our high commissioner in London deal directly with any of these governments in exile? Have not we other representation so far as they are concerned?

Mr. MACKENZIE KING: As a matter of fact, our high commissioner in London has nothing to do with the governments in exile. General George P. Vanier was the minister accredited to these countries, but since he was appointed to Algiers our representative in London has been a chargé d'affaires. Representation as between countries by legations or embassies is entirely in the diplomatic circle. The functions of high commissioners are confined within the circle of the nations of the British commonwealth. We shall require an extra amount to repoen or to open, as the case may be, other legations or embassies if the opportunity should come before the end of the fiscal year, and it is for that purpose that this amount is required.

Mr. GRAYDON: What are the salaries and allowances, and what financial provisions generally are made, for an ambassador or a minister? I have no special object in asking the question. I was simply wondering whether it was on the same basis as cabinet ministers.

Mr. MACKENZIE KING: With reference to our representation abroad, I did when speaking a little earlier in the debate mention the appointment that had been made and my hon. friend will find the answer to his question in that regard at page 5917 of *Hansard* of August 4.

Mr. GRAYDON: I may have been out of the chamber at that moment.

Mr. MACKENZIE KING: The salary that is given a minister abroad is $10,000 with appropriate representation allowances to cover cost of residence, car and matters of that kind, varying somewhat in these last particulars as between different countries.

Mr. BOUCHER: Can I take it that generally speaking it is the policy of the government not to appoint ministers but ambassadors except on such occasions as other countries may require the appointment of a minister instead of an ambassador?

Mr. MACKENZIE KING: I think my hon. friend is right in assuming that. There might be an exception in the case of some small countries.

Mr. GRAYDON: With reference to Canadian representation abroad, and particularly with relation to Canada's trade, I do not know whether the Prime Minister or the government noticed a rather compelling editorial which appeared on July 29, 1944, in the *Financial Post*. I do not wish to read the editorial in full but it struck me as bringing to light an important matter. It inquired whether Canada's foreign trade machinery was ready in view of the uncertainty as to the closing of hostilities and the necessity for making arrangements for the post-war period, which considerations apparently prompted the article in question. The editorial says in part:

> But what about that most important supplementary instrument of foreign trade—the Canadian government representation abroad—diplomatic and commercial? Is it ready? Has it the management, the staffing, the inspiration necessary to help Canadian business men raise our foreign trade to new high levels?

One sentence struck me as specially worthy of comment and one that should be brought to the attention of the committee and of the Prime Minister. It reads:

> Canada's future depends on foreign trade. In the modern world trade and diplomacy are interdependent. The modern Canadian diplomat is no more only a tea-party lion than the modern trade commissioner is only a ringer of doorbells of prospective customers for Canada. It is high time that this critical issue of the organization of our foreign representation was taken up at once at a high government level.

I apologize for transgressing the rules in order to put that on the record, but it is a matter which I thought had an important bearing on the situation, and was stated more clearly than I might state it at the moment. That raises the question as to whether or not there should be a complete reorganization in the days to come of the whole matter of external affairs and trade and commerce because of the inter-relation of the two in our dealings with foreign countries. The Prime Minister mentioned some time ago that as time went on it would be necessary to divorce the Department of External Affairs from the office of Prime Minister. In making that move did he have in mind a complete reorganization which would carry with it a department in which the whole representation of Canada would be included—in other words, that it would not be simply a matter of handling the diplomatic affairs of this country, political and otherwise, but one that would have to do with the equally important, perhaps the more important, problem of international trade itself.

We are now utilizing two distinct channels of representation abroad, one through the Department of Trade and Commerce and the other through the Department of External Affairs. Would the Prime Minister care to comment upon this, and indicate whether it would be possible from the standpoint of efficiency and ordinary diplomatic common sense to have the representation of Canada channelled through a larger and more comprehensive department where the services of all who represent this country overseas, in all foreign lands, would be utilized to the best possible advantage both as to external affairs and international politics and in the obtaining of a much larger share of international trade for this country?

Mr. MACKENZIE KING: The matter that my hon. friend has brought up is one that is of importance and I am glad that he has raised the question. May I say first of all that what Canada should do will have to be considered in relation to what other countries actually do in the matter of their diplomatic and trade relations. My hon. friend has asked if we could not in reorganizing bring together under one department of government all those branches of administration that relate to foreign affairs or external affairs, in particular diplomatic relationships and the commercial relationships of the Department of Trade and Commerce. I do not think that that would be possible, for a very obvious reason. The diplomatic representation under external affairs has to do with representation between governments, representation of the head of the state. All appointments from external affairs are to governments of other countries. They are not to commercial institutions or business agencies or private organizations or bodies, but to the heads of the governments of the different countries. I imagine that all countries will find it necessary to have a special representative of their governments as distinct from the business interests. In the Department of Trade and Commerce the commercial agents are representatives in the nature of agents for the promotion of trade, and as such their contacts are primarily with the great business concerns in the countries to which they are sent, through individuals as well as organizations. It would not, so far as I can see at the moment, do to have those officials of the government, whose principal business is that of promoting trade, given the same status and position as the representatives of the government whose concern is with larger questions of policy that involve a consideration

of many things that lie altogether outside of trade. Government policy has to take account of all aspects of governmental relations that have a bearing on an immediate subject. At the same time there is every reason why these two departments of government should have their functions interrelated in a manner that will further the interest of both. That matter has received careful study by our officials over a considerable period of time. Anticipating a possible question on the matter I am prepared to give the committee a clearer and very full explanation.

War conditions, and the need to meet post-war conditions in the field of international trade have made it necessary to reexamine the relations between the Canadian offices established abroad by the Department of External Affairs and the commercial intelligence service of the Department of Trade and Commerce.

The government, more than a year ago, established a special committee from the two departments to study the question and to submit recommendations designed to promote closer cooperation between the services. This committee made a report, after studying the experiences of the governments of the other members of the British commonwealth and of the United States of America, as well as programmes for reforms which are being considered abroad. As a result of the information thus brought to the attention of the government, a special administrative committee has been set up, including three representatives from the Department of External Affairs and three from the Department of Trade and Commerce, with the deputy heads of the two departments as additional ex officio members. The special committee is charged with responsibility for working out practical measures for cooperation between the two services. The effect of these plans so far as they have been developed should be clearly understood. They provide for the coordination of Canada's diplomatic and trade promotion services abroad —not for the merging of these two services into one. It goes without saying that there must be, both in Canada and abroad, the closest cooperation between the official representation maintained by the Department of External Affairs and the trade commissioner service. We are retaining the trade commissioner service as a specialized trade promotion organization under the full control of the Minister of Trade and Commerce, and with such closer association of this service with the diplomatic service as will tend to strengthen both. Announcement has been made in the speech from the throne in regard to the strengthening of the trade commissioner service. It is generally agreed that strong reinforcement of this service will be required in the next few years. In fact it is not going too far to say that in the post-war period it will be essential for Canada to have the strongest department of trade and commerce we have ever had. The plans which the Minister of Trade and Commerce has now in hand for strengthening both the trade commissioner service abroad and the departmental organization at Ottawa are, accordingly, being advanced as rapidly as possible.

The types of problems, which emerge and are being dealt with by the interdepartmental committee, vary in different parts of the world. We may have a high commissioner and trade commissioner's offices in the same country. In some cases the trade commissioner's offices may be situated in the capital and may occupy the same premises as the high commissioner's office. In others, they may be separated. In other countries there may be a Canadian embassy or legation, with trade commissioner's offices either in the same place or in commercial centres in other parts of the country. In other places there may be Canadian consular offices established or under consideration. Where the offices are in different places, arrangements are made for periodic meetings. Where offices of the two departments are in the same place, every effort is being made to bring them under the same roof and to provide for close association in the work in which they are engaged. The committee is concerned with working out the instructions, which are issued to the heads of missions by the Secretary of State for External Affairs, and to the trade commissioner's offices by the Minister of Trade and Commerce. These are designed to avoid overlapping and to promote consultation and cooperation. It is not possible to draw a hard and fast line between the work of the commercial intelligence service and the work of the Canadian diplomatic service. Both services gain where there are frequent consultations and where there is close cooperation in dealing with practical problems.

At the same time, the departments are working together in recruiting personnel from our armed forces. There are many young Canadians, in the navy, army and air force, who, by education, experience and ability, are well suited for the work of these two departments. Some of them would be immediately available upon discharge, and others will require additional education under the arrangements for rehabilitation and reeducation which have been established by the Department of Pensions and National Health. It is expected that the expanding needs of the commercial intelligence service and of the external affairs service will be largely met by personnel

obtained under this common recruiting policy.

As the young men come into the services, their work is being planned in such a manner, through interchange of personnel, as to ensure that they will have experience on both the diplomatic and the commercial intelligence side, and it is hoped that in the course of time there will be a large number of persons in both services suitable for senior posts for the diplomatic, consular and commercial services.

The development of a consular service and its special relationship with the commercial intelligence service will be a matter to be worked out carefully during the ensuing years. A consulate general has been established in New York and the arrangements there are working in a satisfactory manner. The office of the consulate general embraces the trade commissioner's office and the consular service proper. The trade commissioners in the office have been given consular rank and perform consular functions in addition to their usual duties. It is expected that the experience gained in New York will be of value, in the event that it is decided to open up consular offices at other points. Further, the experience which is being gained by the personnel of both departments under the arrangement for close cooperation, which has been in effect for some time, will mean that there will be a substantial number of personnel in the two departments sufficiently familiar with both commercial intelligence and consular work to facilitate the organization and establishment of other consulates.

I think my hon. friend will see that the government has seen very clearly what he has in mind and has left no stone unturned.

While I am speaking on Canada's relation with other countries there is one other matter that I would like to mention. Hon. members have no doubt seen items in the press concerning the arrival of Brazilian troops in Italy to join in the fight against the enemy. We in Canada, who have our own men fighting there, are proud to be able to welcome these soldiers from the south to the great battle that is being steadily and successfully fought. Our common participation in the war will do much to draw our two countries together, and our men, fighting side by side, will render firm and lasting the sense of comradeship between our peoples.

Mr. GRAYDON: I should like to join with the Prime Minister in the sentiments he has just expressed with respect to our South American friends.

I should like to conclude this discussion, having in mind what the Prime Minister has said with reference to the integration of our foreign representation, by quoting one sentence from the editorial in the *Financial Post* which I think bears upon what the Prime Minister has said:

> Complete integration of our foreign representation seems logical and indicated by modern need. A department headed by two deputy ministers, one on the trade job, the other on diplomatics, seems a realistic approach.

I leave that thought with the Prime Minister.

Mr. MACKENZIE KING: I have already dealt with that in my remarks.

Mr. KNOWLES: I wonder if the Prime Minister would explain one point in connection with our representation abroad. The details of the main item would indicate that the cost of representation abroad has gone up in every country but one, that exception being Russia, in which case I notice a decrease of nearly $40,000. Our connection with the Soviet Union, both diplomatic and commercial, is of considerable importance. Will the Prime Minister explain this decrease?

Mr. MACKENZIE KING: My impression is that some of the expenditures in connection with our representation in Russia have come out of the war appropriation; I believe some word to that effect was given at the time that matter was under consideration.

Mr. CASTLEDEN: I should like the Prime Minister's assurance that there is no decrease in the actual expenditure there.

Mr. MACKENZIE KING: I wish it were possible to even think of such a thing, but our expenses in connection with all these legations in foreign countries are very hard to keep down. I think my hon. friend may rest assured that there will be no decrease; I only hope we may be able to keep the increase within bounds.

Item agreed to.

International joint commission—

474. To provide for preliminary studies and surveys of the Columbia river watershed, $50,000.

Mr. MacKINNON (Kootenay East): Since the source of the Columbia and the first two hundred miles of its length are in East Kootenay, and a considerable portion of the remainder of the Canadian part of the river is in West Kootenay, I wonder if the Prime Minister could give us a little more detailed information with regard to these preliminary studies and surveys in connection with the Columbia river watershed.

Mr. MACKENZIE KING: This is a joint undertaking between the government of the

United States and ourselves. It relates to matters of irrigation, the distribution of power and other problems as between the two countries, each having an interest in the protection of what lies within its own territory as well as what lies within the territory of the other. I am just reminded that on March 9 I gave the house a full and detailed explanation of the nature of the investigations being carried on, and I think my hon. friend will get in that statement the particulars he is anxious to have.

Item agreed to.

Governor General and Lieutenant-Governors—

85. Office of the secretary to the governor general, including allowance of $2,500 per annum to the secretary to the governor general, $102,723.

Mr. GRAYDON: May I ask when the term of office of the present governor general expires?

Mr. MACKENZIE KING: I believe it expires in May or June of next year.

Mr. GRAYDON: The hon. member for Broadview made a suggestion in regard to the recommendation of a successor to the present governor general, making reference to one of our outstanding military men. If the recommendation is in the hands of this government I believe some consideration ought to be given the suggestion advanced at that time, at least in regard to the classification from which the hon. member chose one gentleman.

Mr. MACKENZIE KING: Naturally the government will be pleased to consider any suggestions that may be made. The recommendation does lie with the government that may be in office at the time the appointment is to be made. I should just like to add that I believe we have been particularly fortunate in the representation we have had in the person of His Excellency the Earl of Athlone.

Mr. GRAYDON: I think it would be a very appropriate step, and one that would meet the wishes and views of the people of Canada, if when a successor is to be chosen to the present governor general someone with a signal record of war service, coupled with the other necessary qualifications, should receive the post.

Mr. MACKENZIE KING: The question as to whether in the appointment of a governor general its choice should lie between a representative with wide experience in civil affairs and one with great experience in military affairs has been the subject of much debate in the past, and will have to be considered in the future. Fortunately these are not necessary alternatives.

Mr. GRAYDON: Of course there would not be much objection to reappointing the present governor general.

Mr. CASTLEDEN: Do we make any grant in connection with the housing and living expenses of the lieutenant-governors?

Mr. MACKENZIE KING: There is a statutory amount for the salaries of the lieutenant-governors. The provinces make the necessary provision for the maintenance of government houses.

Mr. CASTLEDEN: That is being done in all cases, is it?

Mr. MACKENZIE KING: Yes.

Item agreed to.

NATIONAL HEALTH AND WELFARE

511. Departmental administration, including expenses incidental to organization, $1,000,000.

Mr. MACKENZIE KING: It has not been possible to make any realistic estimate of what may be involved in the establishment of this new department. I have had the matter taken up with the officials of the Department of Finance and those who have had experience in making estimates of the kind, and they have suggested that this amount should be placed in the estimates. Of course, a full accounting will have to be made to parliament in connection with any expenditures.

Mr. GRAYDON: It seems like a great deal of money for the initial setting up of a department.

Mr. MACKENZIE KING: Yes, it is.

Mr. CASTLEDEN: Could we have any further break-down of this amount?

Mr. MACKENZIE KING: I have just said that in establishing a new department it is impossible to say what the expenses are likely to be. This is a round sum that it is hoped will not be too small; but certainly it appears to me, as it does to the leader of the opposition, to be pretty large. However, it is the figure that has been suggested by experienced officials, without any suggestion from the government itself other than the provisions of the act which was placed before them for consideration.

Mr. CASTLEDEN: Is a similar amount provided for the Department of Veterans' Affairs?

Mr. MACKENZIE KING: No; that has been covered in the main by what has already been voted for pensions and national health, which amounts will be transferred to the new department.

Item 567 deals with the establishment of the Department of Reconstruction, providing $1,500,000 for departmental administration, including expenses incidental to organization.

Item agreed to.

DEPARTMENT OF MINES AND RESOURCES

125. Mineral resources investigations, $426,170.

Mr. HANSELL: I believe it is recognized throughout the coal mining industry, and in other industries related to coal mining, that Canada has not yet arrived at a point where she has a satisfactory fuel policy. It is strange that although we have been living in Canada under constitutional government for so many years and with vast quantities of coal deposits, we have not been able to present to our people an adequate and proper fuel policy. Some months ago the Minister of Munitions and Supply announced that the government was in process of setting up a royal commission to investigate coal mining, particularly in its relationship to the post-war world. I find that there have already been set up in Canada eight distinct coal commissions, and in addition there have been set up five industrial disputes inquiries. In addition there have been forty-four boards of conciliation and investigation in respect of the industry. Putting these together it will be agreed that this industry has at least been looked into. I am not opposing the setting up of another coal commission, but I do oppose the setting up at tremendous cost of commissions whose reports are laid on the table and then filed, with no benefit to anyone except that which may be derived by the mice from chewing on them.

Repeatedly since coming to parliament I have noticed that commissions have been set up, and that the results have been as I have indicated. Some years ago an unemployment commission was established. It went to a tremendous amount of trouble and expense, but I have failed to see where parliament or the government brought down one bit of legislation as a consequence of its deliberations. Another commission investigated the wheat problem, and in doing so travelled across Canada, involving considerable trouble and expense. That report was laid on the table, but nothing flowed from it.

Evidently there must be some difficulty in the setting up of this commission, because months have passed since the original announcement was made. No final announcement has been made concerning the meetings of the commission. Perhaps we will not have an opportunity to discuss this subject again until the next session of parliament; therefore I take this opportunity in the dying hours of this session to point out that if the commission is to do its work, and if any benefits are to flow from it, its report must be studied and acted upon. It will have to go into every detail of the coal-mining industry involving, as I see it, three distinct investigations. The commission will have to review the subject of markets—because if we do not have markets for our coal, the coal-mining industry cannot function, men will be laid off, and so on. That follows naturally. The commission will have to decide as to where permanent markets can be obtained. As I have looked into this matter for years I have been convinced that the market right at our door, our own Canadian market, is not being supplied with Canadian coal, and has not been for years. We realize of course that the war has made some difference in that condition. The commission must recognize that if the coal-mining industry is to be kept going we must have a market for our coal.

The second point is that the coal-mining industry must be kept solvent. My experience, which has involved my talking with coal-mining operators and interested individuals, has led me to note that financially the coal-mining industry of Canada is on the verge of folding up. A business should be able to realize at least a certain percentage on its investment. I am not free to say what the interest on coal-mining investments may be, but if it were known it would surprise many people in Canada. Therefore I say the commission should investigate whether or not the industry can remain solvent. If it were to fold up, an unemployment problem would develop in respect of coal miners.

We have talked about markets, and about keeping the industry solvent. A complaint came to me the other day which I would ask the minister to consider. Perhaps the responsibility would be that of the Minister of Munitions and Supply. There have not been railway cars available to transport the coal from the mines. I do not know how long this situation has existed, but I do know that in my particular area certain coal mines have had to close down in time of war. It is a rather strange thing that in time of war, when there is a national coal emergency, mines have to close down because they cannot get the railway equipment to haul their coal. I want the minister to find out just what is the trouble.

If the commission is to do its work properly it must discover where we can find adequate markets for our coal in order to keep the coal mining industry going. It must pay special attention to the interests of the coal miner. The coal miner must be kept employed, and at fair and agreeable wages. Not long ago there was a strike, and the commissioner appointed to look into the matter discovered that the coal industry could not afford to pay the miner what he was asking for. The commission agreed that the coal miners should have an increase, but it was passed on to the consumer. Perhaps that was the proper course to take, but I am contending that the commission should look into the problems facing the coal miner so that he may be kept regularly at work at fair and agreeable wages.

There is one other observation I should like to make. I would suggest to the labour organizations that they either have in their organizations or have access to the services of qualified actuaries and chartered accountants in order that they may examine the books of the industry in which they are employed. Because the manager of a corporation is able to get a new model car every year and is able to smoke big cigars the impression is that the company is making a mint of money. They may or may not be, and I suggest it would be beneficial to industry as well as to the labour organizations if management and labour could get together so that labour might have access to the books in order to see what profit is accruing to the company, what percentage is being made on the investment, and whether a raise in pay to the men would permit the company to remain solvent. Sometimes these corporations operate on a thin margin, and a decrease of a few cents in the price of coal may mean the difference between solvency and insolvency. I believe that many misunderstandings could be ironed out if this arrangement could be brought about.

That is all I am going to say on this item because I know we want to get through with the session. The royal commission should be directed to look into these aspects of the coal mining industry, paying special attention to the requirements of the coal miner as well to the solvency of the coal mining industry, so that we shall not have a repetition of what happened a few years ago, when the coal mining industry was operating only one, two or three days a week or sometimes not at all, and coal miners, who are qualified workmen, were on relief. Would the minister look into the matter of the supply of railway cars and see what the hold-up is? I have the promise of the Minister of Labour that there will be a representative of the miners on this coal commission. That promise will be found in *Hansard,* and I am going to ask that it be fulfilled.

Mr. CRERAR: My hon. friend has made several constructive suggestions which will be considered carefully. There are only two points which he has raised upon which I think I should comment. The first was in regard to the appointment of a royal commission to inquire into the production and marketing of coal in Canada, especially as the situation may arise after the war. Without doubt the war has created many disturbances economically as well as in other directions. It has already been announced as a matter of government policy that this commission will be appointed. I dare say there are some members who think that it should have been appointed ere this, and with that criticism I would not find a great deal of fault. However, the last few months, and particularly the last three or four weeks, have been very strenuous and the government feels that too much care cannot be given to considering the terms of reference to the commission as well as the personnel of the commission itself.

Mr. HANSELL: I am not criticizing the delay.

Mr. CRERAR: Now that we are close to the end of the session, this matter will be receiving the consideration of the government. Several weeks ago a large delegation from Nova Scotia headed by the minister of mines of that province and containing representatives of both the operators and the miners waited upon a committee of the cabinet and made certain constructive suggestions regarding the problem as it appears in the maritime provinces. They also emphasized the importance of having the terms of reference to the commission properly drawn. They were asked to get together and offer their suggestions as to the terms of reference, and I may say that these were received only, as I recall it, on the fifth of August. I am not criticizing the delegation at all for the delay because I do think that they gave very careful consideration to the matter. Their recommendations will have the careful consideration of the government when it is drafting the terms of reference.

In regard to the criticism of my hon. friend over the lack of railway cars for the transportation of coal at the present time, personally I have no knowledge of that. I presume that he has reference particularly to western Canada. This matter of course is under the direction of the Minister of Munitions and

Supply. I shall be very glad to draw to his attention the remarks of my hon. friend, and if there is a substantial foundation for his complaint I have no doubt that it will be remedied.

At the present time the government is spending a substantial sum of money in urging people everywhere throughout Canada to lay in their supplies of fuel for next winter. It is not always easy to get people to do that. A certain number of people are careful and think ahead and many of them without any prompting at all lay in their supplies of fuel, but there are others who do not. It is common knowledge that last autumn or even as far back as a year ago we were conscious of the possibility of a very difficult situation arising in the supply of fuel. Fortunately in western Canada we had an exceptionally mild winter, but we have no guarantee that we will have the same kind of winter this year, and so we are taking all steps possible to urge people to lay in their stock of coal well ahead of the coming of winter. It may be, although I have no knowledge of this, that for the time being the stock piles of coal in the hands of dealers are pretty substantial and that the coal is not moving from the dealers to the consumers as rapidly as it should. At any rate I will bring the point raised by my hon. friend to the attention of the Minister of Munitions and Supply.

Mr. GILLIS: I have no intention of going into all the ramifications of the coal industry because I think my opinions are pretty well known already to the house. I appreciate what the minister says as to this matter not properly coming under his department at the present time.

Reference to the delegation has been made, and I merely wish to say that I attended that meeting with the delegation, headed by the minister of mines for the province of Nova Scotia, and among the other representatives were members of the local assembly representing different political parties, and a citizens' delegation. For Nova Scotia the problem is an extremely serious one, because the coal mining industry is the basic industry of that province. The prosperity of the whole province is predicated upon the prosperity of the coal mining industry. If it does not prosper, the whole province suffers. I notice that in the estimates of the Department of Munitions and Supply the minister is budgeting for approximately $4,500,000 for subventions. That is fine, if and when we have the coal to ship into the Ontario and Quebec markets. But to secure those markets is going to be a very difficult matter.

Mr. MacNICOL: We will help you in Ontario.

Mr. BOUCHER: Ontario does the best for you.

Mr. GILLIS: I hope so, but you may not have much to say about it, because it is a matter for the federal government. When the Americans get their feet into a market it is a question whether you can ever get that market back. We lost the Quebec market in the last war, and it took us ten years to buy it back—and I say "buy it back" advisedly. The whole province of Nova Scotia suffered as a result. Getting our coal into the Ontario market was also a very difficult proposition. It required substantial subsidies to the railways to put the coal in there. Now that market has gone. But I am not going to go into all these things.

I merely wanted to say to the minister that one of the most important matters to the province of Nova Scotia at the present time is the appointment of this royal commission, and unless the terms of reference to that commission are all-inclusive its appointment will be just a waste of time and a repetition of previous commissions' reports. The personnel of the commission is very important. You must have men who understand the industry, and understand the marketing of coal. Otherwise the evidence presented to the commission will be wasted because they will not realize its importance. I believe that the government is giving careful consideration to the personnel of the commission. It should not be so difficult. I could stand up and offhand, without any reference to papers, recommend a personnel that I know would be fair to all concerned and have due regard to the best interests of the men. It may be hard, of course, to get men who will suit the operators. But so far as the men are concerned, the miners' union in Nova Scotia has nothing to hide. They are interested in this commission and in its final recommendations from the standpoint of the best interests of the industry in Nova Scotia as it pertains to the economy of that whole province.

Personnel is important. But perhaps equally important are the terms of reference. If the terms of reference are not adequate, if it means just another examination of the coal mining set-up, we cannot expect much. Dominion Steel and Coal controls the whole industry in the province of Nova Scotia. The organization has its ramifications throughout Ontario, Quebec and New Brunswick. It controls timber limits, steel, coal and iron. The company has some twenty-nine or thirty subsidiaries, and unless the whole picture is examined into we

shall not get a solution to the problem. I have talked to men who have sat on commissions in the past and they have told me: Yes, you are quite right as to the juggling of costs in that big machine, but we were examining one specific question, coal, and although we could see something wrong here and something wrong there, our terms of reference did not permit us to make an examination from those angles at all. I am in hopes, Mr. Chairman, that this matter will be settled this time once and for all through a thorough overhaul of the whole organization controlling coal and all its subsidiaries, and unless the terms of reference are all-inclusive to permit that it will be just repeating the performances of the past—another commission, another report, and no solution.

The hon. member for Macleod stated that the labour organizations should have competent officials to examine into all the ramifications of the industry. They have them. The miners of Nova Scotia, through the Canadian Congress of Labour, have some of the most competent research officials that there are in Canada. Getting access to the company's books is something that cannot be done through the medium of the labour unions, because, as a result of special legislation in Nova Scotia, the books are closed so that no one can get a peep at them. The Minister of Finance has closed the books so far as members of the house are concerned and they cannot get any idea of what the financial set-up is to-day.

A few days ago I put some questions on the order paper. They were quite innocent. I merely wanted to find out what assistance was given by way of subsidies to certain companies operating in the maritimes. I received an answer something like this: Yes; assistance was given, but owing to the fact that the Minister of Finance has declared a certain policy in this house with regard to making known any assistance given through the price stabilization board, no figures can be given. I did not get anywhere.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. GILLIS: When the committee rose at one o'clock I was making a few remarks on the coal situation. I was pointing out that in the matter of research into the mining industry, as far as Nova Scotia is concerned, the job is fairly complete, and in view of the fact that the federal government have definitely decided to set up a royal commission I think that the desires of the people of Nova Scotia should be given consideration in connection with the terms of reference. The mine workers' union, when they met the cabinet committee presided over by the Minister of Mines and Resources a few weeks ago, had a brief setting out their case, pointing out the possibilities of the industry, the difficulties that are to be faced in the post-war period, and offering a solution to the problem. But this was contingent upon proving to the federal government, through the medium of this proposed commission, that they have a case.

I do not suppose there is another industry in Canada that is subsidized to the same extent as the steel and coal industry in Nova Scotia, and that applies also to most of their subsidiary organizations. I think the time has come when, in addition to going into the public treasury to guarantee that these companies make a definite profit, the government must accept some responsibility to the public and see that the organization performs a public service.

It is only within the last few months that an exhaustive inquiry was made into the closing of the Trenton Car Works, a part of the Dominion Steel and Coal set-up. A brief was prepared in that case and it is a very informative one. The reason why I say that, in addition to subsidizing and guaranteeing profits, some regard must be had by the government to the question of guaranteeing to the people of Canada that the organization shall not only provide profits but shall perform a service to the public, is this. In this brief prepared by the steel workers union, examining the Trenton question alone—and that is a very small subsidiary of the Dominion Steel and Coal organization—it is pointed out, and I bring it to the minister's attention as an indication of some serious thinking on the part of the government in this matter of setting up a royal commission, that since April 1, 1939 a total of $40,019,015.99 had been paid to the Dominion Steel and Coal company by the dominion government in subsidies and for installation of plant and equipment. That is a good deal of money to have paid out since 1939. Operating subsidies amounted to $26,953,805.13, capital advanced on property, of which title is held by the dominion government, $7,750,776.22, capital advanced on property of which title is held by the dominion government $5,313,434.64, making a total of $40,019,015.99.

The thing I am concerned about is that while operating subsidies have kept the industry moving during the period set out here, the

dominion government definitely has an equity in plant and equipment made possible by direct federal assistance. It is the responsibility of the federal government to see that that plant and equipment is utilized in the interests of the people of Canada as a whole.

An organization that receives so much money from the federal government is in my opinion responsible to some extent to those who are making it possible for it to operate. One of the main points in the miners' brief, and they went into the question thoroughly, is that the time has arrived in Nova Scotia for an examination of coal leases. A fact that was borne out very clearly in their brief was that in Alberta, where an examination was held into cost of production, when they got an increase in production they had a decrease in cost. That is a natural assumption, but in going over the figures for the Nova Scotia industry from 1929 to 1942 they found that while arguments were advanced by the company and others to show that, unless they could get a substantial increase in production, the possibilities were that they would not be able to continue operating, an examination of the figures for the period I mentioned, and the plotting of a graph from them, revealed that in Nova Scotia during that period when they got a fairly substantial increase in production they got an almost parallel increase in cost, and as production dropped, as it did in the last two or three years, they got a similar drop in costs.

There is an answer to that, I believe. At any rate, the miners' brief sets out an answer—obsolescent machinery, high cost mines, mines that are running out, where, in order to increase production it is necessary to step up the power, pumping facilities, and so on. All these factors tend to increase the cost, and vice versa as they drop off. That definitely tells us that if there is to be any prosperity in that industry new methods must be devised and new openings made.

I am glad to see in the supplementary estimates, and I might as well say it now to save time, that the minister has a substantial appropriation for the purpose of setting up a pilot plant for the hydrogenation process and getting everything from the coal that there is in it. That would partly solve the problem in Nova Scotia. It is essential that plants of this kind be established where the operation is carried on. Our coal should be coked. We should extract every valuable by-product that could be marketed in the province where the fuel is produced. The time has come for the conservation of fuel in Nova Scotia. New openings should be found and the by-product should be utilized to the greatest extent possible. That is something that we shall have to go into if the industry is to be operated on an economic basis. Because of our geographical position I cannot see how we can continue to drag our coal from east to west as long as the flow of trade is in the direction it is at the present time. The only way to make that industry in the province stand on its feet and compete with United States coal is to do as suggested by the miners, make a reciprocal agreement with the United States operators so that we might market our coal on the eastern American border in exchange for certain markets in central Canada. That principle could apply to the west as well. You are not considered patriotic when you talk that way, nevertheless it is an economic problem, and has a place in the discussions that take place on this problem in the future. I am going to let the matter rest because there is no need for me to try to prove to the minister that it is necessary. That has been done. The fact that the government has appointed this commission is positive proof that it recognizes the seriousness of the situation so far as Nova Scotia is concerned.

The western operation is something that I am not going to touch on. I am not familiar enough with it to discuss it. It is a totally different picture from that of Nova Scotia. In the west there are a lot of small operations; in Nova Scotia we have one organization, although there are some small ones. The solution of the problem in the east is an entirely different one from the west.

The last thought I wish to leave with the minister is that the personnel of the commission must be informed and capable men who will view the problem in the light of what it means to the whole of the country and not pull their punches in any direction. The miners are not asking for it, and the general public in the province are not asking for it. They want to see that industry rehabilitated to get the most out of it for Canada as a whole. The terms of reference of the commission must be broad enough to enable it to go into all the ramifications of the company that controls the industry in Nova Scotia.

Mr. ISNOR: I was pleased to listen to the hon. member for Cape Breton South once again bring to the attention of the Minister of Mines and Resources the question of coal production as it applies to Nova Scotia. The hon. member for Cape Breton South is perhaps the best informed member from Nova Scotia on this subject. Coming as he does from that particular coal area of Cape Breton he is well

qualified to bring to the attention of the committee the questions that he has so ably dealt with.

I could not follow what the hon. member meant when he was talking of the subsidiary companies of the Dominion Steel and Coal company. I could not understand what particular reference it might have to the coal production; but if the reference is broad enough so far as coal is concerned then I believe the royal commission that is to be set up by the government will serve a very useful purpose not only in Nova Scotia but in the dominion as a whole.

As the hon. member said, coal production in Nova Scotia is confined largely to the four counties of Cumberland, Inverness, Pictou, and Cape Breton, and has been for twenty-five years. The hon. member drew attention to the fact that from the year 1924 up to the present time, while production has increased it is necessary to increase production if costs to the consumer are to be reduced. I would point out to the hon. member that in 1924, with 2,480,000 man shifts working, they produced 4,448,000 tons of coal, or 1·79 tons per man per day, while in 1942, with an increased production of roughly speaking 50 per cent, or from 2,480,000 in 1924 to 3,518,000 man-days in 1942, they produced 6,439,000 tons, or only a slight increase, namely, 1·83 tons per day. It has been pointed out that the smallness of the increase in production has to some extent been brought about by the miners themselves through absenteeism or staying away from the mines during different periods, particularly in 1941. The hon. member referred also to the guaranteed profits to the Dominion Steel and Coal company. I am at a loss to understand exactly what the hon. member meant by "guaranteed profits" to this company. It is a well-known fact that in 1941 the company, through its independent certified auditors stated that it had to put in something like $2,225,000 to keep out of the red. In other words they were in the red to the extent of $2,225,000 on their coal operations.

I was pleased to note that the hon. member for Cape Breton South was careful on this occasion not to deal with the question of subventions. I recall that on one occasion the hon. member made a statement on which he was checked from almost every corner in Nova Scotia, including the miners themselves. It was in regard to the subventions of something like—

Mr. GILLIS: You are just a hundred per cent wrong in that statement. I do not want to occupy the time of the committee, but your provincial minister of mines spoke. The question of subventions does not come into this.

Mr. ISNOR: Mr. Chairman—

Mr. GILLIS: May I make this point clear? The statement made by the senior member for Halifax that I was checked from one end of Nova Scotia to the other on the statement I made on subventions is a hundred per cent inaccurate. What really happened is this. At two o'clock in the morning this house was in session and a sleepy reporter—there was only one in the gallery at the time—

Some hon. MEMBERS: Oh, oh!

Mr. GILLIS: I know exactly what happened. That is exactly what happened. Very few reporters were in the gallery, just one, and he sent out a C.P. dispatch that was picked up by the provincial minister of mines, and he very inadvisedly made a statement on it which he had to retract later. He was thoroughly and roundly condemned by every miner's organization in Nova Scotia. *Hansard* spoke for itself and completely changed the picture. You are all out on your facts.

The CHAIRMAN: Order. We should have reached the stage in the discussion now where we can go through the items and discuss them dispassionately.

Mr. GILLIS: That is what I tried to do. If anyone is looking for a scrap he will get it.

Mr. ISNOR: The hon. member for Cape Breton South says that he is always ready to look for a scrap. I have no intention of scrapping with the hon. member. I remember the days when I played baseball; the miners were all good scrappers, but at this stage of my life I hesitate to enter into a scrap with the hon. gentleman. My purpose was to bring to the attention of the hon. member, of the house and of the country, and particularly of the miners of Cape Breton, the fact that the subvention of $3,500,000 or $4,000,000 is a direct benefit to them.

Mr. GILLIS: It is $4,500,000, to be accurate.

Mr. ISNOR: Very well; add another $500,000 to it. I say this sum of $4,500,000 has been a direct benefit to every one of those miners, particularly those in the constituency of my hon. friend. The hon. gentleman emphasized the fact that this money is paid to the railways; but if the money had not been paid in this way the extra cost would have had to be borne either by the railway companies, the shippers or the consumers.

Mr. GILLIS: It is not all paid to the railways.

Mr. ISNOR: My hon. friend said very distinctly a few minutes ago that it was all paid to the railways.

Mr. GILLIS: No, I did not.

Mr. ISNOR: Well, the record will speak for itself. I repeat that this subvention has been of great benefit to all the miners, for without it we could not have sold the same amount of our coal in central Canada. I well remember, as the hon. member for Cape Breton South will remember, when our coal production amounted to only something like three and a half or four million tons. Back in 1929, when I sat as a member of the Nova Scotia legislature, we were very anxious to increase that production by another million tons. No doubt the hon. member was a party to trying to bring about that result; I know the united mine workers were very much concerned about the matter. I remember how gratified we all were, and how much credit was given to the provincial government of the day, when the production of that additional million tons was brought about. That has continued down through the years to the present time; and I want to say that we in Nova Scotia owe a debt of gratitude to both the previous government and this government for having provided these subventions which have made it possible for us to ship an increased amount of our coal to central Canada.

I am very glad to support the suggestion of the hon. member in regard to the pilot plant. We all know that coal alone is not going to solve our problem, that the by-products of coal are of great importance. For that reason I am glad to note that the pilot plant is being set up, so that research may be carried on in order to bring about the increased use of Nova Scotia coal. Except for the difference of opinion between my hon. friend and myself in regard to the value of these subventions, since he claims that they do not enter into the picture while I say very definitely they are of real value to us in Nova Scotia, I think I am in agreement with what he has said. Certainly I am glad to support his representation that every possible avenue of research be carried on in connection with this pilot plant.

Mr. GILLIS: When I rose to discuss this question I had no intention of going into all its ramifications, but if anyone in the committee wanted me to do so I could discuss the matter for a long time. I have the evidence right here, going back to 1917, covering the loss of markets, the regaining of markets, subventions, and all the rest of it. When the hon. member for Halifax gets up and draws upon his very vivid imagination in order to put on the records of this house, in the dying hours of this session, when he knows he is facing an election, something which is not true—

Mr. ISNOR: What part is not true?

Mr. GILLIS: I will tell you in a moment. When the hon. member says that at one time I made a statement in this house on subventions, and that as a result I was hauled over the coals throughout the province of Nova Scotia, I say that is not true.

Mr. MACKENZIE (Vancouver Centre): It is not in accordance with the facts.

Mr. GILLIS: It is not in accordance with the facts.

Mr. CRERAR: Put it that way, then.

Mr. GILLIS: If the hon. member for Halifax wants to be reasonable about this and discuss the matter, I will bring in *Hansard*, which after all is the official record of the debates of this House of Commons. The hon. gentleman knows, as every hon. member on that side of the house knows, that if I remained quietly in my seat and let that sort of statement go unchallenged at this stage of the game, they would make very effective use of it in the province of Nova Scotia. That is why I am challenging the statement at this time, because it is not in accordance with the facts. That was tried by the press of Nova Scotia and by the provincial minister of mines, but the official records of this house prove the contrary. I did not attempt to discuss this matter of subventions—

The CHAIRMAN: Order. Surely at this stage of the session we should keep strictly within the bounds of the item under discussion. This item has to do with mineral resources investigation, and there is no mention of subventions here.

Mr. GILLIS: Perhaps the chairman was not in the house when we adjourned on Saturday night.

The CHAIRMAN: Yes, I was here.

Mr. GILLIS: Then the chairman may remember that the item under which this matter could be discussed came up with the items of the Minister of Munitions and Supply.

Mr. GRAYDON: If I may correct my hon. friend, it was Friday night.

Mr. GILLIS: Very well; and those estimates were passed on the understanding that this matter could be discussed on the estimates of the Minister of Mines and Resources, that if necessary there could be a full discussion of the whole subject.

Mr. MACKENZIE (Vancouver Centre): That is correct, and it was on the suggestion of the hon. gentleman.

Mr. GILLIS: That is right. When I rose this afternoon I had no intention of discussing subventions or any of the ramifications of the industry. I confined my remarks to the matter of the royal commission, because the evidence is now assembled to be presented to that body. These subventions are fixed by statute. We are not asking for them; they are guaranteed to us, and no hon. member of this house knows the benefit they have been, or how they were received, better than I do. I was on the first committee in Nova Scotia that worked on this matter, and I know the reception we received from the coal company at that time. We were told to mind our own business, that they had ways and means of approaching the government themselves. That first committee received no cooperation from the coal company. To say that the subventions are all paid to the railways is not correct. When you pay a subvention for hauling coal to the Sydney and Louisburg railway, for example, you are paying it to Dominion Steel and Coal, because that is their railway. When you pay a subvention to the Cumberland Railway and Coal company you are paying it to Dominion Steel and Coal, because that is their railway. When you pay a subvention to certain shipping companies to haul coal to Newfoundland or up the St. Lawrence, you are paying it to Dominion Steel and Coal, because those are their boats. That is why it is important to make an examination into all the subsidiaries of that company, in order to determine just what is the position of the coal industry. The subventions are fixed by statute, but very little was paid last year because the coal is not being shipped. To-day the problem is not to get coal into the markets of Ontario or Quebec; the difficulty is that you have not the coal to ship. That was the basis for the few remarks I made, and I endeavoured to point out the necessity for a reorganization of the industry itself. On the other hand, when you can produce more fuel the arrangements to take it to these markets are there, if the answer is subventions.

The hon. member questions the matter of profits. You do not pay a concern in Canada approximately $40,000,000 just for fun; it must be for a purpose. Those companies do not operate for fun; the subsidy must have been necessary to guarantee them a margin of operating profit. If they are making all they made previously, then the government was very foolish in pouring all that money into them. So that I say that amount of money must have been necessary.

Mr. CRERAR: Did the hon. member say $40,000,000 or $4,000,000?

Mr. GILLIS: I said $40,000,000, since 1939. They are found in three different items which I gave a moment ago. That has nothing to do with the subventions. That money was given to them in this way: First, operating subsidies to the extent of $26,000,000; second, capital advances on property, of which title is held by the government, $7,000,000; and third, capital advances on property of which title is held by the company, $5,000,000. That money must have been given to them because they were not able to handle the operations themselves and make what they considered a profit. Then, another thing: it would seem that in the coal industry they can build a shipping pier at Three Rivers, Quebec, and charge it to the operating costs of a colliery in Nova Scotia. Wages can be kept depressed on that basis. If an examination is not to be made of operations at outside points, then you are not making a thorough examination. They can charge some of the operations in shipyards at Halifax to operations in coal.

When the Dominion Steel and Coal company first came in and rehabilitated the old steel plant at Sydney, one of the first things they did was transfer $8,500,000 from Dominion Coal to Steel, and give it to themselves in blocks of stock. That money belonged to the Dominion Coal company. And with that $8,500,000 in the treasury of the Dominion Coal company the miners were justified in asking for a considerable increase in wages. When someone gives that money to himself and gives out blocks of stock, then the miners who produced that wealth have a right to question why it was shipped over there to rehabilitate the industry and to enrich others who had nothing to do with producing that wealth.

The plate mill was rehabilitated at a cost of $4,000,000, which sum has been provided at this session, and those steel mills were bought and paid for by the dominion government at the time of the last war at a cost of $11,000,000. All that machinery and equipment at the mill was shipped to Ojibway Falls in Ontario. The people of Canada owned it. They wanted to use it again in this war, and they had to go to the expense of refitting the mill.

These are things I want to see examined, and unless the terms of reference are sufficiently broad that picture will not be made clear. We have been doing this kind of job for the last thirty years, in a haphazard fashion. I would like to see it done once and for all, and done properly.

And on that matter of subventions, which the hon. member for Halifax knows is a very ticklish one in Nova Scotia, there has been a great desire on the part of some people down there to prove that I am not for subventions.

Mr. ISNOR: Are you?

Mr. GILLIS: I fought for them when you did not know anything about them.

Mr. ISNOR: That is fine.

Mr. GILLIS: I fought for them when you had no idea what their functions were. And as long as they are fixed by statute of the dominion government I have nothing to worry about. They are not taking them from us. But if the day ever arrives when someone on that side of the house starts to change the assistance given to the Nova Scotia industry, you will find me one of the first to fight against it. There is no danger to it now, because it is there; it is ours. That is not a problem to-day. The problem to-day is the industry itself, and an examination of it so that it will mean something in the future, rather than having someone coming to the government every six months with his hand out, saying, "I want my money. I do not do much about enhancing the business so far as selling the coal or steel is concerned. I sit back and put pressure on the government to do my business for me, and to give me subsidies to guarantee my profits, instead of being out working and rehabilitating the industry itself." I believe when it stands on its own feet it will mean something to Canada.

Mr. ISNOR: It is interesting to know definitely where the hon. member for Cape Breton South stands in regard to subventions. We in Nova Scotia almost as a unit are in favour of them because we realize their value. I could talk on the various angles of the subject of coal mining, but I wish to say only this, that every industry must show an operating cost sheet in regard to its operations. They are published, and that fact is well known and they are audited.

Mr. GILLIS: Where are they published?

Mr. ISNOR: I do not wish to go into this matter at length—

Mr. GILLIS: Where are they published?

Mr. ISNOR: I say they are available.

Mr. GILLIS: They are not.

Mr. ISNOR: I have seen them more than once.

The CHAIRMAN: Order. The hon. member for Halifax has the floor.

Mr. ISNOR: I do not wish to pursue this matter further. I could go into the operations of the Inverness coal mines, for instance, which, as the hon. member knows have cost Nova Scotia $1,699,734.54 from August, 1925, to March, 1943.

Mr. GILLIS: And I know why.

Mr. ISNOR: That was a social need. And I would suggest that the same principle applies so far as many of our mines are concerned. I realize that the hon. member has a practical knowledge of coal mining, but I would not mind debating this question with him along general principles.

Mr. GILLIS: You know there is special legislation passed by Nova Scotia closing Dosco's books.

Item agreed to.

Mines and geology branch—

497. Bureau of mines; to provide for the fabrication, erection and equipping of a hydrogenation plant in the fuel research laboratories estimated to cost $770,000—amount required for 1944-45, $100,000.

Mr. CASTLEDEN: I understand there is a similar item in the regular estimates?

Mr. CRERAR: No.

Mr. CASTLEDEN: What are the details of this item?

Mr. CRERAR: It is to provide $100,000 for an experimental plant to examine into and find out by scientific investigation what can be done in connection with the hydrogenation of Canadian coal. This will also apply to oil. By the hydrogenation process a more complete separation or break-down can be made of the various crude oils, and substances like bitumen, which is derived from the sands of northern Alberta. We never have had plants in Canada on anything like an experimental basis. Laboratory tests have been made. This however represents another long step forward in providing research facilities to enable this country to ascertain what it can do with some of its very important resources.

Mr. CASTLEDEN: I think they should be complimented upon the work they are doing. I have watched some of the work they are doing at the research laboratories and I know there is a pilot plant there and I was wondering if they are providing for further processes. Is it intended to build the hydrogenation plant this year?

Mr. CRERAR: Plans have to be drawn up first.

Item agreed to.

Lands, parks and forests branch—

499. Government of the northwest territories —general administration, operation and maintenance of services, including Wood Buffalo park—further amount required, $172,270.

Mr. CASTLEDEN: Where is this park, and what is the nature of the work to be carried on under this vote?

Mr. CRERAR: I understand from my advisers that none of this vote is to be spent in the park, but it happens to come under that designation in the department. The vote is for the further development of the northwest territories. The hon. member is probably aware that there has been an increase of interest in mining development in the Yellowknife region north of Slave lake during the last few years. We are going to start an airfield in this district and there are also certain expenditures in connection with roads, extra staff and that sort of thing. My hon. friend will bear in mind that the administration of the northwest territories is under the northwest territories council, which gets the money it needs for any expenditure under votes like this that pass parliament. Any receipts from fur or mining royalties or similar matters are paid into consolidated revenue fund.

Item agreed to.

Surveys and engineering branch—

148. Dominion water and power bureau, including the administration of the dominion water power and irrigation acts, $241,300.

Mr. BLACKMORE: The people in my constituency and in Medicine Hat constituency are interested in the development of certain irrigation projects which would make conditions more suitable in southern Alberta. Has this item any application to the construction of either of these projects?

Mr. CRERAR: The matter to which my hon. friend refers has to do with the utilization of the waters of the St. Mary and Milk rivers in southern Alberta. There is a boundary waters agreement with the United States under which the international joint commission can allocate the waters which properly belong to Canada and those which properly go to the United States. When that is done it remains for each country to provide works and facilities by way of dams and so forth to utilize properly the water that falls to it as its share. As my hon. friend is aware, a few years ago a committee of inquiry was appointed with Mr. Meek of the water powers bureau as chairman, Mr. Spence, head of the prairie farm rehabilitation work in western Canada and Mr. Hunter, a representative of the Department of Finance, as members. In carrying on their work they had the advantage of the continual advice of the technical officers of the Alberta government who aided them considerably in their work. They made a report which has been printed and which I am sure my hon. friend has seen entitled, "The St. Mary and Milk Rivers Water Development Committee." They went into the matter of how the water could best be utilized and the general advantages that would come from such utilization. The development of this project in my opinion should be taken up immediately the war is over. We in this country have never realized fully the value of sound conservation measures. I am bound to say that the conservation of Canada's share of these waters will require a substantial outlay but great value will accrue to that part of Canada. I have no doubt that over a period of years the cost can be fairly well amortized.

Mr. BLACKMORE: Is any of the money to be voted under this item to be spent in furthering interest in this project?

Mr. CRERAR: No.

Mr. BLACKMORE: This committee recommended that the work be proceeded with as a post-war measure. Is any provision being made to proceed with it when the war is over? Can the minister tell us who is supposed to take the initiative and whether anything has been done to get ready for the construction of this work? My constituency is in the midst of drought. They are suffering terribly from lack of water. Much of this difficulty would have been overcome if the St. Mary's dam had been constructed a year or so ago. It is a very serious matter for my constituency. Back in 1921 there was a number of pious resolutions that we should proceed with this work, but they all vanished like the morning mist. What I am anxious to know is whether definite steps are being taken to proceed with the construction of the Lethbridge southeast water conservation project to safeguard Canada's interests in these international waters.

Mr. CRERAR: My hon. friend will recall that when the war appropriation estimates for the Department of Mines and Resources were before the house an item was passed for post-war planning that had to do particularly with roads, parks and developments of the kind, but under that same vote and this vote a study is being made by the engineers of the

department of all the data that has been gathered in respect to the surveys of these two streams. I assure my hon. friend that the matter has not been abandoned but that it is under study. What arrangement may finally be worked out between the federal government and the provincial government I cannot at the moment say. No matter how desirable this expenditure may be, it was obviously not practicable to proceed with it during the war, but it is a work—here I express my own opinion which I think is shared by all the officers of the department—that should be taken up seriously when we come into what is commonly described as the reconstruction period following the war.

Mr. BLACKMORE: I agree with the minister, and I think he appreciates the difficulties of the present situation. But here is one very serious aspect of it. The apportionment of the water presupposes that each of the two nations shall construct works to fit themselves to make beneficial use of their share of the water. The United States has already constructed works which enable them to use not only their portion of the water but all of Canada's portion as well, while Canada has simply neglected to do anything. The first thing we know we shall wake up one morning to find that we have lost an asset of very great value that will be wholly beyond recovery. Certainly something must be done by the members of parliament to prevent that, and what I would like to know is what can members of parliament do to get a little action so that the thing will be carried forward and that we shall not merely be speaking of "studies" and "the matter being under consideration". Studies were being made away back in 1900 and 1909 and nothing was done about them; the thing is to get some actual construction work done. I thought it as well to mention this matter, perhaps to strengthen the minister's hands in going forward with the project.

Item agreed to.

148. Dominion water and power bureau, including the administration of the dominion water power and irrigation acts, $241,300.

Mr. MacKINNON (Kootenay East): I understand that preliminary studies and surveys of the Columbia river watershed are being made by the Dominion Water and Power Bureau. Would the minister tell us just what is being done and what sections of the Columbia river are being studied?

Mr. CRERAR: An item in the external affairs estimates was passed this morning covering the investigation now being made of the waters in the southern part of British Columbia. That investigation is being carried on by the International Joint Commission, and if I remember corectly there was an item of $50,000 in the estimates to cover the expected cost to Canada of the inquiry for this year. I am not in a position to give my hon. friend very much more information than that. It is part of the work that is being carried on under the international waterways agreement, and the International Joint Commission are now examining the whole question.

Mr. MacKINNON (Kootenay East): I understood that the work was being done by the Dominion Water and Power Bureau. That is why I asked the question.

Mr. CRERAR: Yes. Some of the officers of the Dominion Water and Power Bureau of the Department of Mines and Resources are doing the work for the International Joint Commission. The estimate for that work was passed this morning.

Item agreed to.

155. International boundary commission, $35,080.

Mr. GRAYDON: Have the vacancies on the commission been filled?

Mr. CRERAR: There is one commissioner representing the United States and one commissioner representing Canada. Both positions are filled.

Item agreed to.

502. To provide for the expenses incurred under the agreement between the dominion, Ontario and Manitoba, confirmed by the Lac Seul Conservation Act, 1928, moneys expended to be largely reimbursed—further amount required, $2,839.20.

Mr. CASTLEDEN: Why is this supplementary estimate necessary in addition to a similar item in the main estimates?

Mr. CRERAR: Certain claims were settled in connection with the flooding of the Winnipeg river arising out of the Lac Seul agreement. This further amount is needed for interest. These amounts are recovered through the province of Manitoba, from the private power companies and the Winnipeg hydro. The federal government acts as a sort of clearing house between Ontario and Manitoba.

Mr. CASTLEDEN: The amount of $17,800, under item 150 of the main estimates, is also recoverable?

Mr. CRERAR: Yes.

Mr. CASTLEDEN: That has always been recovered?

Mr. CRERAR: Yes, that is right.

Item agreed to.

506. Medical—Indian hospitals and general care of Indians—further amount required, $235,400.

Mr. NEILL: I assure this committee that the sound of my voice is just as distasteful to myself as it is to the committee at this day and date, but I feel it my duty to bring up the subject. I claim that the Indian department have adopted a principle—no, a lack of principle—in dealing with certain Indian hospitals. To put it bluntly, they are chiselling on them, or trying to as far as they can. Naturally I think of the hospitals in my own district. We had a fairly large hospital at Port Alberni which served a fairly large area. I remember that on a number of occasions we had to dig down into our own pockets because the hospital ran short of funds. I remember on one occasion putting up $75, and others put up more than that, because we felt that we had to keep the hospital alive, seeing that the charges were not adequate. That went on for a long time and these people we had to pay for were very often only recent comers or outsiders. That was all right, but the Indian department adopted the principle of not paying the ordinary standard rates for destitute Indians. They have no right to do that any more than destitute Scotsmen, if there are such, should demand a special rate for themselves. Scotsmen are not generally destitute; they only want and try to get what is coming to them. Owing to the increased population, saw mills starting up and so on, the town has grown to a large extent, and so they adopted the system of issuing contracts for individual workers in the saw mills and collecting the money through the payrolls, giving out private contracts to individuals like myself. I pay so much a year whether I need it or not, and then I do not get free treatment but only a reduced rate. In this way they were able to make both ends meet.

Time went on, however, and expenses rose. It is a union town now and the nurses belong to a union. They work three shifts a day and have to be paid accordingly. Well, does the department object to that? Will anyone object to that? The cost of living has gone up, the cost of running hospitals has increased. Again, does anyone deny that? The hospital had to do as everyone else has had to do; it had to raise its rates. They raised the contracts, and no one kicked about that. We have a board of control on which the ordinary contract holders are represented. They are represented and the mill people are represented, so that if there is any chance of overcharging you may be sure it will be noted and taken care of. But none of these people kicked. They realized that the increase was necessary. No one objected but our friends in the Indian department.

The fact is that they would not have to deal with more than four or five hundred Indians at the most in that neighbourhood, and at last the board, after showing a great deal of patience, called for a showdown. They said, "We cannot go on taking a loss on every Indian we handle and then piling it on to the workers." The result was that a delegation came from Ottawa to see the hospital board. I was present and I can prove these things. We were told a number of things. In the first place, it was said that the hospital was overpaid and overstaffed. Well, in a union town where the girls have a union rate you cannot talk about overpaying anybody, and a good many people would have kicked if they had been paid less. We were not out to pay any money that we did not have to, and we knew that we were not overpaying them.

Next they said that the institution was overstaffed, that those who were working there were not doing enough. They were working an eight-hour shift, and there is no complaint on that score. None of us kicked or said that there were too many nurses. We were satisfied to accept the situation that was caused by circumstances, but this authority three thousand miles away, who knew nothing about it, maintained that we were overstaffed and overpaid.

When this argument was disposed of, or at any rate when they could not find anything more to say on that point, they said that they could do it cheaper in dominion hospitals and we replied, "Go ahead, but where are they? Where are those hospitals in which you will take care of these people?" They talked about some place called Norway House and said that it could be done cheaper there. But Norway House is a long way from British Columbia and we did not know the conditions there whereas we did certainly know the conditions at home. Did they allow anything for capital expenditures which we had to pay in connection with the building of our hospital? I wonder if in Norway House they pay $7 a day for ordinary labour and sometimes up to $9. As I say, we do undoubtedly know what the conditions are at Port Alberni and neighbouring places, and we know that the costs could not be less.

Their next threat was that we had better be careful or they would take their patients elsewhere. We said, "Go to it, God bless you; but where will you take them?" The nearest place was Nanaimo, which is fifty-six miles away, and it would have been necessary for them to take patients there in an ambulance.

Now suppose they took an Indian woman in an ambulance at a cost of $25—and that would be the minimum—and paid the hospital costs for five or six days in addition to that, and perhaps the ambulance back again at $25, would there be much profit in that transaction? Would it not be better for them to pay the extra two bits a day or whatever it might be and leave them at Port Alberni than to take them in an ambulance at the cost I have mentioned, possibly bringing them back if they were not sufficiently recovered?

The final and damning argument was, "You had better be careful or we will build a hospital." Build a hospital there! I was agent there for years and I may say that there were never more than 1,800 Indians on the whole west coast at any time and the number has diminished since then. To talk about building a hospital there is nonsense; some people would call it bluff. There are not enough Indians near Alberni to justify the building of a hospital.

Then there was another threat held out—or rather an appeal to our dignity and manhood. We were told that there was only so much money for the Indians and that if we insisted on a higher rate some Indians would have to go without hospitalization. I do not think there is any subject on which you can make a more sympathetic appeal than the question of assistance to Indians. "Lo! the poor Indian" is always good for a sympathetic hearing, and we were positively told or threatened, or whatever you like to call it, that only so much money would be voted for Indians and that if we insisted on our rights some poor Indian would have to go without hopitalization or with less.

These were the arguments that were put up to us, and I leave it to the committee to say what weight there is in any of them. The fact is that we simply wanted a reasonable rate. The inevitable happened. Three of these hospitals, of which there are five in my district in that vicinity, simply said to the department, "We are sorry, but we cannot find it in our mind, or in our doctrine, or in our bible why we in particular should treat Indians for less than cost any more than we should have to treat poor people generally for less than cost, but these Indians are wards of the government." And so finally these people put their foot down in these three hospitals and declared that after a certain date they would not take any more Indian patients except at the regular rate.

Observe, we were not asking for something excessive. Indeed, we were willing to take less than the standard rate. If I went to a hospital to-morrow I would pay more unless I got a rake-off by paying in advance. But for the fictitious reasons that I have stated, the department wanted to pay us less than the reasonable and standard rate.

Now there is one argument that will be used and I had better combat it at once. The minister will say, "Ah! Destitute people in British Columbia don't pay that; why should we pay more than is paid by the destitute in that province?" The answer is very simple. The British Columbia government pay only $1.75 or something like that. The explanation is this. The $1.75 is not per destitute patient; it is per every patient day in the hospital. Even though a destitute never went there, we would get that low rate for every patient and in return we would have to treat all destitutes for nothing, no matter how many or few, It is a rough method of figuring throughout British Columbia, certainly at any rate in that area. The provincial government pays $1.75 for everyone who is treated, whether black, white, rich or poor, or anything else, and that makes the difference in the rate payable by the ordinary patient. You can understand that $1.75 per destitute patient is very different from $1.75 for every patient.

These hospital boards took it up with their people—in fact it was insisted upon by their constituents, so to speak—and notified the government that they would not take any more of their people except at the standard rates. What did the government do? They immediately climbed right down in the case of three. I have the records right here. They simply said: "Well, we think you have not made out a case; we think we could do it cheaper, and so on, but we cannot help ourselves. We will pay." It was too bad, was it not, asking them to pay the standard rates? In fact it was a little less than the standard rate. They did not give it to everybody. That is what I want to kick about. There are two hospitals, they are in that area run by the Catholics, and like all Catholic hospitals they are run very well indeed. No one has dared breathe a word about the way in which Catholic hospitals are run. I remember once when I was the Indian agent a Presbyterian missionary and his wife were contending with the Catholics about the schools, and there was a certain amount of ill will. The Presbyterian missionary's wife one day sent for me and asked me to call on her at a hospital, and when I went I was surprised to find that she was in a Catholic hospital. I said to her, "My, but I am surprised to see you here. I thought there was bad blood between you and the Catholics. How is it that you are here," She said, "Well, Mr. Neill, I am a sick woman and I go where

I get good treatment." That is a true statement. These godly Catholic women are serving there, ministering to the poor, and here we have the department cheaply and meanly trying to take advantage of them. It says to these people, "It does not cost you so much to run your hospital because the nuns work for next to nothing." That is a mighty poor excuse indeed. We have nothing to do with that. It is a well run hospital.

Then the other day I saw that one of them was written to in this manner:

"Come now, show us your costs." Well, the costs may not be very high, because instead of paying certain girls who belong to a union $125 a month, or something like that, they get nuns to work for next to nothing. "Show us your costs and we will think about it." They did not say that to Nanaimo or Port Alberni or Duncan. They simply said: "We will have to accept your price there." And it is a suitable rate. They settled the rate for these three hospitals but they are not giving these other people the rate at all. They bickered and said: "Show us your costs." Perhaps their costs are not comparable to the undenominational union run hospital. Nevertheless these Indians have to be taken care of. I do not think there is any cheaper form of chicanery than to refuse to pay these women the proper rate because they have not the vocal powers, or perhaps do not like to antagonize public sentiment by saying they will not take the patients. Of course that is part of their religion. They do not refuse to take in poor suffering humanity, and apparently the Indian department is taking advantage of them and refusing to pay the standard rates. If the Indian department or the minister can qualify that or dispute it, I shall be glad to hear it, because I have the data here. I have letters that were written; in one place they said they would pay the rates, but they wrote to the Catholic hospital and argued and deprecated the idea, and said, "Show us how you can justify rates like that." Let us hear the answer.

Mr. CRERAR: The hon. member for Comox-Alberni has brought up a matter that has given the Indian branch a good deal of concern and worry. I am not going to pass an opinion on the manner in which he stated his case from his point of view, but it certainly was not presented in a moderate way; I will say that.

Mr. NEILL: Yes, it was, very much so.

Mr. CRERAR: This difficulty with the hospitals in British Columbia is one that goes back over a considerable period of time. So far as the Indian administration is concerned, certainly I would say they should pay what are fair and reasonable rates. That is what we have endeavoured to do all across Canada. The rates we are paying in British Columbia to-day are $3 per patient per day except in some hospitals where we gave assistance in the capital outlay for the building of the hospital.

Mr. NEILL: Where you have contributed.

Mr. CRERAR: Where we have contributed to the capital cost of the hospital. We are operating a thoroughly modern and up-to-date tuberculosis hospital out from Sardis a short distance from Vancouver. The cost per patient in the Coqualietza hospital was $2.23 last year. It is quite true, as my hon. friend states, we do not provide interest on the investment out of that; that is not included. I do not think that depreciation is included. But even if we took those items and added them our per diem cost at the Coqualietza hospital would still be substantially below what we are paying other hospitals throughout British Columbia. I could give the committee the information on what our hospital treatment of Indians is costing in the other provinces if we care to take the time to do so.

Mr. NEILL: No, that does not matter.

Mr. CRERAR: No, it does not matter, but it matters a bit to the department.

Mr. NEILL: No.

Mr. CRERAR: The per diem cost for the treatment of Indian patients in the other provinces is again substantially below what it is in British Columbia. It may be that there are special factors in British Columbia that increase the cost of operating a hospital; I cannot say as to that.

My hon. friend rather ridiculed the idea that we should ask for some information or data on the cost of operating a hospital, for instance. I do not know that that is an unreasonable thing. If we are being asked to pay an amount that we think is too much, is it unreasonable to ask hospital authorities to justify their figures? It may be so regarded by some. I do not think it is. All I do know is that we are endeavouring to increase substantially the medical service to the Indians of Canada. The committee knows as well as I do that we have been limited in the amount of money provided by parliament for this purpose. Naturally in those circumstances we have sought to make the money go as far as we could. At the same time I repeat to my hon. friend and to the committee that we want to pay and are will-

ing to pay the costs that are fair and reasonable in all circumstances. I may say this for the information of the committee. It seems clearly evident that in future years the federal government whose wards the Indians are will have to spend considerably more money for Indian hospital treatment than it has spent in the past. I am bound to add that our experience to date indicates that we can provide that treatment just as efficiently, just as completely in hospitals operated by the department as we can in outside hospitals, and there is no question of the comparison in costs. We operate our Indian hospitals substantially lower than what we are paying other hospitals.

Mr. NEILL: Mr. Chairman, I shall not detain the committee except to deal with the argument—we will call it that for the sake of politeness—put forward by the minister in defence of the conditions which I have outlined and which have not been denied. One of his arguments was that the department had contributed to the cost of certain hospitals. Is that true of the Comox hospital? Is it true of the Campbell River hospital? The answer is no, so that we need not talk about it any more. Then the minister says, "We have spent considerably more on the treatment of Indians in recent years than we did before." Yes, we have done that. I have spent considerably more on fuel than I did a few years ago, but has that anything to do with it? Is that any precedent at all? How long has the Sardis hospital been running? What was the cost of it? What would be a fair amount for interest and depreciation? These are merely trifles, I suppose, but leaving all those out the minister says treatment can be given for $2.23 a head.

Mr. CRERAR: No. My hon. friend is not going to misrepresent me. What I stated was that you could include provision for all those things and the cost would still be substantially below what my hon. friend claims we should pay.

Mr. NEILL: That is a bald statement, without any substantiation. The minister gave the figure of $2.23.

Mr. CRERAR: I beg my hon. friend's pardon; it has been examined in the department and that has been established.

Mr. NEILL: I have seen no record of it at all.

Mr. CRERAR: Of course not.

Mr. NEILL: No, $2.23 was the amount the minister mentioned, not counting these other items, at which we can only guess. Then to buttress this figure of $2.23 and bring it up to the total of $3.50 the minister says these other items could be included. He is fond of saying, "What are the costs?" I ask him to show us the costs in this case, but he has not the figures and cannot produce them. I am reminded of the young man just home from university, who thought he knew all about farming. He told the old man, who did not know much about law or books but who knew all about farming, that he was not running the farm right; that if he would do so and so the farm would show a profit. The old man looked over the scheme and said, "Well, son, you have forgotten only one thing; that is the rent, which amounts to $3,000." If you leave out the cost of buildings and the depreciation of course you can show a profit at $2.23. The minister also makes the bald statement that he can substantiate his statement, and in an endeavour to do so he says that hospitals can be operated for less in other provinces. Certainly they can, but I am not talking about other provinces; I am talking about Vancouver island and British Columbia. The minister wants to know the details of hospital costs, but I suggest it is none of his business what they are. He has gone into the market to buy service. If to-morrow I go to a saw mill to buy lumber and am told that the price is $4,500; if I say, "I do not like that price; I want you to show me the cost of producing the lumber", they will tell me to go somewhere else for it. If I go to the saw mill around the corner, they will give me their price and no more. It is the competitive figure that counts. I have no doubt that in Hawaii or the Polynesian islands it could be done for less, but this is a matter of comparable cost. The Indian department is in the market to buy hospital services for destitute Indians. It cannot take these Indians to Quebec or Norway House or anywhere else; it can only compare the cost with that of some other neighbouring hospital.

The department did not like the cost at Port Alberni, and they said, "We will take them to Nanaimo." Well, if anything the cost there was a little higher, so the department said, "We are spending a lot of money for the hospitalization of Indians, and if we cannot get it at these rates we will have to cut down the hospitalization." I defy the minister to answer this question. Has he ever come to this house and asked for more money for the hospitalization of Indians, or any other aid for the Indians, when it has been denied him? The public are peculiarly sensitive in this regard; they are always willing to vote money for these purposes. If I wanted to do so I could go into several other matters in this

department, but I do not want to hold up the minister too long. The Indian Act is due for revision, and I think the Indian department is due for revision in many respects as well. But this is one matter we have immediately before us. The minister is trying to chisel these poor Catholic women, or perhaps I should not call them poor. They may be poor as far as money goes but they are rich in the grace of God. But we are taking advantage of them because they have no money and they have to yield in the matter; they cannot make a fuss about it and say, "Take your sick somewhere else." The minister says the cost of hospitalization is lower in Quebec, but these Indians cannot be taken to Quebec. I say the Comox hospital and the Campbell River hospital are being unfairly treated; let the minister deny that statement if he can. I do not care what the cost is; it is comparable with Nanaimo, which is seventy miles away, and with Port Alberni, which is one hundred and seventy miles away. Now the minister says this one wants so much and that one wants so much, so we will chisel these nuns in this Catholic hospital. Shame on him.

Mr. CRERAR: I am not going to continue this controversy with my hon. friend, because I believe the committee wants to pass these items. But in respect to the last statement made by the hon. member, I hope he did not seek to give the committee the impression that the department were chiselling on what he described as poor Catholic women.

Mr. NEILL: That was what I said.

Mr. CRERAR: Then if my hon. friend made that statement he said something which is wholly out of line with the facts. There is no distinction whatever in the treatment afforded hospitals in British Columbia. If my hon. friend seeks to convey the impression that because some very worthy sisters are running a hospital we are trying to shave them down and beat them down, simply because they are unable to advocate their own case, then I say he is giving this committee an impression which is wholly unwarranted and wholly outside the facts.

Mr. NEILL: If I may interrupt, I will concede that perhaps I should not have said the minister was taking advantage of these women just because they were poor and non-vocal. He tried to chisel us all, but the other people stood up against him and said, "We will not stand for it; we will not take in the Indians." I suggest that if those in charge of this Catholic organization had been in a position to defy the minister as well, they would have done so. The others would not stand for the chiselling, but they have to take it; that is the difference.

Mr. EDWARDS: At this late stage I apologize for rising; yet as one who is proud to be an honorary chief of the Indians I do not propose to let this occasion pass without saying something on behalf of these, the least vocal and least pugnacious of all Canadian citizens. I am not going to traverse all the complaints that have been uttered, many of which in my opinion are entirely legitimate; but I do not know of any class of people in Canada more appreciative of the difficulties under which this government are trying to carry on the affairs of the nation, or more patient and tolerant in spite of the fact, which is quite true, that they are not treated as fairly as the situation warrants or as they deserve.

The minister has spoken about comparative costs of hospitalization. This prompts me to rise and say that on the reserve of the Stony Indians, of which I am an honorary chieftain, there is a very excellent hospital, on which the department is to be congratulated. It would have been difficult indeed to find a finer, neater, better equipped and, until a year ago, better administered hospital than the one on this reserve. But, alas, with the prohibition of the use of oil for heating; because of the cost of heating with coal; because of the difficulty of getting competent medical men and because of the shortage of nurses that very excellent hospital has remained with its doors closed, unless it has been reopened within the last week or two, and the several hundred Indians on that reserve have had no medical attention except in emergency cases, when a doctor from a neighbouring reserve some thirty or forty miles away has made special trips. I am sure this government will—and must perforce—give regard to the appeal of these poor people, many of whom are neglected and may die because of that neglect.

In the very fine memorial sent to the department by the Indian Association of Alberta there are a number of points to which they draw attention. I shall refer to only two, the first of which is the extension of social legislation to the Indians of Canada. In these days we have heard a good deal about social security, and measures we deem necessary and desirable for our Anglo-Saxon community and the other white citizens of Canada. Surely we should not forget our Indian brothers, and accord them the same or approximately the same consideration as we demand for the white population, by way of social security,

old age pensions, care for the blind and hospitalization. Why should they not receive the same care and consideration?

My second point is that I think the whole system of education of our Indian population is one which ought to be carefully scrutinized and reviewed, in the light of the admitted fact that the nomadic life of the Indians in Canada for the most part has ceased to exist except in the northwest territories. I say our educational system, designed to fit the Indians for a modern style of living, is one which needs complete overhauling.

On two other occasions I have referred to this matter. Our educational system for Indians does not fit them for the white man's way of life, and at the same time entirely unfits them for the Indians' way of life.

I pass on to one concluding observation on this subject. Because of the retreat of the fur-bearing animals along the east slope of the Rocky mountains, the reserve which at one time sufficed to sustain and maintain the Indian population no longer does. If these Indians are to subsist at all they must of necessity revert to grazing and agricultural pursuits. At this time they find themselves with reserves wholly unfitted for these purposes, with the result that they are quite incapable of maintaining themselves. On three different occasions I have urged the department to buy or purchase suitable agricultural and grazing lands upon which the Indians who are now ready and, as they have demonstrated, able and willing to engage in agricultural and grazing pursuits, may employ themselves. But they cannot do this until they have the land.

In this connection I would refer to the Stony reserve, with which I am mostly familiar, and I would say that the land is available. No finer management could be given to an Indian reserve than now exists out there; yet the man who operates it is only a grade 3 clerk in the department, and receiving remuneration as such. I say that is not good enough. We ought to be willing to pay competent men to look after these people, particularly when they have demonstrated their anxiety, their willingness and their ability to profit by any help given to them through education, which would fit them for modern agricultural pursuits.

Item agreed to.

159. Branch administration, $60,183.

Mr. BRYCE: As everyone knows, the Indians are wards of the government. They have no vote and no representatives in parliament. As such they are dependent entirely upon a sympathetic government and the sympathy of the members in that branch of government which deals with their affairs.

Mr. MacNICOL: If they had the vote they would be much better treated.

Mr. BRYCE: I learn from different sources that Indians in eastern Canada are beginning to take their place in industry and agriculture. The Indians on the prairies, and especially in the northern parts, are still to a great extent sticking to their original habits of living by hunting, trapping and fishing. My information is that on the Pacific coast there are many instances in which they are fitting themselves into the white man's life, working as loggers and fishermen. From everywhere however one hears the same reports as to the desperate conditions of poverty under which they live. With the Indian population on the increase something should be done. It is neither possible nor desirable to treat them perpetually as alien enemies in our midst. Eventually they must be brought to a stage where they can mingle with the whites on terms of equality.

We owe a great deal to the Indians, because we got this great Canada of ours from them. In return we give the non-treaty Indians $5 per year in payment. This seems a very small amount, indeed in exchange for such a wonderful and rich country as Canada is. They are confined to their reserves, and the treatment handed out to them is far from satisfactory.

When the government made its agreement with the Indians they were promised education, medical care and living room as long as the sun shone in the sky, the grass grew and the rivers flowed. None of these promises has been carried out to the satisfaction of the Indians concerned. Changes take place rapidly these days, and since Indians live largely in the past and the present and give very little thought to the morrow, the mere process of making adjustments in methods of living made necessary by present-day conditions is beyond the powers of most of these men of the bush. Having been wards of the government for many years, they have grown accustomed to the care of the Indian Affairs branch. I would invite the committee for a few moments to consider some of the problems with which the Indians are faced. Their education is a difficult problem, but one which should not be incapable of solution if approached with intelligence and sympathy. Mother lore and later folk lore and the experience gained on the trap lines and the fishing grounds is the only education obtained on the reserves. There are two systems in operation, day schools and residential schools. Various religious bodies have cooperated with

the Indian department in establishing residential schools where prices of about $200 per year are paid per pupil. The day schools on the reserves, more especially in the north, are somewhat similar to the one-roomed schools in rural areas. They are up against the fact that the parents of the pupils travel most of the time and they do not believe in education. They must travel to earn their living and regular attendance at the schools suffers in consequence. This does not give the teacher much of a chance no matter how good he or she may be.

The residential school was created to overcome the difficulties experienced by the day schools. In these residential schools the pupils live together during the school year; they are away from their parents on the reserves. The boys and girls selected to go to these boarding schools are checked over by the doctor, that is, the children of parents who are agreeable to letting them go. Only the healthiest of the children are allowed to attend these schools. The children suffering from tuberculosis and other diseases are left at home.

These boys and girls return to the reserves from the residential schools at the age of sixteen years. The boys cannot hunt, trap or fish and the girls cannot keep house. All they have to show for their years at school is a superiority complex and a grouch. The children attending the day schools on the reserves receive the same education as those attending the residential schools and they have the opportunity of learning how to live under conditions existing on the reserves. The boys learn how to hunt, trap, fish and do other things essential to future life in the bush, and the girls learn how to bake bannocks under the primitive methods of cooking prevailing in the bush.

The boys and girls who attend the residential schools learn about agriculture and domestic science in addition to what is taught at the day school. They are well taken care of, they are given good clothing and good food, but in the north country there is no agriculture or no need for domestic science. Those things do not fit into the reserve picture of to-day. These children learn to speak English fluently but their parents speak only the native tongue. They become accustomed to the white man's ways. The girls have learned how to wash and cook by electricity, they have learned how to use many of the devices used in a modern home; the boys have seen modern agricultural implements at work, but in neither case do these children have the opportunity to use the knowledge they obtain when they return to the environments they left.

I think there is a fault in this system which could be corrected by taking the more promising pupils and giving them further education. The boys could be taught trades in some of our trades schools and the girls could be trained as nurses or for some similar occupation. As men and women they could return as leaders in their communities. People who have studied the Indians assure me that there are some who show great promise and aptitude of becoming leaders in their communities.

The Indian will have to be fitted into our economy, and the sooner we start the better. It is to be hoped that the day is not far distant when every reserve will have its own day school. The best teachers should be encouraged to take up this work and they should be paid and treated so well that they will take on Indian teaching as a life work of a missionary nature. Outstanding Indian students should be helped to work for a university degree. They should have the opportunity to study and train themselves for the complex task of returning to their people who stand bewildered between two totally different cultures.

At the present time we have 260 Indian day schools and 80 Indian residential schools, with 16,876 pupils. From these figures it will be seen that there are not sufficient schools to start with. Indian children of school age number about 26,000, so it will be seen that there are 10,000 Indian children who are receiving no education whatever.

Coming to the matter of health on the Indian reserve, the Indians on the reserves appear to be incapable of protecting themselves against the white man's diseases. The prevalence of tuberculosis in all its forms is nothing less than appalling and largely accounts for the low rate of increase in the Indian population. You will find great numbers of children playing about the camps on the reserves, which indicates a high birth rate, but the departmental statistics show that the death rate is extremely high. Many of those babies and children will never reach maturity and those who do will have a poor chance of escaping the white plague.

In Manitoba, my own province, the Indians comprise only 2·2 per cent of the population, but the deaths from tuberculosis make up 31 per cent of the total deaths from that cause in the province. The reason is obvious. They have not built up immunity against the disease, and lack of intelligent maternal care, unsuitable and insufficient food produce the same

results on an Indian reserve as they do elsewhere. They have no appreciation of the ways of tuberculosis, and they have no knowledge of the dangers of infection or the importance of isolation of infected cases. They know nothing about the accepted methods of sanitation. Infected mothers can be seen nursing their babies on any reserve.

The log shacks used in the winter are so thoroughly chinked that the pure air is completely excluded and they are so overcrowded that they provide the most ideal breeding grounds for the disease. Their minds are so rooted in the past and so suspicious of the motives of the white man that they do not readily accept leadership from their white neighbours, who might be able to inform them as to the best precautions to take against this disease. We find from the departmental report that tuberculosis is the leading cause of death among the Indians, the death rate being ten to thirty times higher than that of the white population.

The great trouble seems to be lack of hospitals. We have approximately 500 beds for the hospitalization of the Indians and from the department we find that two-thirds of these are occupied by T.B. patients. The hon. member for Comox-Alberni this afternoon spoke of sending some of the Indians to Norway House. I have already drawn the attention of the department to the overcrowded conditions there. I said in the house a while ago that it was a sixteen-bed hospital, but I was corrected; it is a twenty-four-bed hospital. In that twenty-four-bed hospital there were forty-three patients when I was there. I saw them myself. So that there is no need for the hon. member to look to Norway House to help him out with a few beds.

The average number of deaths annually from tuberculosis among the Indians over the last five years is 815. On the basis of three beds per annual death, there are 2,445 treatment beds needed. Because of this the public as a whole is glad that a good bit has been done to check tuberculosis among the Indians and would endorse the expansion of the work. This is as it should be, for in spite of what has been done much more needs to be done.

Still, not forgetting that there is a war on, which has taxed the supply of doctors and nurses, we can only look on and make suggestions for the future. What will be most needed will be more frequent visits to isolated reserves by qualified doctors or nurses, or both, and more sanatoria; some in the north as well as some in the south, because it would be hard to convince an Indian at the Pas that he should go to Winnipeg for treatment when he is sick. There should also be health education in the schools by visiting doctors or nurses and the medical officers should be empowered to compel the attendance of Indians at hospitals or clinics if necessary.

It will be very interesting to hear from the department when the nutrition programme being carried on at Rossville by the resident doctor, along with eminent doctors to the south of us, has been completed. What has been done to assure proper treatment of all Indians in Canada for trachoma and in the matter of nutrition? It is to be hoped that this may be the means of saving the eyesight of many Indians, and the nutritional work being carried on will benefit not only Manitoba but the whole north American continent.

Coming to the economic needs of the Indian, little can be done in any direction until a more satisfactory economic basis is laid for their life. As long as we have known the Indians they have depended for the means of subsistence on the bush and the lake. The coming of traders provided employment for them as freighters and enlarged their food supply by providing a market for their furs. These sources of food have gradually been disappearing. The aeroplane is supplanting the canoe for passenger and freight traffic. One makes a journey into the wilderness to-day in comfort in an hour or two which by canoe would require days, to say nothing of mosquitoes and black flies, portages and hard beds on the ground. There again the Indian has lost another source of revenue.

There are still plenty of fish in the lakes but should commercial fishing be encouraged in these lakes the Indians will have again lost a source of food supply. The distance from a market has kept these lakes from being a profitable commercial enterprise, but with the development of the aeroplane the fishing in these lakes may become profitable.

A great deal could be accomplished by teachers, missionaries and doctors if a community centre could be established in each reserve. If a hall were secured suitable for handicraft studies, health classes, adult classes in English, reading and writing and indoor sports, boy and girl scout movements, it would be a step in the right direction. The Indians, never having had such a thing as a community centre, have no conception of what an important part it could play in their future life. If the government could start something like this on one or two reserves where there is a good leader, I am quite sure that the Indians could be got to cooperate.

The problem of the Indians' livelihood is more complex and difficult, and what must be

done depends in detail on the part of the country under consideration. But one principle unites all requirements, namely this, that while the Indian was free to roam at large he gained his living wandering freely where food could be found; now he is confined to a small area and must get the same living intensively.

One of the bright spots in the Indian situation to-day is the wonderful progress in establishing the muskrat areas. To Tom Lamb of Moose Lake, Manitoba, a trader, born and living there, we give the credit of being the man to start this first. Having leased an island from the province of Manitoba he carried on his experiments in increasing the rat population.

Mr. MacNICOL: And the beaver population, too.

Mr. BRYCE: It is a wonderful story which no doubt most hon. members know, and I refrain from telling it again except to pay tribute to Mr. Lamb for the great work which he started.

The provincial and federal governments took up the idea and are developing similar schemes for the benefit of the Indians. The results have been excellent, and I have no doubt that further areas are being surveyed with the idea of making the Indian independent and able to earn his own living. The results have been so good that the government no doubt in the future will be able to get back their original investment.

I might say that in connection with this work there were eight beaver taken up to Fisher river, Manitoba, and let loose. When given their freedom three went one way and five went another way. The group of five kept travelling to a point sixty-five miles from where they got their freedom. At this point they built a dam which it would have cost the department $3,500 to construct. There had been a dam surveyed there and these beaver selected the very same spot. I want to appeal to the Minister of Natural Resources to see that all beaver are protected for the next five years. Beaver doing work like that are worth $700 each. The fur or skin of the beaver can never be considered when they can do such work as this. It has been the draining of these marshes, the ruthless trapping by all classes of people that have helped to deplete the northern country. If the beaver are protected and allowed their freedom I am sure it will return dividends a thousand-fold to the government and provide a livelihood for the Indians.

I wish to congratulate the government on the policy they have adopted, both provincial and dominion, to handle the furs for the Indians and to divide this money over into twelve payments. This is going to be a great lesson to the Indians, to learn that by getting their money by the month they will have something to spend every month in the year. As I said before, it has been a failing of the Indian that he does not look to to-morrow. In this way the families of the trappers have known for the first time the security of a small but regular monthly income which still can be supplemented as usual, of course, by casual labour or the sale of hay and wood. I see no reason why the plan should not work in other districts. It protects the Indians and enriches the country at the same time. It is to be hoped that the project will be manned and operated almost entirely by Indians, who are showing a great liking for the work. Something can be done by way of gardens and the patches of soil in the rocks, but the Indians are hunters and eaters of meat rather than vegetarians and it is difficult to interest them in any form of agriculture. In the same way I believe that forestry and lumbering operations could be handled and developed and probably fisheries on slopes of the Rockies. It will be a matter of guiding them in the principles of preserving the resources entrusted to them so that they may become independent and take their place in Canadian life.

The Indian is not lazy and he will work and work hard at the kind of work that is natural to him. Canada owes at least this much to the people who are the true Canadians.

In closing I have one or two questions to ask the minister. I thought that the hon. member for Comox-Alberni would have touched on this. The Indians in British Columbia are very much annoyed at having only $4.88 of groceries; that is to say, the Indian who cannot work is allowed $4.88 and no more. If he happens to have a wife and she cannot work he gets $6.30. I want the minister to look into that. That is a disgrace and there must be a slip-up somewhere. I went into this matter with the officials of the department and they have shown me what a man is allowed, and I know that the men on the reserves are not getting what the department says they should get.

In a recent speech the minister said that there were good agents and bad agents. I hope he will clean out the bad agents and advance the good agents. The Indians in British Columbia have another grievance. In selling their goods they consider that, if I might use a vulgar expression, they are gypped. It takes $3.50 worth of wool to make a sweater. The

Indian has to sell that sweater for $4 and the product is sold in the stores for $7. That should be handled by the government.

I wish to call the attention of the minister to the deplorable conditions that exist in the northwest. I have here a quotation from Dorothy G. Steeves, M.L.A. of British Columbia, who said on her return from a visit:

> The church is the most imposing building in Moosehide. Since the missionary went away it is served by a blind Indian preacher, who is not very adequate, according to his fellow-villagers. On the wall are texts and written portions of the Scriptures, written in the Indian language, but in a different dialect from that used in the village. They cannot read them anyway so no harm is done. It seems symbolical of the stupid and illogical kind of Christianity we mete out to these people.
>
> Here is a cesspool to be cleaned out in Canada and it seems clear that the problem must be attacked by bold and drastic measures. These places of corruption can only be cleansed by proper housing, modern health services, and education. It will not serve to send the children to mission schools, only to return to the conditions of the reservation. We must train hundreds of nurses, doctors and teachers, preferably Indians themselves, to go among these people and teach them better living.

May I also direct the attention of the minister to what appeared in the Ottawa *Journal* of March 24, 1944. I want him to contradict it if it is not true, because it has had a detrimental effect on every reserve in the dominion. It was carried in every newspaper. It dealt with the visit of a bishop to the department; and I quote from it the following:

> "Most of the officials of the Indian branch," the letter continued, showed great sympathy but said nothing could be done without the high approval of a certain Mr. Jackson, executive assistant to Mr. Crerar (Minister of Mines and Resources), and who seems to be somewhat of a half-appointed dictator over anything concerned with Indian welfare."
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> "Mr. Jackson told me the federal government was thoroughly acquainted with the situation among Indians on the upper Laird river and along the Dease river, and he readily admitted the Indians had been sadly neglected in the past. Yet, Mr. Jackson added, we must first win the war, and if I had any money to spare right now, I would have cannons built with it and let those Indians die rather than spend it at such a time on Indian welfare."

Mr. CRERAR: Is my hon. friend—

Mr. BRYCE: Wait until I am finished. It will save time. The hon. member for Calgary East claims to be an honorary chief and I thought he would have told us about this.

Mr. MacNICOL: He does not claim to be; he is one.

Mr. BRYCE: If he is an honorary Indian chief he should have reported this. I refer to two men named Fred Hudson and James Ward on that reserve. Their numbers are respectively 230 and 398. These men lived on the reserve for eight years. They were put there under the policy of Doctor Scott and now they have an order to leave the reserve by November after living there all that time. They are classed as non-treaty. I would ask the minister to look into that.

Coming back to Manitoba, I have the assurance of the department here that an adult receives for a month: twenty-four pounds of flour; six pounds of rolled oats; one pound of baking powder; one pound of tea; two pounds of sugar; three pounds of lard; five pounds of beans, two pounds of rice; one pound of cheese; one dollar's worth of meat or fish; salt and matches. When I was there I saw destitute Indians receiving: twenty pounds of flour; 4 ounces of tea; 4 ounces of bacon; 2 bars of laundry soap per month. There must be a bad agent somewhere, because the department assures me that the allowance for destitute Indians is as I have stated. In case the minister thinks that I am talking about someone who is not really destitute, in case there is any argument about it, I would refer him to Roderick Robertson, who was receiving that treatment, a blind man—stone blind.

I would ask the minister to be good enough to give to the Indians the answers which he promised eight weeks ago with regard to income tax and being called up for service. He knows that we have 1,800 now serving in the army. Many of them have volunteered. They are now being called up. The minister promised in his speech on June 7 that he would give the Indians an answer in three weeks, and he has not done it yet.

Some hon. MEMBERS: Carried.

Mr. CRERAR: There is no one in this committee who would more gladly see those estimates carried than I, but I think it is necessary to take note of some of the remarks made by the hon. member who has just taken his seat. With his general statement I have not very much fault to find. I do not think that his research into the history of the administration of the department has been complete or thorough; but there is no doubt that my hon. friend is genuinely interested in the welfare of the Indians and therefore I welcome his remarks to-day, some of which were constructive and some of which I might say were not very well founded.

On the general question of the welfare of the Indians, there has been, I am glad to note, a decided increase in interest throughout the whole country in the last few years. Not

quite nine years ago when this government took office practically nothing had been done in the way of specialized study of the incidence of tuberculosis among the Indians. At the present time we are spending more than half a million dollars in that particular field. We have made surveys and studies of the problem. Very little had been done in the way of examination into the nutritional side of the foods that the Indians were using. Extensive surveys have been carried out in the last few years in northern Manitoba. Those surveys were made with the assistance and cooperation of the Hudson Bay company and the Millbank institute of New York. The studies were carried out in a definite and scientific way, and very interesting results were achieved. The department has prepared under expert direction a biscuit that contains the important vitamins. These biscuits are distributed particularly for the use of children in the schools. Much more can be done in that direction.

The Indians, particularly in the northern parts of the provinces, are the ones who have suffered and are suffering the most. Their mode of livelihood is practically gone. What the hon. member for Selkirk said is quite true, namely, that the mode of life of the Indian has changed greatly. These changes have been thrust upon them. They have seen their trapping grounds go and their means of livelihood disappear. One of the things that I initiated—and I take considerable pride in it—when I came into the department was a study of the possibilities of the restoration of fur-bearing animals in the northern parts of those provinces. I am not going to tell the story to-day. Hon. members of the committee who are interested in it will find it pretty well set out in the reports of the reconstruction committee. Officers of the department appeared before the committee and gave detailed information as to what had been achieved in that direction. I am quite confident that by wise policies—if we get the cooperation of the provinces, and we are getting it in a very large way indeed—the fur-bearing animals can be brought back, and we shall have a market for fur in the future that will afford these people a fair standard of living. The department is spending a good deal of money, and has spent a good deal over the last several years on this work; but it is perhaps the most useful expenditure that the department has made.

On the general question of Indian administration in Canada, there is no doubt in my mind that the whole Indian Act needs a thorough revision. That was apparent to me as long as five or six years ago. The departmental officials have been studying the act with a view to rewriting it and getting a new act. After all, the present act was passed many years ago when the problems of Indian administration were wholly different from what they are to-day. I hope that when the war is over and the preoccupations that engage the time of parliament and of members disappear with it, a revision of the Indian Act can be undertaken. It certainly should have the most serious consideration that can be given to it by the next parliament.

I do not know that I have very much more to add. I do not despair of the Indian problem. I admit that there is a problem. With improvements in sanitation, in medical care, in nutrition and ways of life the increase in the Indian population will accelerate year by year. It is simply a matter of common sense that the administration of Indian affairs take note of that fact and try by wise policy not only to give the Indians the means of becoming self-supporting but to bring about in his way of thinking, in his psychology, a desire on the part of the Indian to make himself self-supporting and become a full-fledged citizen of the country. These are problems that must be dealt with in the future. I wish merely to mention them briefly to-day in the consideration of those estimates.

Mr. BRYCE: The minister has not answered my question.

Mr. CRERAR: I am sorry. My hon. friend brought up two or three matters. If I understood him aright he gave an instance where an Indian paid $3.50 for wool in British Columbia, sold the product for $4 and it was retailed in the stores at $7. I should be very glad if my hon. friend would give the particulars of his information to the department, because I am advised that the sale of the products of the Indians—and it is substantial in quantity—is carefully watched by the Indian administration in British Columbia. That certainly is the case with fur in northern Manitoba.

My hon. friend was really not on very good ground when he did this. He read an extract from the Ottawa *Journal* of some day in March last purporting to give a statement by Bishop Coudert in Edmonton, I think it was, in which serious reflections were made on the Indian administration. I gave the press a statement about the matter. It may have escaped the notice of my hon. friend. Bishop Coudert was not correctly reported. When I read his statements it was quite evident that he had not been correctly reported. I deplore the practice of taking an article that appears

in a newspaper and placing it on the pages of *Hansard* as if were fact. If my hon. friend had made inquiry of myself or of the department he could have been satisfied on that point.

Mr. BRYCE: All I want to know is whether it is true or not true.

Mr. CRERAR: Of course there has been a serious situation in the Yukon and the area from which the bishop comes, as well as in other parts of Canada. It has been difficult to get qualified medical men and nurses because in several instances they have not been available to send to these territories.

My hon. friend also referred to the case of two individuals in Alberta who he alleged were Indians and who had been removed from the Indian rolls; I think their names were Ward and Hodgson, on the Hobbema Indian reserve in Alberta. The fact of the matter is that these two persons were not Indians under the Indian Act, although they had come to live on the reserve. Years ago in the settlement they both accepted scrip, but they were half-breeds. I do not wish to criticize past administrations, but these people were living on the reserve and were regarded as Indians, although as a matter of fact they were not Indians under the Indian Act. The department has a serious trust in that respect. The Indians are wards of the federal government, and that wardship is clearly set out in the Indian Act. If those who are not Indians, for instance half-breeds, are allowed to be treated as Indians, to share in band funds and other Indian property, then it is a distinct violation of the trust; and if the department permitted these people who are not Indians under the act to continue to participate in Indian benefits, the department would be leaving itself in a very wrong position indeed, wrong not only morally but legally. I do not know if my hon. friend was interested in any other point.

Mr. BRYCE: I pointed out that these men were accepted by the Indian department and given numbers eight years ago, under Doctor Scott. I am not prepared to debate the point; I have not sufficient knowledge of the matter, but I am asking the minister to be good enough to look into it. They were accepted on that reserve eight years ago.

Mr. CRERAR: Let my hon. friend get this clear right now. It may be that some local Indian agent allowed them to live on the reserve and that they were treated as Indians, but the point I am making is that once the fact was established that they were not Indians we could not legally or morally permit them to remain with the status of Indians. It would be quite impossible. Once the department discovered the facts we could not permit them to remain as Indians and participate in all the benefits the Indians enjoy, because it would be a violation of our trust. I might, for instance, just as well call my hon. friend an Indian and let him participate in the band funds. I hope my hon. friend sees that point.

Mr. BRYCE: It was not a local agent who accepted these men; it was Doctor Scott, of the Indian department here. However, I am willing to let the matter drop. Have we got this straightened up yet? When I go back to that reserve in my constituency I am going to be asked, "Did Mr. Jackson make this statement or did he not?" I want to be able to answer the question. I want to be fair about the matter.

Mr. CRERAR: I can satisfy my hon. friend in a moment. Mr. Jackson did not make that statement.

Mr. BRYCE: All right.

Mr. CASTLEDEN: I should like to add a word to what my colleague has said. I am very glad to hear the minister say that the revision of the Indian Act is under consideration, and I hope when that revision is under way, we may make some small contribution toward remedying some of the defects that have existed in the past. My plea is that the Indians be given an opportunity to make their own contribution to Canadian life, and I believe one of the first things that will have to be done is to give them some effective means of making their voice heard by the Canadian people. We know of things that have happened since this war began. The conscription of these men off Indian reserves, for instance, is something which I should say has hurt the attitude of the Indians toward the people of Canada. If these people had been taken into the confidence of the officials of the government, or if they had felt themselves worthy of even a vote in this country, then I think they would not have considered themselves mistreated. They have made several pleas to the government as to the status of the Indians with respect to being subject to conscription; and although we are now in the fifth year of the war, and the war is almost over, there has been nothing in the way of a satisfactory statement from the government which would contribute to a settlement of the matter. So that in the interval before the act is brought up for revision, which I hope will be next session, I trust that the officials of the department and the minister will study what our sister dominion of New Zealand has done in connection with the

Maoris. In New Zealand they have Maori representatives sitting in the house of representatives. These people are educated; among them are doctors, lawyers and scholars, taking their place in the life of the community, given an opportunity to express themselves and make their contribution in a real way.

I maintain that the Indians of North America can show their white brothers many things that are wrong even in our economic set-up. I believe that the government policy of segregating these people on reserves has been wrong. Probably under the Indian Act the hands of the government are tied but, as the minister admits, the economic conditions on these reserves are far different to-day from what they were in the past. The opportunity to make a living does not now exist. I have been on these reserves; I have seen these Indians putting in their crops year after year. I have seen crop failures on those lands, and after three or four years the Indians began to wonder what it was all about. They are not all farmers; and I hope the minister has something more in mind than simply fur farming as a means of providing an economic livelihood for these people. The Indians of this country have proved themselves skilled workers; they have become mechanics, steel workers and so on. They have various talents, just as their white brothers have. Their women make good nurses, teachers and social workers. They have proved themselves. They have ability and culture, but they have no opportunity to express themselves. Unfortunately, their economic conditions do not permit them even to improve their health standards. The minister, who has referred to the nutritional report from northern Manitoba, must know that the health condition of the Indians in Canada is far from satisfactory.

What my colleague has said is quite true. These thirty-eight doctors, many of whom are only on part time, are catering to about 38,000 Indians. Then, hospital and other medical services must be supplied. It is my submission that medical services for Indians, and health conditions among them must be cleared up, first of all. Proper nutritional standards must be maintained among these people, and they should be taught to take care of themselves.

Had the government at Ottawa done what was done in New Zealand, our Indians could have formed themselves into a regiment of their own. Some of them could have become leaders, and from among them Indian officers could have been trained. That would have meant much to these people. The fact is, however, that the training they have received in Canada has been scarcely sufficient to render them available as officer material.

Indians have a great contribution to make. They are honest and, if given a chance, industrious. My colleague has said that next year when amendments are made to the Indian Act every effort should be made to straighten out the difficulties, and in doing so the cooperation of this group would be assured. Meantime something more effective should be done to remedy existing conditions.

Mr. MacNICOL: I do not think it would be fair to let the item pass without tendering a word of compliment to the minister. From what one has heard to-day it might be thought that the department had been remiss in its duty. I know, of course, that improvements could be made, but I also know, after making an investigation into Indian affairs wider than has been made by most members, that the department, under the present minister, has advanced the position of the Indians. On the occasions I have made investigations in the last six or eight years, in respect of about twenty-five reservations, I have made a compilation of what in my opinion should be done, and while doing this I have seen considerable improvement in the position now occupied by the Indians in Canada.

Right along I have had in mind asking in due course for the setting up of a royal commission to thoroughly investigate Indian affairs in this country. Let it be understood that I am not finding fault with departmental officials. What I have in view is to improve the Indian set-up from beginning to end.

I have made surveys of these reservations —not just one or two of them, but no less than twenty-five, many of which were in remote areas. And this summer I am going to much more remote areas. I can say that since the present minister has taken control of the Indian affairs branch conditions have greatly improved, but there is room for more improvement.

Someone has referred to Indian representation, and with what was said I agree. In my view the time has come when they should be given representation. It has been pointed out that the Maoris have it. That is so, but they are an altogether different race from our Indians. Then, I believe the South African government has given representation to the Kaffirs to the extent of four members. So that when the minister looks into the matter he may come forward with a programme which will carry out what has been suggested by hon.

members to my left re Indian representation.

May I congratulate the hon. gentleman with the burr, the hon. member for Selkirk. Certainly he deserves credit for the research he has made in respect of the Indians. Then, too, the hon. member for Yorkton is deserving of commendation. These men have interested themselves in the problem of helping the Indians. The minister was right when he said it has been more particularly in the last few years—I am sure it was after I came to the House of Commons—that the branch has advanced the position of the Indians in Canada. It must be given credit for all it has done, and should be encouraged to go much farther.

Mr. CASTLEDEN: What is the attitude of the Indian affairs branch toward the conscription of Indians under the present mobilization act?

Mr. CRERAR: From a legal aspect, the Indians are liable to military service. That is the advice given by the Department of Justice. They have the same liability as anybody else in the country, because they are British subjects. I have a good deal of sympathy with the request by the Indians that they be exempted from compulsory military service. However, that matter is being studied. The total voluntary enlistments from among Indians since the outbreak of war has been 2,462.

Mr. MacNICOL: They receive the vote, do they not?

Mr. CRERAR: They will when they come back.

Mr. CASTLEDEN: Is there any understanding in Indian treaties, or any record of conversations between Indian chiefs and representatives of the Queen which would indicate that the Indians would not be called upon to fight the white man's wars outside Canada?

Mr. CRERAR: I cannot answer the question specifically at this time, because I have not the information. However, I doubt if there would be anything in the treaty which would change the opinion given by the Department of Justice.

Mr. CASTLEDEN: It will be found in some of those treaties that, in speaking to representatives of the Queen, Indian chiefs said that the Indians did not wish their sons to be compelled to fight the white man's wars outside Canada. I know that applies to some of the western tribes, at any rate. I do not know the conditions in eastern Canada. I believe that there is no objection to their volunteering, but I also believe that assurance was given to the Indians that the Queen did not desire the red man to fight the white man's wars.

Mr. CRERAR: I shall have that point inquired into.

Item agreed to.

162. Indian hospitals and general care of Indians, $1,593,980.

Mr. CASTLEDEN: I understand that we have in Canada about 118,000 Indians in the various provinces and the northwest territories. How many medical men have we to care for them? What is spent on medical services? What payments have been made to doctors caring for the Indians?

Mr. CRERAR: I do not know the exact number of full time medical men employed by the department. I believe it is about twenty. In addition to that there are nurses. I am quite willing to admit, however, that the medical services are not nearly as extensive or as widespread as they should be for the Indians. I would hope that whatever administration succeeds this one might make provision for proper facilities for medical care of these people.

Item agreed to.

166. Grants to residential schools, $1,549,259.

Mr. CASTLEDEN: What is the basis of these grants?

Mr. CRERAR: They are made on a pupilage basis and vary from $160 to something over $200 according to the district in which the school is located.

Mr. CASTLEDEN: Is that for a full year's attendance?

Mr. CRERAR: A full year's attendance, about ten months.

Item agreed to.

Immigration branch—

171. Field and inspectional service, abroad, $83,387.

Mr. CASTLEDEN: Will the minister explain this item?

Mr. CRERAR: This is to provide the salaries of the immigration staff in London, England. We also have a man in Lisbon, Portugal, and there are also the necessary office and travelling expenses. This item has decreased greatly in recent years because many immigration offices abroad have been closed.

Mr. CASTLEDEN: There is an increase this year.

Mr. CRERAR: There has been some additional expense at Lisbon where we had to send a man to examine certain cases that desire to come to Canada.

Mr. CASTLEDEN: Have you a representative in China?

Mr. CRERAR: Not now.

Item agreed to.

508. Administration of the Immigration Act and the Chinese Immigration Act—further amount required, $12,385.

Mr. KNOWLES: I understood several times during the year from the Prime Minister that an amendment was to be made this year to the Chinese Immigration Act. My impression was that it would be designed to improve relations between this country and China, and I should like to know what has happened to the proposed amendment.

Mr. CRERAR: My hon. friend will have to ask the Prime Minister about that because that is under the Department of External Affairs.

Mr. KNOWLES: But the administration of the act is under this department.

Mr. CASTLEDEN: I understood the minister to say that there is no representative in China, but according to page 126 you are voting $4,700 for a special immigration officer and controller of Chinese immigration.

Mr. CRERAR: The controller of Chinese immigration resides in Canada. I am advised that we had an officer in China but he is not there now. We are still paying his salary but he is on loan to another department.

Mr. CASTLEDEN: There are no field and inspectional services abroad?

Mr. CRERAR: The position remains, but for the time being the man is in Canada but on loan to another department.

Item agreed to.

SOLDIER SETTLEMENT

336. Administration of soldier settlement, British family settlement, general land settlement and Veterans' Land Act, $1,440,290.

Mr. FAIR: This is the second time that this item has been called, and I hope I shall have a chance to have a little discussion on it. For the past seven years I have been asking questions in connection with this matter, and only two months ago, on June 14, I went into the matter in detail so that it will not be necessary to do so again. I think the minister will remember that on May 23 a delegation of nine, representing the soldier settlers' association of Canada, appeared before a committee of the cabinet. They presented a brief which, among other things, asked that clear titles be given to soldiers who still have land under contract with the soldier settlement board. I should like to know whether anything has been done by the committee in connection with this matter.

Mr. CRERAR: Much to my regret I must say that the committee of the cabinet which heard the delegation of ex-service men that waited upon them to ask for clear titles to their land has not yet had an opportunity to consider the matter. As the hon. member for Battle River is aware, the house has been sitting morning, afternoon and evening for the last three weeks. The brief presented was rather lengthy, and shortly after it was presented the director had to be absent from the city for a couple of weeks. I think this matter is one that should have careful consideration, and in the very near future it will be considered by the committee and by the government as a whole.

Mr. FAIR: I am glad to have that information because it is a contradiction of a statement that appeared in the May issue of *The Legionary,* apparently on the instructions of the Minister of Mines and Resources. I feel that when the house is in session no minister should entrust to any civil servant the making of a statement such as the one contained in this magazine. I feel also that this statement was made with the deliberate intention of priming the convention of the Canadian Legion at Vancouver against giving consideration to a resolution to be presented there asking for the granting of clear titles.

Mr. CRERAR: Before my hon. friend proceeds with that line I want to correct him right now. The article in question to which he refers to-day and to which he referred in the house on a previous occasion was asked for by the editor of *The Legionary.* It was prepared by the director at the request of *The Legionary* and sent to that magazine before anyone here knew that the delegation was on its way to Ottawa to ask for clear title to the soldier settler lands. Furthermore, my hon. friend has no right to attack the director. He has not so far attacked him to-day but he did on a previous occasion. I take full responsibility for what appeared in *The Legionary,* because the director spoke to me before the article was sent, and I authorized him to send it because I thought it was adding to the sum total of information on this question.

I do not care what my hon. friend may say about myself. He is free to criticize me in any way he likes, and I am free to have my opinion of his criticism, but I think that it is scarcely fair for a member of this house to make an attack on an officer of this government, and, may I say, a very successful officer. I want to add this, that the ex-soldiers of the great war and the soldiers of the present war have no better friend in this country than the gentleman who is director of the veterans' land settlement, and I will stand by that statement in this house or anywhere else despite anything my hon. friend may say.

It may be of interest to the committee, because this question has created some controversy in the country if I give a few figures. This problem of giving clear title to soldiers of the last war is not one that can be lightly embarked upon. That is why I stated a moment ago that we have not yet had time to consider fully the request of the delegation that came here. There are many aspects of that question which have to be considered.

I think it will be of interest to the committee to know that in the last five years since 1939 the total instalments due under soldier settlement sales were in round figures $5,230,000. Total payments made on those instalments due were $4,506,000. The prepayments made voluntarily, without any request or suggestion from the department, by these ex-soldiers who my hon. friend states were in a desperate plight and should therefore get free title to their land, amounted to $1,293,000. Furthermore, in the last five years 1,648 of these old soldiers have earned clear title to their land and have received clear title; and of those 1,648, 689 were granted clear title in the last fiscal year. These are facts that I wish to put before the committee because I do not wish it to get a wrong view of this whole matter.

Mr. FAIR: I am glad that the minister is feeling the pinch of his sins. He has already envisioned what I am going to say on this occasion. His statement just now reminds me of what the old politician said when he was talking to a young man about to embark on a political career. He said, "When you have something worth while to tell you do not have to talk so loud, but when you have a poor case, yell like hell." I think the minister commenced to yell a little early.

I have referred on other occasions to this statement that appeared in that magazine. I did not have an opportunity at that time to say very much about it, but I felt, as soon as the matter was brought to my attention, that I should make some objection to the article. I am objecting to it to-day. I say that it is a bitter pill and it would not go down very well if it had been printed, unaccompanied, entirely by itself. But in order that it might go down good we find that on the left-hand corner of the same page on which this statement appears there is a picture of the Governor General presenting to Carole Louise Hooey, of Toronto, the Distinguished Flying Cross won by her father, and she is proudly holding it in her hand. On the other side of the page is the winner of the Victoria Cross whom we had the pleasure of meeting in Ottawa a little over a month ago, Major Paul Triquet, V.C. That is a very nice setting for an article which is condemned from one end of Canada to the other, regardless of any statement which the minister or the director may make. Anything I have to say I am saying direct to the minister and to his director who is here. I am saying it in the house. I am not sending it to any magazine. The minister and the director are both here to question anything I may have to say.

I am now going to read the article and comment upon it as I go along. The article is headed, "Soldiers Settlement", by Gordon Murchison, director, Soldier Settlement and Veterans' Land Act. It is found on pages 10 and 11 of the May issue of *The Legionary* and says:

> During the past several months a number of representations have been received by my minister, the Honourable T. A. Crerar, and by myself from or on behalf of an organization formed in Saskatoon last summer and known as the Soldier Settlers Association.

In case anyone should be in doubt about it, I want to say that other similar organizations have been in existence for a number of years. This is a brief from one that has been in existence since 1938. So that the organization which came to life in Saskatoon is not new by any means.

The article goes on:

> This association has declared its policy by a resolution, part of which calls for the cancellation of all unpaid balances due or accruing in the agreements between soldier settlers and the director representing the dominion government. I understand the dominion executive of the Canadian Legion has received similar representations, and so that the situation from the standpoint of the government and the administration may be placed fairly before the Canadian Legion and the readers of *The Legionary*, the Honourable Mr. Crerar has authorized me to furnish you with an official statement.
>
> First of all there is lack of evidence that the resolution and representations above referred to reflect the serious views of more than 10 per cent of soldier settlers, and, knowing the situation as I do, I am sure the great majority of the remaining 90 per cent

must feel somewhat humiliated by the publicity being circulated by the few who for reasons best known to themselves and their friends endeavour to paint a dark and gloomy picture. What are the facts?

I question the figures given by the director when he says that he doubts that the resolution reflects the views of more than ten per cent of the soldier settlers. I say definitely that that is not correct. The article goes on:

I do not think that it is necessary to go further back than 1930 to review this situation in any detail. It is common knowledge that prior to 1930 successive governments had provided the means for the easement of soldier settlers' accounts to an aggregate of several millions by way of interest remissions, reductions in the cost price of live stock and land revaluation. In 1930 there was a horizontal reduction of 30 per cent in the indebtedness of every soldier settler in Canada on record at that time. This particular write-off totalled $11,302,127.56.

During the difficult days of the thirties when farm revenue reached an all-time low due to price or climatic factors, soldier settlers—like tens of thousands of other farmers—were unable to meet contract indebtedness of one kind and another. A year's interest charges were cancelled in 1932 totalling $1,308,492.16, and commencing the following year a bonus plan was introduced which provided for a credit of $2 for every $1 paid on matured instalments. This arrangement existed for a period of five years. Its value to the settlers concerned totalled $3,426,293.43.

Going over that paragraph, let me say that in 1932, the year in which these interest payments were cancelled, the farmers of Canada received five per cent of the national income. I ask the minister and the director, how in the world can any farmer pay interest when they receive only such a small proportion of the national income? It is utterly impossible and the condition was entirely man-made.

Again we come to the credit of $2 for every $1 paid on the soldier's indebtedness. This benefited only those who had money to pay on their debts; the man who had no money received no benefit from that reduction. When he got this legislation through the house doing away with the two for one bonus in 1938 the Minister of Mines and Resources did not have the support of one member of any party, but the policy of the government was put into effect.

The article continues:

In 1935 the Farmers Creditors' Arrangement Act came into force, and soldier settlers had the same rights under the act as other farmers. Up to the end of 1937 only a limited number of soldier settlers availed themselves of this right, but commencing in 1938 no fewer than 3,504 settlers had their affairs adjusted—

Mr. CASTLEDEN: Mr. Chairman it is six o'clock.

[Mr. Fair.]

Mr. MACKENZIE KING: May I say a word to the committee with reference to the question of adjournment. I believe hon. members are pretty well agreed that it should be possible to conclude the business of this part of the session before the day is over, but it may require something in the way of cooperation between the different parties. There is always difficulty in winding up the business of parliament before adjournment where bills require royal assent. In the first place, arrangements have to be made for the presence of the deputy of the governor general at a particular hour. This necessitates some notice. The other house must also assemble in advance. This procedure necessitates, in an endeavour to make the necessary arrangements, some preliminary and tentative undertakings on the part of the Prime Minister.

If there are any matters which hon. members think may involve discussion perhaps they could be mentioned at once so that they might be taken up before other items are proceeded with. If, however, the discussion is likely to be the regular discussion that is had on different items—and there are only comparatively few items left—there should be little difficulty in getting through fairly early to-night.

I might say that in the old days in this house, I have frequently known the house to sit until daybreak in order to conclude its business, and have seen that done two or three nights in succession. I take a little pride in the fact that I was the first one to bring forward in this house the proposal to adopt the rule that the sittings should conclude at eleven o'clock in the evening. That is a rule which is applicable from day to day throughout the entire session. However, in winding up the business of the house I think we must ask hon. members to cooperate with the government in seeking some finality, not for the advantage of anyone but for the convenience of all.

What I would suggest is that the house might agree to continue its sitting until seven o'clock, and meet again at eight, with the understanding that we would continue in session until business is concluded. If that were agreeable I should be very thankful and I am sure all hon. members would appreciate such a decision in almost equal measure. It would be most unfortunate, I suggest, if we had to continue over into another day or until very late to-night. If the house were agreeable I would suggest that we continue until seven and resume at eight.

Mr. GILLIS: So far as we are concerned, we are prepared to cooperate with the Prime

Minister in that request and sit as long as necessary to complete the business. I would suggest, however, that the page boys be permitted to go home. It is not necessary to punish them more than we have to.

Mr. CASTLEDEN: With all due deference to everyone who has spoken, I would point out to those who desire to see the session closed to-night that we recently had placed on the table $21 million of supplementary estimates. We have still 140 items to pass, and there are contentious matters such as the soldier settlement board and the whole of the Department of Finance. I believe it was said the other day that it is our duty as members to give the best attention we can to these items. We are sitting eight hours a day, and I think it will be agreed that the heat and humidity are unusual. We have a duty to perform and we should do that duty.

Mr. MACKENZIE KING: May I say that if there is anything the hon. member feels is being neglected or anything that is being overlooked, which should be discussed, I wholly withdraw what I have expressed in the way of a request. But simply to keep parliament going on from day to day, after the longest session this house has had in many years and where matters have been as far advanced as they have been in this session, creates I think a situation all aspects of which should be considered. My hon. friend mentions finance estimates. The estimates of the finance department have been before the house for months. We have discussed financial matters at great length throughout the entire session. If there is something in the estimates of the minister that is contentious we might be told about it at once so that the item could be brought on for discussion immediately. It does not follow that because sums of money are voted quickly members have not had an opportunity to consider the items to which they relate. I point this out only because I do not wish the government to be put in a false light before the country, while on the other hand I do desire, as leader of the government, to do all I can to accommodate the great majority if not all of the members of the house. To save public expense and the necessity of another day or two of sitting, if that involves having made now one or two addresses that might be delivered another day, the house might, I think, adopt the suggestion I have offered.

Mr. KNOWLES: May I suggest a compromise as regards the supper hour. Perhaps we could continue either until seven o'clock or until we have disposed of items 336 and 337, now under discussion, whichever happens first. That would mean that those who are not going to speak on those items could go out and eat.

Mr. HANSELL: Personally I do not care very much when we eat, but so far as this group is concerned there is only one matter now that we are vitally interested in, namely, the item being discussed by the hon. member for Battle River. After that is disposed of, so far as we are concerned we can adjourn at any time. This group has tried to form the habit of talking on big issues without neglecting the little ones.

Mr. GRAYDON: We have attempted to cooperate as best we could toward the closing of the session. I believe I made it clear on a previous occasion that so far as we are concerned it is a question of going as long as it is necessary in order to get the business of parliament done. There is a tendency sometimes to extend the sittings of the house, perhaps unconsciously and thoughtlessly, and sometimes not to the great advantage of the national interest.

My hon. friend mentioned amounts that were involved. I have never said this in the house before, but I shall say it now because, to my mind, the amount of money involved is a wholly improper basis of assessing the extent to which time should be consumed in debates on estimates. Sometimes some of the smallest items involve the biggest principles. In the largest amounts sometimes there is very little to do but let them go through, because they have been properly understood by the house and the house is desirous of seeing them go through without needless delay.

I have seen parliament criticized wrongly by some outside and sometimes by hon. members inside because large amounts have gone through in a few minutes. That gives the public a wrong impression; it confuses the public mind when they are not aware of the exact situation with respect to estimates of this kind.

I rose to say that I hope no one outside will feel that when estimates are going through at this time, particularly when we consider that the very same principles have been debated on the war appropriation bill at considerable length, they are going through without being properly considered. If there were to be any curtailment of a real character at this time I would not agree to cooperate with the government even with respect to a matter of this kind. It is only because I believe that we have practically completed a proper study of these matters so far as the public is concerned

that I am desirous of recording myself and my party as being ready to cooperate to have the session closed to-night if possible.

I may say to the Prime Minister that I think with one or two items in the case of pensions and national health and one item in legislation in which I am specially interested which should only take a few moments, there is, from my point of view, nothing much more, that has to be considered at any length. Therefore I wish to put myself on record in respect of this matter at the moment.

The ACTING CHAIRMAN (Mr. Golding): Shall the committee have unanimous consent to carry on until seven o'clock?

Some hon. MEMBERS: Yes.

Mr. FAIR: Mr. Chairman, had I been allowed to continue I believe that I would have been finished by this time and the committee would have had the pleasure of hearing the pleasant voice of the minister instead of this rasping voice of mine. I was stating that:

> . . . no fewer than 3,504 settlers had their affairs adjusted by total write-offs under this act of $6,754,851.28, made up of $3,281,990.92 in interest charges and $3,472,860.36 in reductions of principal. In the course of adjustment operations under the Farmers' Creditors Arrangement Act extending over a period of approximately six years it was inevitable that some inequality of treatment would occur, either because the deterioration which had taken place was not fully taken into account or because in the alternative unsatisfactory farming conditions continued beyond reasonable expectations. Mainly, however, the break in the long spell of drought conditions and improved farm revenue closely synchronized with the outbreak of the war in 1939. There were some local exceptions to this, but that was the general situation.
>
> During the early summer of 1942 a select committee of the House of Commons made inquiry into the affairs of soldier settlers as a result of which the government by executive order authorized the director on application by settlers to review the accounts of soldier settlers who continued to be faced with an unduly heavy burden, and, with the approval of the treasury board, to reduce these accounts to reasonable levels. Adjustments under this heading are now nearing completion, and it is estimated that approximately 1,600 soldier settlers, principally in Saskatchewan and Alberta, will benefit to a total of approximately $1,075,000. In 1,336 cases adjusted to date the reduction in debt has totalled $841,437.37.

Let me point out here, since the director neglected to do so, that in most cases those settlers have been slaves of this economic system, slaves of climatic conditions and other things for the past twenty-five years. Under the agreement they are allowed to continue for at least another twenty years. This means that a number of those settlers will be eighty to ninety years old by the time they have their contract completed, provided that conditions allow them to complete them at that time.

There is another recommendation that was made by the committee, I believe, and the director also neglected to give it, namely, that the settler should have a certain equity in his land after this adjustment is made. That equity, I believe, exceeded fifty per cent. I am not sure about that. If I am not correct in that impression the minister can correct me a little later on.

I continue with the article, under the heading of "A New Situation":

> There is some realism about these extensive adjustments referred to above which no amount of argument can dispel, and there is abundant evidence that the realistic manner in which these adjustments were carried out, coupled with the general improvement in farming conditions, have, in fact brought about an entirely new situation.

Let me point out that improvements in farming conditions are not entirely responsible for the payments that have been made on soldier settlers' contracts.

It is generally agreed that a number of sons and daughters of those settlers are in the service, and a lot of their money has been used up to make good the contracts of their fathers who fought in the last war. It is also recognized by those who want to be fair that a number of sons and daughters of those same settlers took employment in munition factories and other places, and for that reason they have been able to make payments on their father's farms; otherwise we would have an entirely different situation. It took another war to bring about prosperity so that a small percentage of the settlers could claim titles to their land.

I continue:

> What is the new record of soldier settlers in meeting the terms of their agreements during the past few years? I set out below the official record, which furnishes factual evidence that soldier settlers generally are the kind of people I have always known them to be—honest, reliable citizens who believe in fair play and the payment of their honest obligations.

May I pause for a moment. I agree entirely with that. I believe those soldier settlers are honest to the last man, but I also believe that they were saddled with conditions, because of an improvised land scheme which made it impossible for them to live up to the terms of their contract.

I continue with the article:

> 1. In the fiscal year ending March 31, 1942, 7,314 soldier settlers had current instalments due totalling $1,039,050.75. Six thousand three hundred and four of these settlers paid $957,227.59 or 92 per cent of the current instalments due, and 1,504 of them made repayments of an additional $213,520.50.

2. In the fiscal year ending March 31, 1943, 6,860 soldier settlers had current instalments due totalling $983,103.54. Five thousand five hundred and fourteen of these settlers paid $841,110.25 or 85 per cent of the current instalments due, and 1,448 of them made prepayments of an additional $257,754.37.

3. In the fiscal year which ended March 31, 1944, 6,364 soldier settlers had current instalments due totalling $860,871.83. To February 29, of this year, 5,612 of these settlers had paid $991,508.04 or 115·7 per cent of the current instalments due, and 2,066 of them had made prepayments of an additional $443,619.39.

4. This record of performance means that soldier settlers are generally taking advantage of conditions and paying off their indebtedness. Since the outbreak of war, 1,528 of them have retired their loans in full and have secured the titles to their farms, and as time goes on the number will steadily increase.

I must give another fact that is not mentioned by the director in his article; that is, that a great deal of pressure has been applied on these settlers to make them pay up. A number of these men who have joined up for the second time, offering their all on the altar of sacrifice, as the result of an order in council have had to contribute a certain percentage of their dependents' allowance to be applied on their debt to the soldier settlement board. This may be denied once again as it was denied previously, on May 23. If that denial should be made this afternoon I should like to refer the minister to a particular case, M-42517, Corporal C. J. Lefley. I do not think the minister will take the trouble to investigate this case, however, because he will find that the result is against him. In this family there are eight children, six of whom are going to school and two of whom are too young to go to school. A short time ago their father was employed at the internment camp at Lethbridge, and $13 a month is being deducted from the dependents' allowance of that family to clear off the soldier settler's debt to the board. These facts were not given to the country by the director, and I think it only fair that they should be mentioned now. I continue reading:

In the face of the above factual information, what is the logic behind the argument that soldier settlers of record to-day should have their contract indebtedness cancelled, which means in effect legislation into ownership? Do the sponsors of the petition believe that this would be the end of the matter? Do they think for a moment that those who have paid for their farms, and all those who are meeting the terms of their agreements in full and on time or are prepaying their agreements, would stand quietly by and make no demand for a refund? I have received direct assurances that such demands would be made.

In all the discussions I have had concerning this matter with soldier settlers and others I have met only two people, namely the Minister of Mines and Resources and the director, who have taken this stand. I question here the statement that a number of these men have stated that demands would be made for refunds. In order to obtain definite information I placed upon the order paper the following questions:

1. From January 1, 1943, to May 31, 1944, how many requests from, (a) organizations; (b) individuals, have been received by the Prime Minister, the Minister of Mines and Resources, the director of soldier settlement and Veterans' Land Act, or any other department of the government, asking that veterans of great war one who now hold land under contract with the soldier settlement board be given titles without further payments?

The answer given was:

(a) 10; (b) 186 soldier settlers—60 other individuals.

My second question, on which I had hoped to get some information, although I was not disappointed when I did not get it, was

2. During the same period, how many letters or other communications were received by the director or other departments of the government stating that if clear titles, as above requested, were granted, requests for refunds by those who have already paid up or are continuing to make payments, would be made?

In asking that question I desired to get the names and addresses of those who had made such representations, with the intention of writing those people and finding out if they had actually done so and, if so, what was the basis for their argument. The answer was:

No record maintained. Representations have been made in confidence to the director and members of his staff.

If that information is available it should be produced so that we may know what is being done. The third question was:

3. What are the names and addresses of those from whom such letters and communications have been received?

The answer is:

Answered by No. 2.

I believe that questionnaire will take care of itself. Now I read the last paragraph of this article, under the heading "No Change":

In conclusion I am authorized to say that the proposal is not deemed to be in the public interest and, consequently, it is not being entertained by the government. Therefore, the best advice I can offer to the soldier settlers concerned is to get into step with those who manifestly prefer securing title to their farms by complying with the terms of their agreements.

That information was given before the convention was held, and apparently before the minister and his committee had a chance to discuss the matter, so that I do not know whether the government is behind this. I hope not, because I am quite satisfied that a

very high percentage of the members of the cabinet are favourable to cleaning up the mistakes of the old soldier settlement board before embarking upon the new programme under the Veterans' Land Act. Two months ago to-day, on June 14, I went into this matter in detail and placed quite a number of figures on record. To-day I am going to use just a few of those figures. The total number of men settled after the last war was 25,017. The total amount advanced by the government was $109,034,331. The total amount of principal repaid, up to March 31, 1944, was $50,507,493.20 and the total interest paid to the same date was $25,381,060.13. That covered the payments by soldier settlers and civilians who later bought the land, I might add in a number of cases at much less than half the original price to the soldier settler. I believe this is sufficient to indicate that the men were settled on that land originally with a load they could never hope to carry under the conditions to which they were subjected. In the case of soldier settlers the principal cancelled, under five or six different schemes, was $24,867,637.64, and the interest cancelled amounted to $19,234,239.77. That made a total cancellation of principal and interest of $44,101,877.41.

The cost of administration—and this is of interest to the whole country and was not given by the director in his article in *The Legionary*—was $27,346,763.64, making a total including cancellation of principal and interest and administration of $71,442,641.05. At the end of March, 1944, which was the end of the last fiscal year, the soldier settlers owed the government $7,715,954.01. At that time, in spite of the figures given by the minister to-day in regard to arrears, and the figures mentioned by the director in his article in *The Legionary,* there were arrears on account of soldier settlers amounting to $1,054,269.30. At that time we had remaining on the land some 6,153 of these settlers. Here also, in spite of the figures given to-day by the minister, it is interesting to note that up to the end of March of this year only a little over 4,000 of these 25,017 settlers had obtained title to their land, so that the general picture is not nearly so bright as the minister would have the committee believe. At this time, twenty-five years after the inception of the scheme, we still have 6,153 of these settlers under contract with the settlement board. That is approximately twenty-five per cent of the original number of settlers after twenty-five years of persecution. The minister did admit on one occasion that the scheme was a hastily improvised one. I have claimed, and still claim, that the land, implements and stock were bought at highly inflated prices, and that grain and other products since that time have been down to all-time low prices. Yet the settlers were still expected to make payments, and live up to the terms of their contracts. The average original debt of the settlers was $4,358.40. At the end of March of this year we found that on an average they still owed $1,254, or twenty-nine per cent of the original amount. This is the figure, even after taking into consideration the cancellation of some $44,000,000. That is not a very bright picture. This amount of $1,254 is equal to approximately twenty-nine per cent of the original debt.

Another matter has not been touched upon before, one which I think I should mention at this time. I have in mind the soldiers who will come back from this war, and who will operate under the Veterans' Land Act. That soldier will have a grant of thirty-nine per cent of the total amount of his loan. I repeat that the soldier settler under the present Veterans' Land Act, if he takes full advantage of the legislation, will have a free grant of $2,320, which is equal to thirty-nine per cent of the amount of his loan. Under the old scheme there was no grant available, but we did have cancellations because of a faulty set-up.

I would ask the minister and the government to take these matters into consideration. I would also ask them to consider the fact that under the old act the settlers were charged five per cent on current loans and seven per cent on past-due accounts. So that in a very large percentage of cases the old soldier settlers from the first great war were paying twice the amount of interest that the veterans from this war will have to pay, because most of the payments of the old soldier settlers were in arrears.

I say to-day, as I said before, that 3½ per cent is still too high a rate. So that the veterans from the first great war were charged more than twice what they should have been charged. I do not know whether I should go much farther in this connection. I believe the government is well aware of all the conditions. After this article had been published in *The Legionary,* and after the writer had made this trip to the west coast, we find a committee was set up out there, and that that committee framed a resolution. The resolution did not come before the convention. I do not know why. There were, however, some other resolutions which I understand were left over. This is the resolution:

> Whereas any civilian at the age of 70 years, and burnt-out veterans at the age of 60 years, are presumed to be past the age where they may be expected to be self-supporting;
>
> And whereas settlers under the Soldier Settlement Act have in many cases been resident

on their holdings for a quarter of a century and are fast approaching the age when they will be incapable of self-support;

And whereas under the new land act the new veteran is only called upon to pay 3½ per cent interest, and after ten years' residence 25 per cent of his indebtedness is cancelled;

And whereas the soldier under the Soldier Settlement Act has had to pay, and is still paying 5 per cent interest;

Therefore be it resolved that, in order to be fair to our aging veterans and to bring the old and the new settlement acts more into line, the dominion government be asked to readjust the debts of the 6,153 original soldier settlers who have not paid for their lands, such readjustment to take into consideration the difference in interest rates charged under the said acts; and that following such readjustment the government be further asked to cancel the debts of those original soldier settlers whose debt has been, or may hereafter be, reduced to 25 per cent of the original purchase price or the reduced purchase price, and that the interest rate to such veterans be reduced to 3½ per cent.

This is signed by:

Mr. R. H. Inglis, Alberta,
Mr. B. V. Cameron, Ontario,
Mr. J. J. MacIntosh, N.S.
Mr. G. A. Lauman, Manitoba,
Mr. George Noble, Quebec,
Mr. A. C. Stewart, Saskatchewan,
Mr. H. W. Ellis, British Columbia.

And the footnote says:

The committee wish to thank the comrades whose names appear below for their assistance in framing this resolution:
Mr. A. J. Sibley, North Battleford, Saskatchewan,
Mr. F. C. Highfield, Grandview, Manitoba.
Mr. A. R. Elridge, Ladner, British Columbia.

The two former were members of the delegation which visited this house recently.

Some hon. MEMBERS: Carried.

Mr. FAIR: If these gentlemen are so anxious to have the item carried I would ask the Minister of Mines and Resources to rise and tell us now—because some day, sooner or later, by this or by some other government those debts will be cancelled. If he will rise and tell us now that these veterans are to have clear title, I shall sit down. Otherwise I have something further to say. I repeat that if the minister wishes to speak in reply, and say "yes," I shall sit down.

This is not, as some have been led to believe, the request of a few people around Saskatoon. On May 23, I tabled a petition signed by 12,500 residents of the four western provinces asking, among other things, that these clear titles be granted. That is not a local affair. Petitions were circulated in the four western provinces, and the expenses of the delegation that came here were made up by contributions of nickels and dimes.

Mr. CRERAR: I understand my hon. friend to state that the position was signed by 12,500 people. I am informed, and I think my information is correct, that there were less than 200 soldier settlers, people actually interested in the matter, who signed the petition.

Mr. FAIR: The effort was entirely a voluntary one. Good care was taken to see that these men did not settle where they could effect organization, with the result that it was not possible to reach a number of them. I think the minister realizes that the petition was circulated during the winter months, and that those in charge of the petition had no records with respect to soldier settlers. However, if he will be good enough at a later date to give me a list of those settlers I believe I can prove to him that more than ten per cent—perhaps more than ninety per cent—of those soldier settlers are interested in getting clear titles. The fact that not more than 200 signed the petition is no indication whatsoever of the number who are in favour, because if the petition was not presented to them their names could not be there. When those settlers go to a meeting they have to travel at their own expense. Sometimes they have to go by team and sleigh. They are not privileged, as are government officials, to travel at government expense, and to live in the best hotels in the country while doing government business.

I am making one final appeal to-day to the government, although I do not know whether there is any use in making it to the Minister of Mines and Resources, because he has told me that there will be so much complaint, and I know from his attitude that he will not see that those titles are granted. I am sorry he has taken that stand. I know he is familiar with conditions, from practical experience. I point out to him that the government is now about to embark upon another scheme connected with men coming back from this war who have offered their all on the altar of sacrifice. If the government is interested in the success of this new scheme, then I say, "For heaven's sake clean up the slums in the old one."

It will require $7,715,000 as at March 31 last to do this job. By doing that, the government will get away from the cost of administration, which cost has been so heavy in the past. Up to March 31 of this year administration costs as far as soldier settlers are concerned ran up to $27,340,763. Those are millions of the taxpayers' money, including taxes paid by those same soldier settlers. And there will be plenty of taxes still to be paid for the new programme. So that I am

sorry the government has not seen fit to take more interest in the soldier settlers from the last war. I might say here that those old settlers say that it does not make so much difference to them, because it is only a matter of time until they will be pushed off the land, or occupying their six feet of mother earth. But they are interested in the success of the scheme under the Veterans' Land Act. I would also ask the government, however, to give clear title, without any further delay.

Twenty-nine per cent of the original amount involved still remains unpaid, after deductions. A number of the settlers are too old to work the land, and they certainly have suffered plenty in the past. The conditions which caused that suffering are man-made. Why continue man-made conditions and persecutions of those people to-day? Low prices for goods sold and high prices for goods they had to buy were responsible for their condition and, as I have said before, that was a man-made condition.

The bright circumstances outlined by the minister are entirely due to war conditions, and the fact that sons and daughters of those veterans, who are working in munitions plants, or in the services, are sending home to their mothers and fathers the money they earn, so that the bailiff may not come around and put those old people out on the road—something which has been done before in a number of cases. In the interests of Canada, in the interests of the soldier settlers of great war one and in an effort to pay only part of our obligation to the veterans of the present war, I ask the government to grant clear titles to those who hold land under the old scheme. I am going to suggest also what I have suggested before. If this scheme is to be a success you must have at its head a sympathetic administrator, and I do not feel you have that to-day. If the government want to make a success of this, then I suggest that they take cognizance of what I have said this afternoon.

Mr. CASTLEDEN: The minister gave certain figures about payments this afternoon, but when he is answering the hon. member for Battle River I should like him to say how many foreclosures there have been in the past five years, particularly in the last year, and also how many men who settled on land were forced to give up. Sometimes their sons were able to take over, and sometimes they had to give up entirely. I want to know the number of cases where the soldier settler lost his equity between 1931 and 1940.

[Mr. Fair.]

I wish to endorse what the hon. member has said. As he has stated practically what I intended to say, it is not necessary for me to repeat. However, there are one or two observations I should like to make which bear out what he has said in regard to the attitude of the government toward these soldier settlers. If proper treatment had been granted to these people I think they would have lifted their burdens. The figures given this afternoon by the minister prove conclusively that these men wanted to pay their debts and clear their land. It was just utterly impossible for them to do so because they had no source of income.

The number of men who came back from the last war and lost their land is nothing less than tragic. I know of one community to which twenty-five young men came back after the last war to take up land. They put in everything they had; they worked and slaved long hours, but to-day only three remain on the land out of the twenty-five. In at least eighty per cent of the cases where men have been forced off the land it is nothing but pure tragedy because the government failed to recognize the human side of the problem.

It was treated as a straight business proposition: "We must have the interest; we must have the money paid back. You have made an agreement and although there is no crop, you are standing in arrears." That was always the story. The figures given by the hon. member for Battle River prove conclusively that the old soldier settlement scheme was neither fair nor equitable. It was a failure so far as rehabilitating the soldiers of the last war was concerned. It did not recognize human values at all. It was a cold business proposition on the part of the government. It was simply a question of getting the interest and the money.

Adjustments were made, but they did not solve the problem for the men because they still had a pile of interest around their necks. The result of all this is that there are dozens of intensely bitter soldiers of the last war who have lost their equity after fighting and working for Canada. They are now approaching the latter years of their life and the tragedy of their position is a responsibility that the government will have to accept. Surely in the name of what is right those who are still on their land are entitled to clear titles. We would then stop all this constant bickering and fighting. It is true that some of those men were able to make their payments, but some of them had three or four sons to do the work for them while others had none. In most cases the sons were not paid at all.

By an order in council passed on March 19, 1941, the government gave power to the director of soldier settlement to take part of

the dependents' allowances from soldiers who had taken up soldier settlement board land. The order in council reads as follows:

Accordingly the board recommend that notwithstanding any provision to the contrary contained in any of the regulations providing for payment of dependents' or marriage allowances in respect of dependents' of members of the Canadian armed forces, that in all cases where the dependents of an enlisted person continue to occupy the farm for which such person is indebted to the director of soldier settlement and in respect of which the contract terms are not otherwise satisfactorily provided for, there may be deducted from the dependents' or marriage allowance amounts sufficient to provide for payment of taxes levied by the local taxing authority in respect of the property in question and interest accruing annually on indebtedness to the director of soldier settlement, such deductions to be made monthly and in no case to exceed $20 per month except with the consent of the dependents concerned.

The information that has come to me is that pressure was put on some of those dependents in a way that was not justified. The minister has probably received a copy of this, but I should like to refer him to two resolutions which were passed at the convention of the Canadian legion, British empire service league, held in Calgary from June 6 to 9. This reads as follows:

Report of Soldier Settlers' Committee

Your committee appointed to deal with soldier settlers' affairs has reviewed the many resolutions sent in by the various branches, dealing with settlers' affairs and we beg to submit the following resolutions dealing with same:

Resolution 1. Whereas the majority of original soldier settlers, who are still endeavouring to carry on under the soldier settlement scheme have now found it, owing to advanced years and the adverse conditions prevailing in agriculture, particularly the lack of parity prices, increasingly difficult to liquidate their indebtedness to the settlement board.

And whereas the settlers have struggled on through the years of drought conditions and low prices unprecedented in the agricultural history of this country and have now nothing to show for their years of toil and struggle but whatever equity they may have in the land which is liable to foreclosure.

Therefore be it resolved that we now petition the government to relieve the soldier settler of any further payments and that they be given the title deed to their land or, failing this, that a parliamentary committee in conjunction with representation from the dominion command of the Canadian legion, review the whole situation of the soldier settler with a view to alleviating their present financial difficulties.

Resolution 2. Whereas it has come to our notice that by order in council the soldier settlement board has been permitted to order deductions made from the pay and allowances of dependents of men now serving in the armed forces to be applied against land and taxes.

Therefore we ask that this order in council be rescinded immediately, and that any sums of money so deducted be refunded.

I would like to know the total deductions that have been made from dependents' allowances under that order in council. I have dozens of letters I could read citing actual experiences. There should be some clause whereby if a veteran comes back under the Veterans' Land Act there should be an adjustment so that he will have an equity on parity prices, and also there should be a crop failure clause to take care of interest and principal payments in years when there is no crop at all. Otherwise I am afraid that we shall have to look forward to a continuation of what we had after the last war.

I should also like an assurance that something else might be done to make this new scheme a success, namely, that provision should be made under the Veterans' Land Act so that these men who have fought together and who, we hope, will soon be coming back will be given an opportunity, if they so desire, of working together, under direction and after training, on a cooperative farm where they can pool their activities and each make his contribution according to his own ability. Some of these men are good cattle men; some are good mechanics; some are good field men. I would suggest that some such scheme be surveyed with a view to putting it to work, which would be a great improvement over what we had after the last war.

Mr. CRERAR: I might answer now one specific question asked by the hon. member for Yorkton. He referred to P.C. 138, passed in 1936, under which deductions might be made from allowances payable to dependents of the soldier who had enlisted. The number of those who voluntarily asked for a portion of the allowance to be applied on their obligations was 243.

Mr. CASTLEDEN: Soldiers or dependents?

Mr. CRERAR: Soldiers. The payments under these voluntary deductions amounted for the month of May, 1944, to $3,842. My hon. friend made some rather strong criticism of the arbitrary action, as he called it, of the government in compelling these people to give a portion of their allowance to the director of soldier settlement to meet their obligations. The total number of cases in which the deduction was made from the allowance for that purpose was thirty-eight, and the total amount collected in those thirty-eight cases in the month of May was $511.84. In some of those cases the people were living on the farm. I recall one case that came to my notice where the wife of the soldier was receiving on his behalf and on behalf of her children a dependent's allowance of $79 a month and she refused to pay a modest amount in taxes on

the place. It was then a case either of the government paying the taxes to prevent a tax sale or of letting the place go to a tax sale. I do not think anyone will say that the few dollars which were taken out of the $79 allowance that she was getting created a terrific hardship or was an evidence of a stony-hearted administration. That just does not add up to common sense. I wish to say right here that there was no case in which any hardship was imposed. All that was done was done in the interest of the soldier himself. There are people who, no matter how large an allowance of money they may be receiving, simply cannot spend it wisely.

Mr. CASTLEDEN: Does the minister suggest that the dependents' allowance in this case was too large?

Mr. CRERAR: Nothing of the kind.

Mr. CASTLEDEN: The minister said that a deduction was made from the allowance and that that created no hardship.

Mr. CRERAR: There was no hardship in this particular case. In addition to the $79 a month allowance that she was receiving, she rented the farm and got a revenue from that as well; she also got her own vegetables from the farm, and because a few dollars a month were deducted from her allowance to meet the obligations on the farm this administration is described by my hon. friend as wholly oblivious to humane considerations. I say that that just does not add up to common sense.

Mr. CASTLEDEN: The legion in Calgary thought it was of sufficient importance to pass that resolution.

Mr. CRERAR: And the dominion legion as a whole, having considered this matter and having had it before them frequently, passed no resolution about it.

Mr. HANSELL: What steps are being taken by the government to coordinate the post-war schemes under the Veterans' Land Act with the various schemes that may be undertaken by provincial governments? Have there been any negotiations between provincial governments and this government in that respect? What I have in mind is that the Alberta government have one of the finest land settlement schemes that have ever been offered to the soldier. Under that scheme a soldier is given what practically amounts to a gift of one-half section of land. He settles on it and for the first three years he pays nothing on it at all, not even the taxes. For the next seven years all he pays is one-eighth of his production, and if there is no production there is no payment due. At the end of that ten-year period he gets a clear title to the land. That is one of the greatest land settlement schemes that have ever been devised. I am wondering whether there have been any negotiations between this government and the provincial governments with a view to coordinating these different schemes. It may be that a soldier does not want to come under the Veterans' Land Act in its entirety, but he may want to come under a provincial scheme while still getting some little benefit from the scheme which the federal government is operating.

Mr. CRERAR: Discussions have taken place with officials of the provincial governments, and I have not the slightest doubt that we shall receive the full cooperation of every provincial government in this matter.

Mr. HANSELL: And vice versa?

Mr. CRERAR: Yes. We are grateful to the provinces for their assistance and for the advice of their technical men in regard to soil conditions and everything else entering into this scheme.

Mr. CASTLEDEN: I asked how many soldier settlers lost their equity through foreclosure or through turning over their land and becoming renters from 1931 to 1940.

Mr. CRERAR: I am sorry I have not that information. A great many of these people just got up and left their farms. I know of several cases of that in a certain district in Manitoba. If you include those, there would be a considerable number. But there were comparatively few cases where the settler left the land as the result of pressure put upon him by the department. In the great majority of cases they left and the department did not learn for months afterwards that they had left.

Mr. CASTLEDEN: There were originally 25,000 settlers. How many have now received clear title and have everything clear?

Mr. MACKENZIE (Vancouver Centre): My hon. friend asked the same question when veterans' affairs were dealt with by the house and I put the whole information on *Hansard*—

Mr. CASTLEDEN: That was a year ago.

Mr. MACKENZIE (Vancouver Centre): —absolutely in detail. My hon. friend had left the chamber before I had an opportunity of answering him.

An hon. MEMBER: It was this session.

The CHAIRMAN: Shall the item carry?

Mr. FAIR: Before we leave this matter am I to understand that the minister is not going to answer any questions I have asked or any statements I have made?

Mr. CRERAR: I told my hon. friend that a delegation of ex-soldiers had waited on a committee of the cabinet and that their representations will in the near future receive full consideration. Until they have received the consideration of the committee and of the government I am unable to say what the final action will be. I have stated that at least three times and I hope I shall not have to state it again. For the information of the committee I gave certain additional facts on the payments that had been made over the last five years for the number of soldier settlers who had received title. It is a matter for warm congratulation that these men have made the payments they have and that in that period over a million and a quarter dollars have been prepaid voluntarily, not asked for by the department. I do not think there is further information to give.

Mr. GRAYDON: I take it that consideration will be given by the government to the representations made by the soldier settlers?

Mr. CRERAR: Certainly.

Mr. GRAYDON: May I join with my hon. friends to the left who have spoken on this matter and express the hope that sympathetic consideration will be given so far as the settlers' claims are concerned.

Item agreed to.

At seven o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CRERAR: I move that the committee rise, report progress, and ask leave to sit again this day.

Progress reported.

THE ROYAL ASSENT

Mr. SPEAKER: I have the honour to inform the house that I have received the following communication:

Government House,
Ottawa, August 14, 1944.

Sir:—I have the honour to inform you that the Hon. Thibaudeau Rinfret, Chief Justice of Canada, acting as deputy of His Excelleny the Governor General, will proceed to the Senate chamber to-day, Monday, August 14, at 10.30 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
A. L. Redfern,
Secretary to the Governor General.

PRIVILEGE—MR. POULIOT

REFERENCE TO MR. LACROIX, FORMER MEMBER FOR BEAUCE

Mr. POULIOT: Mr. Speaker, I rise to a question of privilege. During the last election campaign in the province of Quebec a newspaper in an otherwise excellent report of a meeting stated that I had mentioned a letter from the Clerk of the House of Commons to the effect that the former member for Beauce had not said a word during this session from the month of January to the time of his resignation. I never mentioned the Clerk of the House, but I have a letter in my possession which I can show to any hon. member to that effect.

The point I am making, sir, is that I have already given a question to the Clerk of the House asking if the then member for Beauce had spoken once during this session. This is a matter of public information and public interest. That question has not been put on the order paper or on the *Votes and Proceedings*. My submission is that I took every precaution to get the information. I went to the *Hansard* office and checked the index which is made by an expert staff. There was nothing in the name of the hon. member for Beauce. My contention is that it is not only my right but my duty to inform the electors of Beauce and of the country at large that that great defender of the throne and the altar had not said a word in debate or discussion from the month of January until he resigned in July.

Mr. CRERAR: I would ask that we revert to motions for a moment, Mr. Speaker.

BANKING AND COMMERCE

CONCURRENCE IN ELEVENTH REPORT OF STANDING COMMITTEE

Mr. G. J. McILRAITH (Ottawa West for Mr. Moore) presented the eleventh report of the standing committee on banking and commerce, and moved that the report be concurred in.

Mr. GRAYDON: May I ask if this is the usual form of a report of this kind?

Mr. MACKENZIE (Vancouver Centre): As a member of the 1934 committee I can assure my hon. friend that this is the same procedure as was adopted with respect to the report of that committee.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Before this motion carries, I have to bring to the attention of the house this fact. The banking and commerce committee

concluded its sittings immediately after the provincial election was over in Alberta. It might be a pure coincidence, I do not know, but it is a chronological fact that anyone can observe. Besides that, sir, with all due respect to everybody, I think that in these times when we are preaching thrift and economy of paper I cannot see why we are printing again the reports of a committee which has been absolutely useless. It has been a picayune discussion from beginning to end. I do not see why intelligent men have been arguing during the whole session on the supposed hidden reserves of banks when they knew very well that the trouble does not lie with hidden reserves. "Hidden" is not the proper word. These reserves were not hidden because they were familiar to the Minister of Finance. What is wrong in our finance; what is wrong in the finance of the United States—

Mr. SPEAKER: Order. The motion is that the report of the committee be concurred in. I hope the hon. gentleman is not going to go into the whole subject of finance.

Mr. POULIOT: It is elementary that I have the right to do that. I did that when the report of the civil service committee was brought in. If there is a time when we have a right to discuss what has been argued by a committee it is precisely when the committee, which is just a gathering of a few members of the house who have been appointed to study the matter of banking for the house, report to us. We are the judges. They are there to do the work which is assigned to them by the House of Commons.

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order. As I understand the report, sir—I may be in error—it asks for permission of this house to have the proceedings printed. If that is so, it does not raise any question of policy or any question of dispute or the various disputations before the committee this session. It is purely a matter of printing or not printing the proceedings.

Mr. POULIOT: I shall give reasons why this report should not be printed, but should go right away to the waste-paper basket. I am telling the house, sir, that the report of this committee is childish, that the work of the committee was childish from the start. They were arguing like children when everybody knew where the trouble lay. What is the trouble with Canadian finance? The trouble we have now with banking is precisely that of international finance which has been denounced in the United States. Canadian companies have been denounced by the attorney general of the United States and here we are discussing hidden reserves of the banks. The hidden reserves are a matter of a few millions while the debt created this year amounts to billions of dollars, and this is the work that serious members of parliament have done during the whole session. I know they have worked hard, but they have not worked any harder than members who were working on the election after Bennett was thrown out of power.

Hon. members worked for one whole session, if not two sessions, keeping at it day and night in order to improve the election act, but what did they do? They took the old one, after a year and a half or two years of work. The work done by the banking and commerce committee of this house this session is perfectly useless; it is childish. As one who had to fight with the potentates and pontiffs of finance in years gone by, when I had to denounce them in the caucus room—so much so that the day I told one of them to swallow what he had said about me he had a fit—I denounce the work of that committee. Now one of them is the boss of finance in this country and he holds the strings of international finance in his hands; yes, and he is not far from me now. He runs the whole show.

I submit, Mr. Speaker, that that committee should be instructed to reconsider its report, to make a new study of the matter in the light of what has been said privately by some of its members. Then its work will be useful to the country, because the Canadian people will know what is bad about finance. I do not mean to say that all banks are bad; not at all. Some banks are run in an honest way; but we see the president of one bank, who was chairman of the victory loan committee, becomes associated with the C.I.L. and then get away from the victory loan organization because he is too busy to look after that work; he is too busy sitting on the board of C.I.L. He takes advantage of the credit he got for the work he did in organizing the victory loan campaign, and now he sits on the board of C.I.L. to protect them. Against what? Against arrest? Against what has been done in the United States? Everybody knows this; it is in the press, so that I am not telling anything new. I am fed up with this situation. We must get to the bottom of it, and then we shall see that the marrow is rotten.

Mr. S. H. KNOWLES (Winnipeg North Centre): I realize that we are not in committee, but perhaps someone can answer this question. Does the motion call for the

printing of the report only, or for the printing of all the evidence taken before the committee?

Mr. McILRAITH: Yes, all the evidence.

Mr. KNOWLES: Then in spite of the fact that the previous speaker has said there may be a great deal of piffle in the material, there is also a great deal that is worth while. In previous years I have had a good many requests for copies of the evidence taken by that committee when those copies have not been available, so that it seems to me desirable that this material should be in printed form.

Mr. E. G. HANSELL (Macleod): I do not agree with the hon. member for Témiscouata (Mr. Pouliot) that this evidence should not be printed. I believe that a great deal of very valuable information can be given the country by having the proceedings printed and made available. One valuable purpose that may be served is this. We can show how the Progressive Conservative party played its part by recommending in that committee anything that was progressive. If ever there was a chance in Canada for a party with the distinction of the Progressive Conservative party really to tell this country they were going places in the matter of reform, it was in the banking and commerce committee. But when the Canadian people read this report they will discover that it is the same old Conservative party with another name added.

Motion agreed to.

Mr. POULIOT: On division.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

DEPARTMENT OF TRADE AND COMMERCE

571. Departmental administration — further amount required, $2,000.

Mr. GRAYDON: Has the minister any comment to make in regard to the matter which I mentioned while the Prime Minister was piloting his external affairs estimates through the committee this morning? At that time I referred to an editorial in the *Financial Post* which called for some integration and planning in relation to our foreign representation with respect to both the usual matters of external affairs and matters of trade and commerce. I believe the minister was in the committee at the time I made my remarks, and I wondered if he had any further comment to make.

Mr. MacKINNON (Edmonton West): I listened carefully to the answer given the leader of the opposition by the Prime Minister, and I do not think I can add anything to that statement. It was made after very careful consideration of the whole problem, extending over many months, by a committee consisting of three officials of the Department of Trade and Commerce and three officials of the Department of External Affairs, as the Prime Minister pointed out. I believe the report was unanimous on the part of officials of the two departments, and naturally I am fully in accord with the statement made by the Prime Minister.

Item agreed to.

573. Commercial intelligence service—further amount required, $38,000.

Mr. POULIOT: In our dealings with other countries, especially Mexico and the countries of South America, we should not forget the patriotism that is burning in the hearts of those people. If we want to make a success of our trade with Mexico and South America, and even the West Indies, we should go there by ourselves, entirely independent of the United States. Canada should go there as mistress of her own destiny. Of course it is a good thing to be on the best possible terms with our neighbours to the south, but on the other hand they must never become the guardians of Canada. If we come under the tutelage of the United States in our dealings with other countries we shall share the animosity felt toward that country by various other peoples. There are reasons for that. Do you know, Mr. Chairman, that in the United States embassy in Mexico there are nine hundred people, and that it is impossible to secure travel priority even from one South American country to another without the permission of United States authorities. Therefore it is of the utmost importance that any propaganda we disseminate in other countries should be carried on in the name of Canada alone, as a country which is commercially independent. Once before in this session I emphasized the importance of commercial independence for Canada. We should be commercially independent of all other countries, without any exceptions, to fight our way ahead in trading on all the markets of the world. I will not insist more upon that, but I notice at this date—the most important day of the session—few remaining members of the Bloc Populaire of Quebec are shining by their presence while we are fighting the fight

of the people. They were never here, and when they were here it was just the same as if they were non-existent.

Item agreed to.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

195. Departmental administration, $161,172.

Mr. POULIOT: Well, sir, I will tell the minister again what I have told him before, that I have the highest possible regard for him. He is one of the two or three most likable ministers in the cabinet. I say that with a great deal of pleasure.

On the other hand, how is it that last year the minister wrote me that Charlet would have his pension? He wrote that in August of last year—a year ago. He has received a small amount, but it is impossible for the returned man to get a proper pension from the Department of Pensions and National Health. I want the staff to be changed, from the deputy minister down. I have asked that before, and I ask it now, when they are in the house. I want a change of personnel in that department, so that the returned men may have justice.

I have been fighting for this man who came to me the other day and asked me to endorse a note. I am a poor man. A large part of my indemnity goes for the payment of taxes. We have no other source of revenue. I would like to be rich. I would like to be able to give money to those poor men, but it is not my duty to do that. It is the duty of the department. There is no excuse, when a man is entitled to a pension, according to the word of the minister, that this man should not receive a pension. I had to write a letter for this man, and address it to the bank manager, so that he may renew this man's small note.

How is it that it is impossible to get satisfaction from the commissioner? To-day I wrote a letter to the minister complaining about the information he has received from his officials regarding the case of a man suffering from a heart ailment. Afterwards this case was rearranged by the chairman of the board. When I brought this matter to the minister's attention for the first time he told me that this man had been examined by the army and that the case should be placed before the Department of National Defence.

But now it is not that, at all. It is a case where this man is refused a pension because of wrong information given to the Minister of Pensions and National Health by his officials, after consultation with the guilty parties—those who are responsible for the fact that this man was not looked after and that he died without the assistance either of a chaplain or a doctor. It is a very sad case. It is a case with which the parliamentary assistant to the Minister of National Defence is familiar. My letter will probably be transcribed to-morrow. But in that letter I told the Minister of Pensions and National Health that the thing he should do would be to get in touch by telephone or otherwise with the parliamentary assistant to the Minister of National Defence, so as to get a true picture of this very sad case.

I have been fighting for the draftees, and I fight also for the soldiers. It is absurd that a member of parliament should have to give so much time to cases which are as clear as crystal water, and which should be decided favourably. How is it that the officials of the Department of Pensions and National Health find it so hard to understand, when these are typical cases of men who are wholly deserving of pensions? I think there should be a change. It took twelve months, and in the meantime legislation has been passed.

I have given credit to the minister, because some cases have been settled satisfactorily for the men. That is why I was pleased to say a good word for him. It is most unpleasant to say disagreeable things in the house all the time. It is much more satisfactory to speak otherwise, when occasion arises, and to say things which are pleasant, when one is satisfied that things are working well. But there must be a fate attached to certain deserving cases, when the men cannot secure the pensions to which they are entitled.

This case of Charlet is a case with which the minister must be familiar. This man received a small amount the other day, but the amount of pension is not yet settled. I hope the minister will give definite instructions to have it settled. Otherwise I shall stick to this case, and he may be sure that I will bring down the file and read it—and it is a big one—for the edification of members.

It is a strange thing; there is a man who is a high official in the department, a man who is supposed to be infallible and whose word is all-powerful. He gets more important according to the size of his staff. Naturally the deputy minister is the big boss in the department, because he has all the department around him—all the boys who smoke, and all the girls who knit. They are all around him, to give him more power. But when it comes to the case of a poor fellow who has been badly wounded in an accident, and who is entitled to redress of his wrongs at the hands

of the state, how is it that Jean-François Pouliot has to repeat the same thing so often in the House of Commons, without succeeding to make himself heard by the officials of the department?

I do not complain about the kind of correspondence I have received from the minister, because it is the finest of its kind. I do not complain about the style of it, but I regret that he is wrongly informed. I regret that he does not fire those who have been appointed as deputy heads in his department by R. B. Bennett.

When I must choose between the poor devil who has been wounded while serving his country and the big and powerful man who earns a big salary, I choose the weaker one. I choose the little soldier, and I fight for him because he is alone. The big man has the whole government to fight for him; he is all-powerful, because he has a big salary, one which amounts to several times the pension asked by the poor devil, who will not get it.

How many pensions were granted to men who were undeserving of them between 1919 and 1935? During this war we have had to fight to the utmost to get for those humble men who have been wounded in service what they are entitled to, according to the law—not the new law, but the old law which has been in existence since the last war. It is impossible to get justice for these men. We should fire the big ones; we should help the small ones and they should be helped right away. Why wait so long? Why say that we will wait for the benefits under the new legislation? There is the legislation which is in force and which could protect those poor devils who have been wounded, which should protect the mothers of dead soldiers, which should protect the wives and children of soldiers. Why not apply it now?

If the new legislation which is supposed to accomplish such marvellous things is enforced in the same way as the old legislation has been, no returned man will get any benefits from it. There is the case of Charles Pelletier, which I have mentioned. There are many others I could deal with, but I shall not impose on the committee to-night. These are cases of soldiers who have been wounded and who have written to me to ask that their wrongs and grievances be redressed. It is not a pleasure for me to do this; it is my duty and I do it now. I hope I shall have a satisfactory answer in connection with this young man who has been entitled to a pension since August of last year according to the word of the minister himself.

Then there is the case of Philippe Beaubien, one of the most shameful cases that occurred in Lauzon camp in Quebec city. In that case I asked the minister of pensions to see to it that a pension was awarded to the mother. I ask that this wrong be redressed by firing those who have been so criminally negligent. I know the feeling of members and I am not going to impose on the committee which has been most kind to me. However, these are things that cannot be left over. This is the time to discuss them; it is our duty to discuss them and I will fight for them as much as I can.

Mr. MACKENZIE (Vancouver Centre): Mr. Chairman, I wish to deal quietly with some of the observations of the hon. member for Témiscouata. I have not seen him here for the last three weeks. On frequent occasions he has submitted to me a list of twenty cases which I have personally investigated with the utmost sympathy and, if I may say so without any suggestion of boastfulness, some knowledge of pensions procedure extending over some thirty years. I may say that I want to vindicate the judgment of the pensions committee in every single case that was brought to my attention.

When my hon. friend suggests that there is any lack of human sympathy among those men I want to tell him that they are all men who fought with valour and distinction for their country in the former war. Six of the eight enlisted as private soldiers and fought as private soldiers. If any body of men in the Dominion of Canada would have sympathy and kindliness toward those claimants who come before them, it is the present members of the Canadian pension commission.

I wish to say a word also about the deputy minister. He also is a returned soldier who fought with great distinction in the last war. I have been in the department for only four years, but I must say about my deputy minister that I have never had from him anything but the utmost human kindliness and sympathy toward the case of the returned man. That is the situation with regard to my deputy and the Canadian pension commissioners.

They are all returned soldiers just the same as certain members in all parties in the house. Whenever they are able under the regulations and under the statutes which this parliament has passed during the last twenty-five years to give the benefit of the doubt to the returned soldier, that is done. Why should they not? He is one of their comrades and that is their duty. I must protest against anyone coming up with these observations and animadversions and casting missiles of malice around this chamber at those whose duty it is to serve their comrades.

Mr. POULIOT: I rise to a question of privilege. I did not throw any missiles of malice. That is not one of my defects, and I may have many. It is forbidden by the rules to impute motives to a member of parliament. I have treated the minister as my colleague, and he has no reason whatever to impute motives to the member for Temiscouata when he is fighting the case of the underdog. He may praise his deputy as much as he likes because that is his business, but he has no right according to the rules to cast aspersions on any member. I think I am far from being touchy, but I submit that the hon. member is infringing the rules by saying that I am casting missiles of malice at any one. I did not do that to the minister and I did not do it to his deputy. We are free to hold our own opinions, but I was not inspired by malice of any one when I made my observations and I ask the minister to withdraw what he has said.

The CHAIRMAN: I do not see any point of order. There certainly is some rule that a member of the government's service should not be attacked on the floor of the House of Commons because it is not possible for him to defend himself. In this case the minister was defending some of his officials in his own department, and I do not think there is any point of order.

Mr. POULIOT: He was sheltering them.

The CHAIRMAN: I was not sheltering any one.

Mr. POULIOT: Not you, he.

Mr. KNOWLES: I shall not take the time to cast any compliments or brickbats at the minister because I think he has had his full quota of both this year, if not during the past few days, but there are two or three matters I should like to bring to his attention on the floor of this chamber. May I say that I regret that some of the matters I have to raise at this time concern individuals, but the only reason why I express any regret is that I know some hon. members object to our doing it. But these people are Canadian citizens, and they have asked specifically over a period of many months that their cases be raised in the high court of parliament because they feel they have not been dealt with as they should have been. I am sure the minister, the members of the government and all hon. members will agree that one of the principles of this parliament is that the case of the lowliest citizen in the land can be brought up for discussion here and for redress if it is possible to achieve it. Unfortunately these matters come up at a late time, but when the appropriate item is called is the proper time for such a discussion, whether it be the first or the last day of the session.

First, I should like to direct the attention of the minister to a case which has been brought to his attention frequently over a period of several years. This is the case of Miss Mary Turnbull of McMunn, Manitoba, in the constituency of the hon. member for Springfield, who among others has brought the matter to the attention of the minister and of the Prime Minister as well. This woman is the daughter of the late Acting Corporal John Turnbull, whose number was 859730. Miss Turnbull's father was a one hundred per cent pensioner for a period of many years. His illness was quite serious; in fact it affected him mentally. The result was that he was a very difficult patient to care for. He lived in an out-of-the-way place in Manitoba where his daughter cared for him over a period of a good many years. There is evidence which seems incontrovertible to me that her health was seriously impaired by the difficulties which she encountered in caring for her father during all those years. That his condition was attributable to war service was fully established by the fact that he was a one hundred per cent pensioner. I would say further that her claim to some consideration is supported by the fact that at the time of her father's death the balance owing to him was paid to her, and in addition she later was given a compassionate grant of $100. The information that I have in connection with that compassionate grant is that it was given without prejudice, but nevertheless it was given. The correspondence I have had, as well as other members, with the minister has brought out the technicality that this lady was not incapacitated before she reached the age of twenty-one. Apparently that is the technicality on the basis of which the commission finds it impossible to make any grant to Miss Turnbull.

Mr. MACKENZIE (Vancouver Centre): Was the grant made by the Canadian pension commission or from the Scott fund?

Mr. KNOWLES: I will read from the minister's letter to me dated January 22, 1943, with respect to the $100 grant:

> She was also subsequently given a compassionate grant of $100, which was not intended as a payment to her for looking after her father as it is not the view of the commission that the state is under any obligation to pay children for looking after their parents.

I may say further that the most recent bit of material that has come into Miss Turnbull's

hands is a recent issue of "Canada at War," in which she finds this sentence in reference to disability pensioners:

An additional attendance allowance for those needing the care of an attendant may be paid up to the sum of $750 a year.

Of course that is the present legislation. But the minister will appreciate the feeling of a woman in this position when she realizes that this kind of thing is being done now. When we are passing bills involving the expenditure of a good many hundreds of millions of dollars she cannot help feeling keenly that there is nothing for her after she has discharged not only her responsibility as a daughter to her father, but a responsibility for the country which he had served. For a good many years she took care of her father whose life was ruined by war service. Her own physical condition is impaired because of what she has done, and she feels that she has not been dealt with rightly because she has been simply told that technicalities stand in her way. She has also been told by the minister and by the Prime Minister that cases of her kind would be given consideration when amendments to the Pension Act were being drafted, but she has discovered that she has to wait a long while for any such changes to be drafted.

I appreciate what the minister said a few minutes ago in answer to the hon. member for Témiscouata that the members of the Canadian pension commission do their best within the regulations. We who are members of parliament and have some idea about laws and regulations can understand that, but it is a pretty cold answer to the woman herself, as it is to others in similar situations.

Mr. MACKENZIE (Vancouver Centre): It was not meant to be cold.

Mr. KNOWLES: It simply means no.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to review that case at once.

Mr. KNOWLES: I am very glad to have that assurance from the minister. That was my point in raising this case even on this last night of the session. The minister has had the case before him a good many times, but I earnestly hope that in considering it further he will give as sympathetic and as favourable a decision as he possibly can.

Another case that I have been specifically asked to raise on the understanding that some people in this country have—and I say rightly so—that parliament is a high court where the grievances of a citizen can be discussed, is that of a wife of a soldier whose name I will not give but whose pension number is 104512. This is a case where the soldier is still living and is in Deer Lodge hospital. His case is bordering on the mental, if not a mental case. There was a separation between the husband and the wife back in the late twenties or in the early thirties. My view about this separation, as about many other separations that have come to my attention, is that it was attributable to the war. The kind of experience that men went through made them in some instances, one might as well admit, difficult for their wives to live with, or impossible for them to live with their wives, and there have been many troubles of this kind. In fact I have had instances somewhat similar to it of widows of veterans who have died to which Colonel Carmichael of the war veterans' allowance board has given favourable consideration. It is because there has been such favourable consideration given there that I mention this case, although it is slightly different because in this case the soldier is still living.

Although there was that separation the time came, about 1934, when by a court order the conjugal rights of the wife were restored to her. That was done by the court of appeal of Manitoba on November 12, 1934. In the meantime, unfortunately, the soldier had been admitted to Deer Lodge hospital less than a month before, on October 18, 1934. He has been in Deer Lodge hospital ever since. His condition is quite poor, bordering, as I have said, on a mental condition. The minister will notice, therefore, that it has been impossible for this man and wife to live together since the date of the court order. There again a technicality stands in the way. The regulations say that a wife in these circumstances can be given consideration only if husband and wife actually reside together. It seems to me that under these circumstances an effort should be made by the minister to find some way whereby the spirit at least of the law might be interpreted in favour of the wife.

There has been some recognition of the validity of the case because in the first instance the wife had nothing to live on, and in due course she was awarded five dollars a month, which was the pension that had been awarded to the soldier. The commission agreed to pay it to her. Later, after I came into the picture and began this voluminous file of correspondence that I have in my hand, that five dollars was raised to twenty dollars a month. The consequence was that this lady was able to go off Winnipeg city relief, which she was very happy to do, having a bit of commendable pride. But she finds herself now with a total income of only twenty dollars a month, which is less than she was receiving before when she received the pension of five dollars and city relief. It seems to me that it ought

to be possible to pay a woman in such circumstances at least the $30.41, which is the amount paid to veterans' widows. In fact it has been suggested to her that if her husband were to die she might come into that category. That is a most unfortunate suggestion to have to make to a person, and accordingly I urge the minister to give favourable consideration to this case. I take it the minister's silence gives consent.

Mr. MACKENZIE (Vancouver Centre): I am listening very carefully to my hon. friend.

The CHAIRMAN: I do not think that particular cases should be discussed when the minister shows his willingness to deal with these matters collectively.

Mr. KNOWLES: I assure you, Mr. Chairman, I am not going to take up much time. I do not wish to argue the point with you, but I suggest that this is in order under the item. This is the last night. If this matter had come on three months ago there would have been no argument on the point.

Mr. MACKENZIE (Vancouver Centre): This is the third time I have been before the house this session.

Mr. KNOWLES: Not under departmental administration, civil estimates. This is the first time these estimates have been called this year.

Mr. MACKENZIE (Vancouver Centre): I am not objecting.

Mr. MITCHELL: Why not argue on principles rather than individual cases?

Mr. KNOWLES: The principle underlying this, if the Minister of Labour wishes an answer, is that in these cases the department should not take the regulations as they stand as something final but should realize what these technical rejections mean to the people concerned, and should find a way of taking care of such deserving cases. However, this is the last of specific cases I will mention. This time it is a soldier of this war. I will give the number, 28222. In this instance the matter has been brought to the attention of the minister on several occasions by the hon. member for York South (Mr. Noseworthy). I raise it in his absence. In fact, it is the case which he mentioned in the house one night as a sample of something that ought to have been done without the intervention of a member, but which was taken care of after he brought it to the attention of the late General McDonald, who was formerly chairman of the pension commission. This is the situation with respect to this case, and the minister can look it up from the number I have given him. Pension was finally granted at a late date and it was made effective from May 1, 1942, which made it retroactive for a considerable period; but lately, within the past week or so, the pension has been discontinued.

Mr. MACKENZIE (Vancouver Centre): May I have the number?

Mr. KNOWLES: I will repeat it: 28222. It has been discontinued on a technical ground. The man's condition is quite serious —the case is one of tuberculosis—and he is in a very serious plight. The secretary of my colleague the hon. member for York South has been in touch with the commission by telephone but without a great deal of satisfaction. So much has been done in this case, and so many things have been pointed out in regard to the justice of it, that I hope the minister will give it immediate consideration.

May I deal with one other matter. I said once before, when we were on another item, the civil service superannuation act, I believe, that I had received a number of briefs from and on behalf of the non-medical employees of the staff of Deer Lodge hospital, Winnipeg.

Mr. MACKENZIE (Vancouver Centre): Those would be orderlies?

Mr. KNOWLES: Yes, and people in similar categories. I will not go into the long list of grievances presented because I am sure these briefs must have been presented to the minister as well.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. KNOWLES: I hope he will give consideration to them.

Mr. MACKENZIE (Vancouver Centre): That has been done.

Mr. KNOWLES: There were two main matters, one with respect to superannuation. I dare to hope that those problems have been taken care of by the recent superannuation legislation. Some are temporary permanents and people of that class. One sentence will give an idea of the kind of complaint they make. I quote:

> Older employees are called upon to train newcomers whilst being classed as unsuitable for promotion.

That is a sample of the grievances which these people have.

Mr. MACKENZIE (Vancouver Centre): That is one of the biggest disappointments in our department.

Mr. KNOWLES: What does the minister mean by that?

Mr. MACKENZIE (Vancouver Centre): Well, we have been trying for three years to get it remedied and we are on the eve of attaining that end.

Mr. KNOWLES: Am I right in assuming that the minister has received all these briefs?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. KNOWLES: And that they are being given attention?

Mr. MACKENZIE (Vancouver Centre): Yes, indeed.

Mr. KNOWLES: And they will continue to receive attention?

Mr. MACKENZIE (Vancouver Centre): I think I shall succeed.

Mr. KNOWLES: I am glad to hear that.

Mr. POULIOT: Will the minister be good enough to revise the case of Charpentier and telephone to the parliamentary assistant to the Minister of National Defence with regard to the case Beaulieu?

Mr. MACKENZIE (Vancouver Centre): I shall be only too happy to do anything I can in the service in which I am engaged.

Mr. POULIOT: I thank the minister and I appreciate what he has done. When I speak as I have done I want to inform him that my only purpose is to bring to the attention of the committee some of the most deserving cases. I have not the time to bother about this or that individual. I want justice to prevail in the land and I want those who are in the army or have been in the army to be treated with fairness and justice and in a way that is satisfactory to them, which will bring in the social order that we hear so much about. But we shall get that only by looking after individual cases. We cannot help the soldiers by talking in the abstract; each man should have direct and immediate assistance. I thank the minister for what he has said. I appreciate it, and I will write to him again in regard to these cases. I hope that, as he has done in the past in some other cases, he will see that justice is done in the matter.

Item agreed to.

198. War veterans' allowance board, $169,771.

Mr. GRAYDON: I have had some correspondence from a person in New Brunswick who is interested in the extension of the terms and privileges of the War Veterans' Allowance Act. I raise this question largely because my correspondent has brought it to my attention. Has the minister considered the extension of the privileges under that act to those who have served not only in an actual theatre of war, which is the usual description, but in England or Canada as well? I will not pursue the matter further at the moment. I leave with the minister the suggestion that has come from my correspondent and perhaps when the time comes he will consider it in connection with prospective amendments to the War Veterans' Allowance Act.

Mr. MACKENZIE (Vancouver Centre): I can assure my hon. friend I shall pay particular attention to the observations he has just made.

Item agreed to.

Mobilization branch—

199. Branch administration, $62,039.

Mr. CASTLEDEN: With regard to hospitalization other than at the larger centres where veterans are treated, what has the department in mind in connection with the use of local hospitals? In some cases the physicians are faced with an increase in the number of patients and they are becoming greatly concerned about their ability to provide the service which they anticipate on the return of the soldiers. Would the minister mind giving us a statement on the policy and what they intend to do?

Mr. MACKENZIE (Vancouver Centre): In the last year the policy has been to identify the work more closely with local hospitals, especially in the smaller centres. One of the complaints we had in the Department of Pensions and National Health before I was identified with the department was that boys who were in local centres in the interior of the province had to come down to a coastal city or to the great centres of population in the provinces for hospitalization and treatment. So far as we can we are limiting that except for scientific and medical reasons where the case is more serious and we have to obtain the services of qualified specialists. We have developed as much as we can the assistance and encouragement of local centre treatment.

Mr. CASTLEDEN: Are you doing anything in the way of granting assistance to such hospitals to enlarge their accommodation?

Mr. MACKENZIE (Vancouver Centre): No, not in every case. That is one of the difficult problems. We have done that provincially; we have not done it locally. We have done it in Edmonton, in Regina and in Ottawa by building a wing or a pavilion wing adjacent to very fine hospitals in each case where we have the benefit of the services of brilliant medical and surgical experts. That policy may be extended. In addition to that, of course, we

have ten or twelve major hospitals of our own which are being vastly extended. In addition to that we are building two of the biggest hospitals in Canada, the Sunnybrook in Toronto and the Currie hospital in Montreal. They will be two magnificent hospitals when finished.

Item agreed to.

Direct payments to veterans and dependents—
207. Widows' compassionate allowances to be paid under terms and conditions approved by the governor in council, $600,000.

Mr. KNOWLES: The minister knows that this is another item that many of us in this house—I speak not only for myself—have been waiting for for many months during the present session, the item under which a grant is made to widows of veterans of the last war who died with a pension of fifty per cent or less. The first provision of something for those widows was made by a special vote last year to the amount of $20 a month, or in special cases up to $25. Under certain orders in council passed later that amount was raised this year to a maximum of $30.41 per month. A long battle was carried on by members of this house before I came here, and I have been glad to join in it. I am pleased that a start has been made. But I hope that the minister does not think that it is just a theme song on our part, when I say that the government really has not gone far enough.

May I ask this question: has the government given favourable consideration to the requests that were made following a meeting of the dominion council of the non-pensioned widows of great war veterans, held in Ottawa in the early part of March of this year? The requests made to the minister at that time were several. Perhaps I can state them briefly. They were, first, that the eligible age be reduced to fifty; second, that the allowance be paid to widows of veterans in this category irrespective of the place of service of the veteran. The point at issue there is the plight of the widow whose husband in the last war, shall we say, got to England and wanted to go to France but did not get there. It does seem most unfair to women in that position. The third request is that the amount be raised to $40 per month. Here again when these women realize the amount of money that we are able to find for other worthy objects, when they learn of the increasing acceptance of the concept of social security, they find it difficult to understand why they should be asked to exist on $30.41 per month. Remember that many of these women are in the age bracket of fifty-five to sixty, because the allowance starts at the age of fifty-five, and it is very hard for them to carry on on that amount.

The fourth recommendation is free hospitalization. The fifth has to do with a change respecting dependent children of such widows who at the present time are receiving allowances from provincial mothers' allowance boards. The next recommendation had to do with the plight of the deserted wives. This is very similar to the case that I was referring to a little while ago, except that now we are speaking of the widow who was a deserted wife before she became a widow. It is similar to the previous case because there are many of these women whose husbands left them owing to a complete upset that occurred in the soldier's life as a result of his service in the war, definitely, in my mind, attributable to the kind of experience these men went through, and it does seem to me that consideration should be given them. The seventh suggestion was that this legislation be made permanent. As a matter of fact from the way it was introduced last year I thought that there might be a bill this year making it permanent, but instead of that we have this item, which is called the last night of the session.

The eighth suggestion is that representatives of the non-pensioned veterans' widows association be asked to sit in with the war veterans' allowance board, on certain occasions at any rate, to discuss matters of general policy relating to the administration of those allowances. I think that the minister will agree on that point; and I am sure that Colonel Carmichael would. I think that the visits these women made to Ottawa at their own expense have have been worth while. The minister at times may have thought that they were rather a nuisance, but he will admit that they have helped the government to bring into effect something that will at least begin to meet the sort of thing that Canada would want done for these people. That being so I suggest that their request that they be called in in an advisory capacity is a commendable one and one that would help to improve this legislation.

The ninth request has to do with the plight of the widow of an imperial veteran where both the soldier before he died and the widow have lived in Canada for twenty years or more. I have had a number of cases in that category brought to my attention where the English ex-soldier and his bride came to Canada after the last war. The soldier had no pension. He died in the meantime and his widow is left without any chance to get any

assistance either from the United Kingdom government or from this government, although they are Canadians by reason of the fact of twenty years' residence or more. I hope this matter will be fully considered.

There are one or two other recommendations, but perhaps they are not as important as the ones that I have brought to the attention of the minister. He knows that this is a subject on which the hon. member for Davenport, the hon. member for Trinity and many other hon. members of the house feel very keenly and have spoken on quite often. If it were earlier in the session the minister knows that this debate would go on all night. The way in which he could cut it short is by telling us that many if not all of the recommendations of these women are to be granted, or at least are being given active consideration.

Mr. MACKENZIE (Vancouver Centre): May I very briefly refer to the point raised by my hon. friend. In the first place he mentioned the age of fifty instead of fifty-five. If he will read the order in council he will find that it says:

(a) that such widow has attained the age of fifty-five years or is so incapacitated by mental or physical disability as to be incapable of and unlikely to become capable of earning a livelihood.

So that there is very great leeway to deal with many cases.

Mr. KNOWLES: I appreciate that, but it does not meet the request for a lowering of the age for all concerned.

Mr. MACKENZIE (Vancouver Centre): The second point my hon. friend raised was in connection with widows of veterans who served only in England. The position is that we cannot very well extend that benefit to the widows until we extend it to the men themselves. I think that is clear; everyone should realize the situation. We must give it to the men themselves first.

Mr. KNOWLES: On that point I support the leader of the opposition in saying that that should be done without delay.

Mr. MACKENZIE (Vancouver Centre): Possibly I might agree. The third point was the question of the deserted wives. That is a most difficult problem, and as yet we have not reached a solution, though we have tried our best. The next point was the matter of permanent legislation. My hon. friend may take my assurance that this will all become permanent legislation, no matter what government may be in power. All these benefits will be embodied in the statutes of Canada. The last point raised by my hon. friend was in regard to some grant to assist the representatives of the non-pensioned widows. There is an item of $1,000 in the supplementary estimates to assist these ladies to come down here and place their grievance or their complaint before the government of the day.

Mr. KNOWLES: I am very glad to hear that. The minister did not deal with the most important suggestion, however, which was that the amount of the allowance be increased to $40 per month.

Mr. MACKENZIE (Vancouver Centre): That cannot be increased, of course, until the general range of veterans' allowances is raised. There must be some parity.

Mr. KNOWLES: I agree, but the general range should be increased too.

Mr. GRAYDON: Do I understand the minister to say that this grant of $1,000 to the non-pensioned widows is to assist a future delegation to present their case to the government?

Mr. MACKENZIE (Vancouver Centre): That is right. These ladies had to come down at their own expense. We thought it was rather unfair to ask them to do that, so that an amount of $1,000 was placed in the estimates for that purpose.

Mr. GRAYDON: That is an excellent idea. The hon. member for Winnipeg North Centre advanced certain arguments in their behalf, and I should like to join in the plea that justice be done these women. A number of them came to see me last year, and possibly the year before. Many hon. members of this house have taken a kindly interest in their case. Last year I had an opportunity of speaking in their behalf, and it is only because of the circumstances of the moment that I am not speaking at much greater length this evening. However, I should like the minister to understand that he will receive very general backing and support in parliament for any scheme that will give justice and equality to these women whose case I think presents a definite challenge to this government and this parliament.

Mrs. CASSELMAN: I am glad indeed to see that the provisions have been widened and that the grant will be made to a greater number of women. I would strongly urge the minister to give consideration to those women who are not widows but who cannot live with their husbands, perhaps because their husbands are mentally ill or for similar reasons. There are a few women in this situation, and I think their case is exceptionally worthy of consideration.

Mr. MACKENZIE (Vancouver Centre): My hon. friend has presented a new appeal with which I was not familiar previously, but I shall be glad to take the matter into consideration.

Mr. KNOWLES: I wonder if the minister would repeat what he said about the case of the woman who was a deserted wife before she became a widow. I realize that the bachelor minister does not understand these things, but I am pressing this point because of one case in particular that I had some months ago. That was the case of a widow whose husband had deserted her before he died. As a matter of fact she was a Salvation Army officer. It was a matter of deep regret that this should have happened but it was due solely to the condition of her husband, which arose from the last war. This widow was in the further difficulty that while she had two sons serving in the present war, each had a wife and neither could afford to assign any money to her, so she had nothing of her own to live on. I mention this fact because I took up the case and fought it hard with Colonel Carmichael and his board which, eventually found a way to grant an allowance to this widow. I was very glad. But I have others whom the board have not found it possible to help out, on the ground of the technicality. It seems to me the minister should listen to the representations that have been made to-night from this side and by the hon. lady member for Edmonton East and see if the regulations cannot be changed to cover fully the case of the woman who was a deserted wife before becoming a widow.

Mr. MACKENZIE (Vancouver Centre): The regulation now is that such widow was living with or being maintained by her husband at the time of his death, or within a reasonable time thereof, provided that the board shall have discretion to waive this qualification in any case where circumstances exist which the board deem such as to make it just and reasonable so to do.

Mr. KNOWLES: What is the date of that regulation?

Mr. MACKENZIE (Vancouver Centre): August 13, 1943.

Mr. KNOWLES: Yet in March of this year the widows still found it necessary to protest this matter.

Item agreed to.

[Mrs. Casselman.]

Services to veterans and dependents—

212. Grant to Canadian Legion, $9,000.

Mr. GRAYDON: This is the last of the pension items, and I want to raise one question, though the matter is not covered by any of the regular items in the estimates. It is a point that was not brought to the attention of the government or the minister during the debate on the gratuities bill. I realize that the circumstances under which the gratuities bill was debated did not give time for the reaction of certain sections of the country to reach parliament before the bill was finally passed, so that perhaps at this stage I may be permitted to put in a word for the veterans guard, who as far as I know were not mentioned in the discussion on the gratuities bill. I think they deserve consideration by the government when any amendments are being made to that measure. The veterans guard is composed entirely of ex-service men, and I for one believe that they should be considered on an overseas basis with respect to gratuities and rehabilitation grants. These men are in a very special class, if I may say so. I mention this matter now because it is the only opportunity left at this late hour of presenting what I think is a case to be dealt with when amendments to the gratuities bill are considered by this or a succeeding government at the next session of parliament.

Mr. MACKENZIE (Vancouver Centre): I appreciate the observations of the leader of the opposition, but of course there are two points to remember. In the first place the members of the veterans guard were all entitled, as we were, to the benefits of the war service gratuity following the last war, and under the modern scheme they are entitled to the home benefits, unless of course they are sent overseas, in which case they would be entitled to the overseas rate. In addition they are entitled to many other benefits. For instance, we extended the veterans' allowance and the provisions of the insurance act to cover them, so that I can say they have received more benefits than those who did not re-enlist in the present war.

Item agreed to.

Health branch—

213. Health branch administration, $59,277.

Mr. GRAYDON: I am anxious to have the minister indicate to the committee, if he will, what contracts have been let, and the details of those contracts, with respect to the Sunnybrook Farm hospital. This matter is engaging the attention of the public at the moment perhaps to as great an extent as almost any

other of our many hospitalization problems. If the minister could give those details I would appreciate it, and it would be of great interest to the public generally.

Mr. MACKENZIE (Vancouver Centre): I had information come to my hand a few moments ago that two contracts have been let so far. One was a grading or levelling contract for $14,000, let to a firm from Brampton. That is a purely preliminary contract. Then, a few days ago, on August 11, the main contract for the first unit was let, to the value of $2,887,000. That was let to the Redfern Construction company, and includes the preliminary units of a very great scheme which will amount to about $10,000,000 when it is completed. There will be a total cost, as I have said, of about $10,000,000, before all buildings are completed.

This first unit consists of a boiler house and engineering unit, what they call an up-patients building, and makes a provision for a total of 400 beds out of a total of 1,450 beds which will be finally developed in the institution when it is completed. When this hospital is finished it will probably be one of the largest in Canada.

As my hon. friend may know, we have acquired adjacent property for a health and occupational centre for that type of case which I have described on several occasions. We have bought eight or nine centres across Canada for the assistance of these cases who need some assistance to acquire again the desire for employment, and to develop fitness for employment. One is being built here in Ottawa—the Rideau occupational centre; one at Ste. Annes, one at London, Ontario, one at Toronto, one in British Columbia, one at Saint John, New Brunswick—

Mr. ISNOR: One in Nova Scotia?

Mr. MACKENZIE (Vancouver Centre): Yes, one in every province; but at the present time we have started with a project of five. We have not developed the whole project for every province, but we are going ahead as fast as possible.

Mr. GRAYDON: When will the first patients be admitted to Sunnybrook Farm hospital? I believe one of the real criticisms made with respect to hospitalization in that area is that the Sunnybrook Farm hospital was not got under way as early as it should have been. I remember the minister's arguing in the house that one of the reasons why nothing could be done a year ago was the question of priorities. Then, following that, the priorities difficulty was apparently overcome, and late in the year the first sod was turned.

The real difficulty is that most people feel the hospital should have been commenced a good deal earlier, having in mind the possibility of casualties and the increased need for hospitalization in Canada. For that reason I would say particularly to the minister that one of the chief grounds of complaint at the present time is that the original move was made too late. It becomes of vast importance therefore that we should know when the first patients will be admitted to Sunnybrook Farm hospital.

Mr. MACKENZIE (Vancouver Centre): Of course I cannot give a definite assurance in that regard; but I can say that the architects and contractors have been instructed to rush all work as fast as possible. I do not know if construction was commenced to-day, but I know it is to commence immediately, as a result of the contract I mentioned a moment ago. And I have every reason to believe that the second unit can be looked after very quickly indeed.

I can assure the committee that so far as this department is concerned, in cooperation with the defence services, and with the Department of Public Works, which is really in charge of construction, the purpose is to rush the construction of Sunnybrook Farm hospital as fast as it can be done. I am not a contractor or a construction man, and I cannot of course give a definite reply as to when we can have patients in there. But my hope would be that it would be as soon as possible.

Mr. GRAYDON: I should like to have something a little more definite from the minister with respect to time. I know how difficult it is to estimate time, and sometimes it is even dangerous to do so. Nevertheless I think the public will not be satisfied unless some estimate is given as to the time when Sunnybrook Farm hospital will be able to take in some patients.

I wonder if the minister would go back to the time the matter was argued last session, when he told the committee that the difficulty was one of priorities. He said at that time that priorities could not have been arranged before, and the hospital got under way at an earlier time. That seemed to be a really serious complaint and I must confess it is difficult for me to see the reason why the work could not have been commenced earlier.

Mr. MACKENZIE (Vancouver Centre): For the same reason that they would not permit them to construct veterans' hospitals in the United States of America—exactly the

same reason as we had here. In company with my deputy minister I made a personal visit to Washington a year ago to urge the necessity of obtaining priorities, especially in regard to Sunnybrook hospital at Toronto. We got the finest reception, but we were told that they had the same difficulties there, and that these were world conditions. They were found there, and they were found all over. I am glad to say we have now obtained a first priority in regard to labour and materials. That will be helpful to us.

Mr. ROWE: Priorities are not holding it up now?

Mr. MACKENZIE (Vancouver Centre): No; it is just a matter of plans and specifications. Then, of course, there would be difficulty in regard to labour; but the Department of Labour has been very helpful to us and has promised to give us every consideration in regard to getting available labour.

Mr. ROWE: Has the minister any approximate estimate as to when it will be finally completed?

Mr. MACKENZIE (Vancouver Centre): All I can tell is that it is commencing at once. How long it will take to build is a matter for a construction engineer to estimate. I can only say that every single expedition will be used and every pressure brought to bear. That is as far as I can go.

Mr. GRAYDON: Has an estimate been given by any competent engineer as to the possible time of opening the hospital for patients?

Mr. MACKENZIE (Vancouver Centre): No, I have not any.

Mr. GRAYDON: The minister will see at once my reason for being so insistent in my inquiries. The public will brush aside all technicalities as to estimates by construction people. What they want to know is when patients will be allowed into Sunnybrook Farm hospital. Will they be allowed in in November, or next May, or a year from then, or when? They have no idea as to whether it will be years or months, or how long it may be. That is one of the reasons why I am so insistent in my inquiry.

Mr. MACKENZIE (Vancouver Centre): The only estimate given me was somewhere in 1945, but I should not like to be bound by it.

Mr. HARRIS (Danforth): Has the minister under his hand the amount of assistance given to this problem in that area in connection with making available space for consumptive patients. and space for critical surgical cases in Toronto General hospital and other hospitals in the Toronto area? Does the minister feel he has received the maximum of assistance from those charged with the responsibility of hospital administration in the Sunnybrook Farm area?

Mr. MACKENZIE (Vanvoucer Centre): In reply to the leader of the opposition, first, I have received a note which states that the contract has been awarded for completion one year from to-day. I did not know that when I replied to my hon. friend before. That is the estimate made by the engineers.

Mr. GRAYDON: Is that for the completion of the whole hospital?

Mr. MACKENZIE (Vancouver Centre): No; that is for the completion of the 400-bed unit. The rest will follow very quickly indeed.

The hon. member for Danforth (Mr. Harris) has asked a question, and I want to take this opportunity, on behalf of the members of the committee, to welcome him back to this assembly. I am sure that he, along with the hon. member for Wood Mountain who sits to his right, represented this parliament with great distinction when they visited our sister dominion. We are most happy to welcome them back here. In regard to the hon. member's question, I must say that he has been most cooperative with the Department of Pensions and National Health through offering the facilities of an institution to which he has devoted many of his years. I believe about 200 beds are to be made available in this hospital with which the hon. member has been associated for many years in a truly beneficent way. I want to express publicly the gratitude of the government for his efforts to assist us in that way.

Item agreed to.

Health branch—

214. Food and drugs, $187,299.

Mr. POULIOT: I would like to know if the compound de Kuyper's gin is still supposed to be gin?

Mr. MACKENZIE (Vancouver Centre): I regret that I cannot speak with the expert knowledge of the hon. member for Témiscouata in regard to this matter. It is still before the courts for adjudication so that I cannot give any final opinion.

Mr. POULIOT: After the courts have decided, I will say it is rotten gin.

Item agreed to.

Health branch—
219. Immigration medical inspection, $49,621.

Mr. GILLIS: Am I correct in assuming that you have medical representatives at the larger ports in Canada?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GILLIS: In addition to doing immigration inspection work they also handle the merchant marine and to some extent supervise the merchant marine hospitals. Am I correct in that assumption?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GILLIS: The minister will remember that I raised this matter a few months ago. I think the departmental officials employed in this capacity have received a raw deal during the war. Their duties have increased and they are working longer hours. They are not in uniform and they have been refused the right to go into active service. Many of them volunteered their services but they were considered to be in essential work. When the war is over, those who are young men will be considered slackers because they are not recognized as being service personnel. In matters of promotion and so forth where preference is given to those who served in theatres of war, these young men who have been compelled to remain in their positions because the work they are performing is essential will lose out. Another thing to be considered is the matter of gratuities. The medical service is recognized as being entitled to these gratuities, but these men who render such valuable service at the ports, in many cases working harder than most other medical personnel, with the possible exception of those performing operations under fire, are not entitled. I think there should be an examination of their status.

Mr. MACKENZIE (Vancouver Centre): I am in substantial agreement with what my hon. friend has said. These men have not received the recognition to which they are entitled. With regard to gratuities, rightly or wrongly we have made the distinction that they are to be paid to service personnel as such. We have endeavoured to get permanent status for these men, and we have succeeded in many cases. I think it will be the duty of the department to see that there is no case of permanent injustice in connection with any of these matters.

Item agreed to.

Health branch—
220. Child and maternal hygiene, $45,381.

Mr. POULIOT: Is the excellent book, "The Canadian Mother and Child" by Doctor Couture, still available?

Mr. MACKENZIE (Vancouver Centre): It is being reprinted in both French and English. I have not the figures before me but a large number of copies will be available. It is one of the most popular books ever issued by the Department of Pensions and National Health.

Mr. POULIOT: It is an excellent book and I congratulate the minister upon publishing it. If all the other publications were as good they would be most helpful. I suggest that the minister send a copy to the premier of Ontario.

Item agreed to.

Health branch—
222. Treatment of sick mariners, $330,907.

Mr. GILLIS: Am I right in assuming that the owner of a ship sailing out of a Canadian port must pay into this fund?

Mr. MACKENZIE (Vancouver Centre): Based upon the tonnage of the ship.

Mr. GILLIS: There are some companies not paying into the fund.

Mr. MACKENZIE (Vancouver Centre): I did not know that.

Mr. GILLIS: I have a case in point about which I have been writing the department for some three or four months.

Mr. MACKENZIE (Vancouver Centre): Is that in connection with coastal trade?

Mr. GILLIS: Yes. It concerns two men who were torpedoed. The owner of the ship is the Dominion Steel and Coal company and they were not paying into this fund. As a result the hospital facilities at Halifax and Sydney were not available to the members of that crew. They suffered some hardship; there has been some difficulty in establishing pension rights and so forth, and I believe the case is in the hands of the department now. I merely bring this matter to the minister's attention because I think it should be looked upon as a compensation fund and all companies who employ men on ocean-going ships should be compelled to pay into the fund. In the case of the two men I mention I believe the hitch was that the company was not paying into the sick mariners' fund.

Mr. MACKENZIE (Vancouver Centre): When the act was passed it dealt with interprovincial trade and was not available for vessels in the coastal trade.

Mr. GILLIS: There was some friction over hospitalization because the company was not paying into the fund.

Mr. MACKENZIE (Vancouver Centre): Would they not come under workmen's compensation?

Mr. GILLIS: No, they did not get anything.

Miscellaneous grants—
239. St. John Ambulance Association, $4,050.

Mr. GILLIS: The girls in this association are employed in Canadian hospitals only. Is that right?

Mr. MACKENZIE (Vancouver Centre): Some of them are overseas.

Mr. GILLIS: Do they come under the Royal Canadian Army Medical Corps?

Mr. MACKENZIE (Vancouver Centre): No; they are civilian employees. If they were attached to a R.C.A.M.C. unit they would probably come under that corps for the purposes of discipline, but they are not part of the service as such.

Item agreed to.

Miscellaneous grants—
240. Canadian Red Cross Society, $10,000.

Mr. GRAYDON: I think the public ought to be made acquainted with the situation with which we are faced to-night and understand that if this committee has not said a good word for the various institutions and organizations which are mentioned under the head of "miscellaneous grants," comprising items 230 to 240, inclusive, there is a very good reason. Were the committee to be working under circumstances that would permit a lengthy discussion of these items, I am quite sure that hon. members on all sides of the house and in all parties would want to put in a word on behalf of these important organizations. To save time I want on behalf of the committee, not on just my own behalf because I have no desire to take any credit to myself or for my party, to pay tribute and to give credit where credit is so fully due to such organizations as are mentioned here, the Canadian Welfare Council, Canadian National Committee for Mental Hygiene, Health League of Canada, Canadian National Institute for the Blind, L'Association Canadienne Francaise des Aveugles, L'Institut Nazareth de Montreal, Montreal Association for the Blind, Canadian Tuberculosis Association, Victorian Order of Nurses, St. John Ambulance Association and the Canadian Red Cross Society. All these organizations and many others not receiving grants are deserving of the thanks of a grateful parliament and people, and I just want at this time to give a blanket approval and pay a blanket tribute to the work that they all have done.

Mr. MACKENZIE (Vancouver Centre): I just wish in a word to associate myself with the very kind words of the leader of the opposition. My only regret is that we are not doing more for these splendid organizations.

Item agreed to.

Pensions and other benefits—
241. Pensions payable to men on active service, Northwest Rebellion, 1885, and general pensions, $16,000.

Mr. GRAYDON: May I ask if this covers a full scale of pensions and allowances for all those who served in the Northwest field force?

Mr. MACKENZIE (Vancouver Centre): They have always been entitled to pensions, but in 1921 they were brought within the provisions of the Canadian Pension Act. What has been done recently has been to make them eligible for veterans' allowance. The rule had been that veterans' allowance was payable only to those who had served in an actual theatre of war, but now the veterans of the Northwest Rebellion are eligible, as well as the widows under the widows' allowance legislation that we passed last year.

Mr. GRAYDON: Does this dispose once and for all of all the claims that have been made from time to time on behalf of the men of the Northwest field force?

Mr. MACKENZIE (Vancouver Centre): Absolutely. There is no other claim that can be made now.

Mr. MacNICOL: The minister is intimately acquainted with the programme of Mr. T. A. World, of Toronto. Has all that he has proposed been taken care of?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. GRAYDON: If the government would only listen to the pleas of those of us on this side of the house in the same manner in all things as they have done in this we would be in a position to commend them a great deal more.

Mr. MACKENZIE (Vancouver Centre): I am glad to give my hon. friend any satisfaction that he finds in advocacy; we take satisfaction in performance.

Mr. GRAYDON: Perhaps the satisfaction in this case can be shared by us all.

Mr. CASTLEDEN: With respect to the item "Militia Pensions Act, 1901," immediately below item 241, what is the reason for the increase of $300,000 in the item?

Mr. MACKENZIE (Vancouver Centre): Men have been retired from active service.

Item agreed to.

Direct pensions to veterans and dependents—
523. Widows' compassionate allowances to be paid under terms and conditions approved by the governor in council—further amount required, $100,000.

Mr. MacNICOL: Have the non-pensioned widows all been taken care of now?

Mr. MACKENZIE (Vancouver Centre): Yes, so far as I know. Speaking from memory, I do not think there are any deferred cases. There was a little trouble at the start because in some cases the application was not made, but through the cooperation of Colonel Carmichael pretty near all the cases have now been adjusted.

Mr. MacNICOL: I just want to thank the minister for having brought this case of the non-pensioned widows to a successful conclusion. It is some five or six years now since we commenced working on it and we all knew what the minister was up against, but he has been sympathetic at all times and I just want to thank him.

Mr. MACKENZIE (Vancouver Centre): My hon. friend the member for Davenport was the real pioneer in this movement.

Mr. GILLIS: Let us not kid ourselves that the whole question has been satisfactorily settled. One would be led to believe that from what the minister has just said, but in my opinion it will not be satisfactorily settled until the limitations in the War Veterans' Allowance Act applying to service personnel who have not served in a theatre of war have been removed. That would do justice to many widows who are certainly entitled to a pension, and until that is done the question has not been settled to the satisfaction of all.

Mr. KNOWLES: In the discussion on his main estimates the minister indicated that $1,000 would be available in the supplementary estimates to enable representatives of the non-pensioned widows' association to come to Ottawa. If that is a part of this $100,000, what is to be provided by the other $99,000?

Mr. MACKENZIE (Vancouver Centre): That $1,000 is under item 515 of the supplementary estimates.

Mr. HANSELL: What is the regular amount paid to these widows? I suppose it varies.

Mr. MACKENZIE (Vancouver Centre): It corresponds exactly to the amount paid to veterans under the War Veterans' Allowance Act. The maximum is $30.41.

Item agreed to.

Mr. CASTLEDEN: If I may revert for a moment to items 519 and 520, dealing with European war pensions and war veterans' allowances, are these items to provide for pensions and allowances arising out of this war?

Mr. MACKENZIE (Vancouver Centre): The amount in item 519 is for pensions arising out of the last war. The amount voted last year was not sufficient.

Health branch—
532. Child and maternal hygiene—further amount required, $14,000.

Mr. GRAYDON: I am not sure that this is the appropriate item under which I should ask this question, but there have been newspaper reports from time to time with respect to the inroads of infantile paralysis or poliomyelitis in Canada. Would the minister indicate the extent of the disease—I do not think it could be described as quite an epidemic at the moment? At any rate there has been a good deal of news in the press about it.

Mr. MACKENZIE (Vancouver Centre): There was widespread alarm some months ago that it might be an epidemic, but I am glad to say that, generally speaking, the disease has been allayed in Ontario and other provinces. It is a disease that is calculated to create alarm and a good deal of dismay not only to the medical profession but to the public at large, but I am informed by my medical advisers that the situation is not as serious as was feared at one time.

Mr. GRAYDON: Has any progress been made recently in combating the disease and in finding a satisfactory cure? I am personally interested because seven years ago this August when the epidemic hit Ontario our own family was struck. For that reason, as I say, I have a very special interest in the matter and I should like to know whether any progress has been made. I know there has been a good deal of progress in connection with the type of treatments used, because at that time the treatment seemed to have been different from

that which was finally applied to the disease. Has the minister anything to say in that regard?

Mr. MACKENZIE (Vancouver Centre): In that respect I can speak only in moderate terms. Some years ago we made extensive researches in Saskatchewan and Manitoba when the disease was prevalent there but, unfortunately, I do not think we were very successful. I understand, however, that some of the scientific institutes of the United States are quite hopeful that at last they are on the right track and that a scientific discovery may be made which will be beneficial.

Item agreed to.

Health branch—
535. Medical investigation division—further amount required, $5,106.

Mr. GILLIS: The minister will remember that I brought to his attention two or three times the matter of probing the possibilities of a serum known as A.C.S., perfected in Russia. It is a cure for arthritis. I have had a good deal of correspondence and I believe the minister has been following up the matter. It is certainly worthwhile following up.

Mr. MACKENZIE (Vancouver Centre): Departmentally, the department has been in touch with the organizations concerned, and I had the pleasure the other day of presenting to the Soviet government some orthopædic appliances in which Canada leads the world, in both invention and development. We were happy in having them accept these appliances. I had an opportunity of mentioning this serum to the ambassador from the Soviet union, and he was kind enough to suggest that he would take up the matter and give us all the information possible in regard to it.

Mr. GILLIS: Is that serum available in Canada for experimental purposes?

Mr. MACKENZIE (Vancouver Centre): No.

Mr. GILLIS: It is in Britain. I have an editorial from one of the Ontario papers to the effect that a certain doctor has been doing experimental work.

Mr. MACKENZIE (Vancouver Centre): We had a cable from the British ministry of health indicating that it was not available. That was two weeks ago.

Mr. GILLIS: But they are doing research work.

Mr. MACKENZIE (Vancouver Centre): We are following direct methods and trying to find out what we can.

Item agreed to.

[Mr. Graydon.]

DEPARTMENT OF AGRICULTURE

Science service—
459. Entomology—further amount required, $76,700.

Mr. CASTLEDEN: It is difficult to understand why there should be an extra supplementary estimate after the increases which the minister had already indicated in his regular estimates. What is the nature of the work covered by this extra amount under this item?

Mr. CRERAR: The addition is for more extensive research work into the devastations caused by the spruce budworm. There is a certain amount in the vote for that and also for further investigations into the wheat stem sawfly. This is to provide funds to carry on a large scale field investigation into the seasonal life history of the sawfly. Then there is further investigation into the potato insects that affect production of potatoes. There is also an item for orchard insect investigation. That is the nature of the expenditures that will be called for. It is broken down as follows—

Mr. CASTLEDEN: We have the details.

Item agreed to.

Marketing service—
466. Subsidies for cold storage warehouses under the Cold Storage Act, and grants, in the amounts detailed in the estimates—further amount required, $750,000.

Mr. CASTLEDEN: What are the details of the various cold storage warehouses that will receive the $750,000?

Mr. CRERAR: If my hon. friend will turn to page 13 of the supplementary estimates he will find the details of this vote set out at the foot of the page.

Item agreed to.

Special—
468. Agricultural research special projects, $200,000.

Mr. FAIR: What is anticipated under this item?

Mr. CRERAR: I am not very familiar with these estimates, but the note I have here states that the item is to provide for a continuation of the work inaugurated in 1943 for which $200,000 was voted, including the construction of a pilot flax mill, salaries, et cetera. There is a pilot flax mill at Portage la Prairie. There is a western field wool laboratory at Lethbridge. These are the two items. I am

informed that this item is to carry on work that was undertaken last year on a vote passed a year ago.

Item agreed to.

Special—

469. To provide assistance for the replacement of maple production equipment, $200,000.

Mr. CASTLEDEN: Could the minister give us some explanation of this item?

Mr. CRERAR: This is a project that was started in 1940 to assist maple products producers to replace their equipment. As my hon. friend knows, normally a substantial amount of maple products produced in Canada is marketed in the United States. The equipment that was in use in Canada was not satisfactory in the sense that it did not permit the product to come within the requirements of the Food and Drugs Act of the United States. The United States authorities contended that there was a certain amount of lead poisoning from the type of utensils that were formerly used. This vote is to assist the maple sugar producers to replace their equipment so that it will come within the requirements of the United States law.

Item agreed to.

Special—

470. To provide for administrative expenses, agricultural Prices Support Act, 1944, $25,000.

Mr. POULIOT: This reminds me of a long distance call that I made last year with regard to butter. The production of butter was large enough but it was rationed. The wholesalers could not buy more because the cold storage warehouses were probably not large enough and the butter was purchased by the government from the farmers and then sold at a much higher price to the United States without the farmer receiving any further benefit. It is quite strange that it happens in this country. There has been a severe rationing of butter within the last few weeks and I cannot understand it. How is it that the government has purshased a large quantity of butter from the farmers of Canada which has been sold to the United States at a much higher price than that prevailing in Canada at the time without the Canadian farmers receiving any more benefit? That question has been asked many times.

Mr. DONNELLY: I should like to say a word or two in regard to the price administration of agricultural products. I found on my trip to Australia and New Zealand that there was no subject that one heard more often than the price of agricultural products. Wherever we went and wherever I addressed a meeting the one question that was asked was: "How are you in Canada able to keep the price of agricultural products so high, so much above the world price, because we sell our goods at the world price and they are much lower than what you people in Canada are obtaining for yours?" I was obliged under those conditions to explain why; but before I go on to explain why, I wish to give the committee the prices which the people in Australia and New Zealand are obtaining for their farm products, so that we may be able to get some idea as to whether Canada is being legislated properly or whether she is being poorly guided and governed. With regard to the prices which they are obtaining for their agricultural products—

Mr. CASTLEDEN: Have you the cost of production?

Mr. DONNELLY: Never mind the cost of production. I am giving you the prices that they are getting. You can find out the cost of production, you have plenty of time. In regard to butter, they receive for butter wholesale twenty-seven cents a pound or one shilling, sixpence. Butter retails at thirty cents a pound, or one shilling, eight pence. In Australia and New Zealand wheat sells for seventy-four cents a bushel. If they sell more than three thousand bushels they get a lot less; it runs down to sixty cents. I will not tell you, sir, what we are getting because you know as well as I do, about $1.25. They get three shillings and eight pence for barley, or about sixty-six cents; we get somewhere in the neighbourhood of seventy-nine cents. In Australia and New Zealand a steer weighing about a thousand pounds is sold for about $61.20. In Canada we get about $110 or $115 for a steer weighing that much, or nearly twice as much. In Australia and New Zealand a pig weighing 200 pounds sells for $21.60. It sells in our country for somewhere in the neighbourhood of $27 or $28. These are some of the prices which they receive for their agricultural products and they have a socialist government or a labour government, there. The only people who seem to be discriminated against in that country are the agriculturists or the farmers and not the labourers. They have a labour government. Wherever you go you find discontent. I never was in a country where I found more discontent among the farmers than I did in Australia and New Zealand.

I shall now give you what they pay for agricultural implements. The prices run something like this. These implements are manu-

factured and sold by the Massey-Harris company in that country. A hoe, 16-run small seeder drill, very few of which are manufactured in this country now sells for $375.30; a three-furrow disc plough sells for $412.20. An eight-foot binder, four-horse hitch, sells for $525.60; a mower, six-foot, sells for $202.95; a nine-foot rake sells for $79.65; a 26/36 horse-power 102 senior sunshine Massey Harris rubber tires sells for $2,187. In other words, the price of the agricultural implements that they have to buy is nearly one-third higher than in this country and the price of the goods which they have to sell is about one-third less. Is it any wonder that there is dissatisfaction in that country among the agricultural people with regard to the way in which they are being treated? On the other hand, some of our friends over in the corner do not seem to know that we sell our goods at the world's price too. The fact of the matter is that when England wants to buy wheat we ask her how much she is going to pay and we sell to her at the world's price. It may be 75 cents it may be seventy cents; it may be 80 cents; it may be $1.50. We sell it to them at the world price, whatever it is. Supposing the Englishman says he will pay us seventy-five cents; we take the other fifty cents, to make up the $1.25 that we receive, from the mutual aid appropriation. We do the same in connection with pork, beef, butter, cheese and all our farm produce. That is why we are able to get the prices we are receiving at the present time, regardless of what world prices may be. These are things I think we should tell our people, because they do not know how well they are being treated. In my opinion there was never a time in western Canada when the people had as much money as they have now. They should realize in what manner they are receiving the prices they are being paid for their products at the present time.

Mr. POULIOT: Would the minister please tell me why some Canadian butter has been sold to the United States at higher prices than those prevailing in Canada, without any extra benefit to Canadian farmers?

Mr. CRERAR: I am afraid I cannot give my hon. friend the information for which he is asking, although I will request the officers of the department to send him the explanation if there is one. To-night I am pinch-hitting for the Minister of Agriculture, who is away. As a matter of fact, the point raised by my hon. friend is not covered by any of the items in the list of supplementaries. If it had been so covered I would have endeavoured to inform myself as to the matter, but I really must ask my hon. friend to be kind to me to-night because I have not the information here.

Mr. POULIOT: The minister knows the regard I have for him. I could have brought up this matter under the floor prices measures, or it could have been mentioned under item 466, which has to do with cold storage warehouses. It was because the cold storage space was insufficient that this extra quantity of butter, which could not be stored, was sold to the United States.

Item agreed to.

DEPARTMENT OF FINANCE

47. Departmental administration, $581,751.

Mr. POULIOT: Will the Minister of Finance be kind enough to inform the committee if it was the practice during the last war to have Sir Sam Hughes, the Minister of Militia, as perpetual acting minister of finance? I wonder how the present Minister of National Defence can find time to be also acting Minister of Finance. This is something I cannot understand, and I would ask the minister to give me some information about it.

Mr. ILSLEY: The Minister of National Defence was Minister of Finance for a period; and owing to his experience, as well as his outstanding ability and qualifications, it is thought desirable to have him named as Acting Minister of Finance in my absence. I am very grateful indeed to him for acting in my behalf when I am away.

Mr. POULIOT: That is the minister's view about it, and it is most complimentary to the Minister of National Defence, but the hon. gentleman does not touch the grave of the late Sir Sam Hughes, who was busy as Minister of Militia and who was never the perpetual Acting Minister of Finance.

Here is the reason I object to it. I believe that in time of war the job of Minister of National Defence must be a full-time job, and that a member of the cabinet who acts in both capacities must neglect one of them. Either the Minister of National Defence pays no attention to his duties as Acting Minister of Finance or the perpetual Acting Minister of Finance pays no attention to his duties as Minister of National Defence. I am reminded of a world character who has lost some of his popularity—Mussolini, who held five portfolios. The Acting Minister of Finance is the deputy Prime Minister, a full-time job; he is Minister of National Defence, a full-time job, and he is Acting Minister of

Finance. It is none of my business to decide who is to be Acting Minister of Finance, but I can criticize what has been done. I believe that after the Minister of Finance himself the man best informed in regard to his department is his parliamentary assistant. I do not see why a member of the cabinet should hold three cabinet jobs, while the parliamentary assistant, who is a learned member of the bar and who has done exceptionally well in substituting for the Minister of Finance when he could not attend the meetings of the house or the committee of the whole, should be kept in the kitchen if not in the cellar or the attic. As one of the colleagues of the parliamentary assistant to the Minister of Finance I protest, as it is my right to protest. It is not my business to appoint, but I have the right to protest when an injustice is done. That injustice is made worse because at the present time the international commitments of Canada are not made by the Minister of Finance but by the Acting Minister of Finance. When the perpetual Acting Minister of Finance goes to Great Britain or anywhere else he makes the commitments, and then the Minister of Finance has to defend them. That is the point; that is what I protest against, and I do so because it is commonly and openly felt that Charlie Dunning is still the boss of the Department of Finance, through his friends who are there.

Mr. MACKENZIE (Vancouver Centre): You are being silly.

Mr. POULIOT: I hear the minister say I am being silly.

Mr. MACKENZIE (Vancouver Centre): Absolutely.

Mr. POULIOT: I do not protest because I attach no importance to his remarks. But does he not remember the time when the then Minister of Finance, Charlie Dunning, decapitated him by taking away the right to make commitments for the Department of National Defence, by creating the national defence purchasing board?

Mr. MACKENZIE (Vancouver Centre): Nothing of the kind; that was my personal recommendation and you do not know the difference.

Mr. POULIOT: I know very well. I have made the statement in the house, and it was never contradicted until the facts were forgotten by the minister. He must remember that I am the only member who defended him against the action of the then Minister of Finance who wanted to control even the purchases of caps and swords and bayonets.

Some hon. MEMBERS: Order.

Mr. POULIOT: Well, I am talking about a matter of finance, and about the purchasing board, which is now the Department of Munitions and Supply, but was for a time under the Minister of Finance. It was taken from the present Minister of Pensions and National Health.

Mr. MACKENZIE (Vancouver Centre): You do not know.

Mr. POULIOT: I know very well.

Mr. MACKENZIE (Vancouver Centre): You do not know a thing about it.

Mr. POULIOT: The minister might say I do not know, but I know very well, because he is one of the clients I have defended without charge.

Mr. MACKENZIE (Vancouver Centre): What an unusual thing!

Mr. POULIOT: He must remember that I defended him on that occasion, and I was the first one—not the only one—but the first one to defend him about the Bren gun. At the time I was the only one to defend the present Minister of National War Services, who was then deputy minister of national defence. I know my business and my past history, and I can compare it with that of the Minister of Pensions and National Health or with that of the Minister of National Defence, or all those who are not my friends in the cabinet.

I regret that at the present time commitments are made by the perpetual Acting Minister of Finance. I want to know one thing; I have already put the question to the Prime Minister on his estimates, and I was not answered. I want now to put the question in very clear language—and the Minister of Pensions and National Health has nothing to do with it. It is a question which might be answered by the Prime Minister, or might be answered by the Minister of Finance, or might be answered by the perpetual Acting Minister of Finance. It is a question of wide unrest, and it is this: What is the rule applied to cabinet ministers in connection with sitting on boards?

There seem to be various contradictory procedures. There was the late Senator Dandurand, who was minister without portfolio, and leader of the government in the senate. He was indicated in the Parliamentary Guide as president of a savings bank in Montreal, a director of the Sun Life Insurance company, and so on. It was all right for him to be a director.

My dear friend the Minister of Mines and Resources is described in the Parliamentary Guide as a director of the Great West Life Insurance company. I have no objection to that.

Then there is the Minister of Justice who said to me that he had resigned as a director of the bank of Montreal as soon as he was appointed Minister of Justice. I do not find fault with him. It was his right to resign, if he wished. It is the right of any minister to be director of any company, so long as it is known by the public.

But what I want to know is: On what date did the perpetual Acting Minister of Finance resign from the board of Barclay's bank, and from the boards of the other coal companies or steel companies, and so on, and so on, which appeared in the reference books, before he was appointed Minister of Finance? On what date did he resign? If it is the practice for ministers to resign from boards, then on what date did he resign from the boards on which he sat from 1935 to 1939, when he was sworn in again as Minister of Finance, and before he became Minister of National Defence, upon the death of Hon. Mr. Rogers?

It would be interesting to have an acknowledgment of his resignation from the companies concerned, banks and so on. Or, if he did not resign—

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. POULIOT: I have a perfect right to speak.

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order. This discussion has nothing whatsoever to do with the item before the committee.

Mr. POULIOT: We are discussing item 47—

The ACTING CHAIRMAN (Mr. Golding): This is the item for departmental administration in the Department of Finance.

Mr. POULIOT: Yes. The minister is head of that department, and the perpetual acting minister is the acting head of the department, having control of the whole departmental administration, next to the minister himself. I want to know—and this is vital—what are the connections, if any, between the perpetual Acting Minister of Finance and the department? I want to know more particularly because the Minister of Justice resigned from the board of the bank of Montreal when he accepted his seat in the government—

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. POULIOT: —to be sworn in as Minister of Justice.

Some hon. MEMBERS: Order.

Mr. POULIOT: I am speaking to the point of order.

[Mr. Pouliot.]

The ACTING CHAIRMAN (Mr. Golding): The Minister of Justice should not be brought into the discussion.

Mr. POULIOT: No, no; I am not saying anything against him. I am praising him for being logical with himself. And I would tell you more than that, sir, that I do not object to any minister's resigning from a board when he is called to the cabinet. I will go even farther than that; I do not object to any minister being on a board, so long as it is publicly known and published in the reference books. But the very moment that publicity in respect of directorships is stopped, I find it wrong.

If it is right for the minister to be on a board, the public has a right to know it, and has more right to know it when it is the Department of Finance. That is my point.

To conclude, I should like to know from the Minister of Finance or from his acting colleague what the rule is regarding the holding of directorships by members of the cabinet. That is my question.

Mr. RALSTON: And would you like to have an answer?

Mr. POULIOT: Yes.

Mr. RALSTON: So far as I am concerned, I know of no general rule. But I know the rule I applied to myself, and that rule was that immediately I accepted the portfolio of Minister of Finance I resigned every directorship I held, except one, and that one was in connection with a small company. I happened to be the executor of the estate of a gentleman who was president of that company, and whose widow I felt I should assist for the time being by continuing to act on that board. I resigned the directorship soon after. I cannot say whether I resigned the others on the day I accepted the portfolio, but I am satisfied it was that day or the next day that I resigned every directorship, with the single exception I have mentioned.

Mr. POULIOT: May I ask the minister if the directorship he did not resign was in Barclay's Trust?

Mr. RALSTON: The directorship I did not resign at the time was in the Malcolm Furniture company, a company in which the Hon. James Malcolm, a late personal friend and colleague of mine was interested. I was on that board because I was a joint executor with Mrs. Malcolm of his estate.

Mr. GILLIS: I have received a number of protests with regard to the application of orders 184 and 284 which fix quotas for the

distribution of certain commodities throughout Canada. These protests have come largely from cooperative stores.

Mr. ILSLEY: I do not think a discussion of wartime prices and trade board orders is in order under this item. That would have been in order under the estimates of the wartime prices and trade board which were war estimates.

Mr. GILLIS: Strictly speaking they may not, but is not the wartime prices and trade board under the administration of the Department of Finance?

Mr. ILSLEY: Wartime prices and trade board is responsible to the Minister of Finance, but it is a war-time agency and its estimates are provided for separately from the permanent, peace-time, non-war appropriations for departmental administration. When the wartime prices and trade board estimates were before the committee hon. members had an opportunity to discuss everything connected with those orders, and as a strict point of order I think the time has gone by in this session for discussing them.

Mr. GILLIS: I am not going to press it. This is just a technicality, and I merely wanted to point out to the minister that there is considerable friction in the country on this very matter which affects the general public. Small stores are having to close up because they cannot get goods for their customers.

The ACTING CHAIRMAN (Mr. Golding): I think the point of order is well taken. I direct the attention of the hon. member to standing order 58 which states:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

Mr. CASTLEDEN: There are certain regulations with regard to the distribution of materials about which we are concerned in western Canada.

Mr. ILSLEY: On a point of order, that is exactly the same point. We must decide whether we are going into the wartime prices and trade board estimates again. If that is decided, we will go into them, but I do not think it would be in order.

The ACTING CHAIRMAN (Mr. Golding): It is not in order.

Mr. BLACKMORE: It might be a considerable task for the chairman to outline exactly what is included in this item and be able to state what is relevant. I would like the minister to tell us the achievements of Canada at the Bretton Woods conference. Up to the present time we have had no discussion on that world conference, which I think is one of the most important matters coming under the minister. It seems to me that this is a proper question to ask.

Mr. ILSLEY: I think I should answer that. The hon. member asks what were the achievements?

Mr. BLACKMORE: Yes. We have heard a lot about them but we have not had any report of any kind in parliament at all. I think this is the most important event of this year. There should have been a general statement, either by the Prime Minister, the Minister of Finance or some appropriate minister, but we have had no opportunity to discuss this matter to any degree in any way.

Mr. ILSLEY: Two long reports were tabled a day or two ago which embodied the proposals that were accepted by the delegates to the Bretton Woods conference. Those delegates were not appointed by the Department of Finance; they were appointed by the government of Canada. The delegation consisted of persons connected with several departments of the government, with the Bank of Canada, and it included some members of parliament. The agreements did not represent any commitments by the government of Canada, and they will have to be considered by the government before the decision with respect to them can be stated. In regard to the achievements of the Canadian delegation, all I can say is that by common consent they distinguished themselves by their outstanding qualifications and by the ability with which they approached the discussion of and decision on the various matters that came before the conference.

Mr. BLACKMORE: I am sure the committee would be gratified if the minister would give us a little more detail as to how they distinguished themselves. We would like to know whether they distinguished themselves in the interests of the dominion government or in the interests of some group of people outside Canada.

Mr. ILSLEY: That would be a matter of opinion and I do not know whether my hon. friend would agree with me.

The ACTING CHAIRMAN (Mr. Golding): I think the hon. member should confine his remarks to this item.

Mr. BLACKMORE: Will the Chairman explain to what extent my remarks are not pertinent to this item?

The ACTING CHAIRMAN (Mr. Golding): This item has to do only with departmental administration of the Department of Finance; it is the peace-time administration.

Mr. BLACKMORE: Was the Bretton Woods conference under the direction of the Department of Finance?

Mr. ILSLEY: No.

Mr. BLACKMORE: If it was not, why was it not? Will the Chairman tell me under what department it was.

The ACTING CHAIRMAN (Mr. Golding): What we have here is the peace-time administration, and I submit that the hon. member's problem does not come under that.

Mr. BLACKMORE: I am very much concerned about this thing and I think I know what I am talking about.

Mr. MITCHELL: My hon. friend asked for this report the other day, and I have a vivid recollection of the Prime Minister tabling a copy of the Bretton Woods proceedings and saying that as soon as possible they would be printed in English and French for distribution.

Mr. BLACKMORE: I am asking a simple question.

The ACTING CHAIRMAN (Mr. Golding): The point the hon. member is raising has nothing to do with the peace-time administration of the Department of Finance; it is in connection with post-war procedure.

Mr. BLACKMORE: If it has to do with post-war, it has to do with peace.

Mr. ILSLEY: It is not really under the Department of Finance. The hon. gentleman wants to know what is to be done with this report.

Mr. BLACKMORE: To know where we are at; that is all.

Mr. ILSLEY: These are draft agreements, one relating to an international monetary plan and the other to an international reconstruction bank. They do not carry any commitment on the part of the government. They were drawn up for submission to governments for rejection or ratification. Before agreements are ratified by the Canadian parliament, a full opportunity is given for discussion. I think we had better drop this discussion for to-night. I am not in a position to discuss it any more than the hon. gentleman is.

Mr. BLACKMORE: I am well satisfied with that answer. All I want to know is where Canada stands.

Item agreed to.

[Mr. Blackmore.]

52. Old age pensions, including pensions to the blind, administration, $43,280.

Mr. KNOWLES: It seems to be getting in the nature of a tradition, Mr. Chairman, that this item should be called very late in the session. Two years ago it was the last afternoon, and last year it was nine o'clock of the last evening, and now it is a quarter to eleven o'clock.

Mr. ILSLEY: Let me say this, that last year and this year there was full opportunity earlier in the session for a full discussion of this subject.

Mr. KNOWLES: The very fact that we did have a partial discussion of this subject on June 2 and June 5 when the war appropriation estimate relating to old age pensions was before us is, to my mind, an additional reason why a reasonable opportunity should have been afforded for further discussion of this matter. One reason why I make that point is that on that occasion hon. members from all sides of the house drew to the attention of the minister a good many matters relating to the administration of the Old Age Pension Act, which is the item now before us, and we dared to hope that by raising these matters at that time there might be some consideration of our points and some further adjustment made before we reached this main item. As a matter of fact, on June 5, as recorded at page 3542 of *Hansard*, the Minister of Finance said, and we appreciated it, that he would have the officials of the old age pension branch comb through the debate of those two days to see what could be done with a number of suggestions that were made at that time. I hope that the minister will indicate to-night whether anything has come out of the study of that debate.

Now that we are on this item, it seems to me that the committee should realize, even though it may hold up the proceedings in the other place for a few minutes, that this matter is of deep concern to very many people in this country. When on the 13th of March of this year I endeavoured to move an amendment to the motion to go into supply in order that we might discuss the matter at that time, I suggested that the time had come to raise the amount of the pension to at least $40 a month and to lower the eligible age to sixty. The motion that I then made was ruled out of order, so that there was no discussion of it in the house. But a few days later Canada's outstanding Liberal newspaper, which is published in the city from which I come, criticized me for being terribly irresponsible because I was making a suggestion that would involve an increased expenditure of $155,000,000 a year,

raising Canada's total old age pension costs to $206,000,000. It seems to me now that I should apologize to the old people of this country for having suggested so small an amount, for we have found since that for other worthy and deserving purposes we have been able to find almost unlimited sums of money. It seems to me that if we can go in, as I am confident we can, for social legislation such as has been brought down in the house lately—I refer particularly to the bill providing for family allowances and to the bill providing for gratuities for service personnel—if we feel that money is no barrier to bringing about these two desirable objectives because we have found during the war that we can increase our production tremendously, I feel keenly that the time has come not to make just piecemeal changes in our old age pension legislation but to put it on a really proper basis. I know the minister will possibly remind me that during a previous debate the suggestion was made that this whole matter would be discussed at the dominion-provincial conference whenever it may be held. I would hope that if that is still the answer the minister would indicate whether the government has any proposals along the line of increasing the amount of the old age pension and lowering the eligible age to present to that conference if and when it is held. I should also be glad if he would indicate whether any further announcement is to be made as a result of the study by the officials of the old age pension branch which he promised on the 5th of June.

Mr. ILSLEY: This whole matter was discussed when the old age pension war estimate was before the house. With regard to the question whether the government has any proposals for increasing the amount and lowering the age, we certainly intend to make proposals to that end in so far as a contributory system of old age pensions is concerned, which we shall have to discuss with the provinces because that would involve a constitutional change.

With regard to the present system I explained clearly that it is not a satisfactory system. It is almost impossible to make any fundamental change in the system until we discuss a contributory old age pension system with the provinces, and we cannot do that until we have a dominion-provincial conference.

With regard to the suggestions that were made when the estimates were before the house previously, I have had a very long and carefully prepared memorandum made about all of these suggestions. It has been found impossible to do anything about them yet. We have not taken them up with the provinces. That involves an immense amount of correspondence, telegraphing and so on. I think myself that the conference is the most appropriate way in which to deal with the suggestions.

Mr. KNOWLES: I wonder if the minister is planning to provide copies of that memorandum to the provincial governments in advance of the conference so that they may study the suggestions contained in it.

Mr. ILSLEY: It is a memorandum for the minister from the officials. It is not for general circulation, but perhaps with some modifications it could be.

Mr. KNOWLES: It seems to me that would be highly desirable.

Mr. ILSLEY: It is a very good memorandum indeed.

Mr. BLACKMORE: Did I understand the minister to say that the present system was not satisfactory?

Mr. ILSLEY: Yes, I said that before.

Mr. BLACKMORE: And it was not satisfactory because it was noncontributory?

Mr. ILSLEY: I said before that it was not satisfactory because of divided jurisdictions, because of the great difficulty in making changes and bringing about agreement in ten different jurisdictions when anything has to be done. I have had a very large amount of correspondence with the provinces during the last few years over changes in the old age pension regulations, and I think that a system where the jurisdiction is divided is unsatisfactory.

Mr. BLACKMORE: Did I understand the minister to say that the ideal system would involve contributions?

Mr. MACKENZIE KING: I move that the committee rise, report progress and ask leave to sit again this day, so that I may move to continue after eleven o'clock.

Progress reported.

Mr. MACKENZIE KING: Mr. Speaker, I move that the house be not adjourned at eleven o'clock to-day.

Motion agreed to.

SUPPLY

The house again in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF FINANCE

52. Old age pensions, including pensions to the blind, administration, $43,280.

Mr. BLACKMORE: When the Prime Minister asked that he might have the floor I had just inquired of the minister whether he believed the ideal system of old age pensions should be one under which contributions were made from those receiving the pension.

Mr. ILSLEY: So far as possible.

Mr. BLACKMORE: Am I right in assuming that the minister believes that authority for old age pensions should be centred in Ottawa?

Mr. ILSLEY: The authority in respect of contributory old age pensions should be a federal authority, I think, just as unemployment insurance is.

Mr. BLACKMORE: I just want to make this comment. In my belief the minister is exactly wrong in this respect, for this reason. Any system of contributory old age pensions will involve a diminution of purchasing power in the hands of the people and such methods should not be resorted to. It is not necessary. Moreover, it is not sound that any more authority should be centred in Ottawa. We have too much of that already. In contemplating a contributory system, or taxation system for old age pensions, he is introducing a technique of socialism. In aiming to concentrate power in Ottawa he is introducing a technique of socialism and this will not give the best results. Let me tell the minister that while he is contemplating a revision of the old age pension set-up he will have my complete support only if he works for $50 a month pension to all people who are sixty years of age.

Mr. CASTLEDEN: I would point out that in certain cases men receiving old age pension, although they were seventy-three years of age, found their services required in harvesting, seeing that there was a great shortage of help. The Minister of Labour may be able to assist in this matter. These men, in spite of the fact that they were past the age when they should have been working, went into the harvest fields and did their best to assist in garnering the harvest. The fact that they were paid a small remuneration resulted in a letter being sent to them from the old age pension authorities to the effect that if they earned more than $40 or $50 they must be sure to report accordingly to the officials; otherwise they would discover later on, that this amount would be deducted from the miserable sum they were receiving. Under war conditions, if for no other reason, that sort of thing should be discouraged. These people who are working beyond their years and energy, trying at the same time to render some service, should not be penalized and made to feel that everything they earn beyond a certain sum will be taken from them because their income may reach the terrific sum of $365 per annum. Is there anything the minister can do to prevent that?

Mr. ILSLEY: There has to be some means test if there is a non-contributory old age pension scheme. There is everywhere. You do not pay non-contributory old age pensions regardless of the incomes that people receive. If a person has an income it must be taken into account in determining his pension. It becomes an argument then how much income he should be allowed, and many views have been advanced in that regard. After a good deal of correspondence with the provinces we increased the allowable outside income two or three months ago.

Mr. CASTLEDEN: What is it now?

Mr. ILSLEY: The total is $425. The allowable outside income is $125 over the $300.

Mr. BLACKMORE: I suggest to the minister that he might as well begin to think in terms of social credit in connection with the old age pension. He had better regard it as a dividend to be given to everyone regardless of income. If he does he will overcome all this difficulty about a means test. The complexities and difficulties inherent in social services will become so great unless he adopts some principle akin to the social credit system that it will be impossible for him to carry on. I am not warning him, but giving him counsel which will save himself and the country a lot of trouble. There is no need of a means test.

Mr. KNOWLES: May I ask one other question about the memorandum to which reference has been made? The minister knows that I am keenly interested in the old age pensions regulations and everything relating thereto. I appreciate the fact that it was a memorandum prepared by his officials for the minister, so that he may not be in a position to make it public; but is there any chance of its being made available

to members either in its present form or in such revised form as it may be presented to the provincial governments?

Mr. ILSLEY: I do not think so.

475. Administration, National Housing Act and home improvement loans—further amount required, $100,000.

Mr. GRAYDON: There is a statutory item in connection with the national battlefields commission. Perhaps I should have asked this question when another minister was on his estimates, but I was wondering if the $75,000 covers any of the arrangements made at present in connection with battlefields either of the present war or of the last one.

Mr. ILSLEY: That has reference to Quebec, not even the last war.

Item agreed to.

HOUSE OF COMMONS

115. General administration—estimates of the Clerk, $448,660.

Mr. GRAYDON: On this item I wish to raise a question that I have raised before, of which I gave notice to His Honour the Speaker. On a previous occasion I brought to the attention of His Honour the Speaker the question of the uniforms of the protective staff. I think that has been rectified to some extent, although if one judges by the practical and physical results one still sees the same uniforms that one saw at the beginning. I realize that these things cannot be done overnight, but I believe there is justifiable criticism, if I may say so, of the length of time that has been taken to outfit these men in summer uniforms. Had we an up-to-date policy and one that is dealt with expeditiously these men should have their summer uniforms at least before the snow starts to fall around the building outside. I do not think it is good enough to say that the uniforms have been ordered; that there is difficulty with material, and so on, because if the proper prescience had been exercised in connection with it, surely there would have been no doubt that these uniforms would have been available by last April or May. Let us not forget that this is August and the men have now passed through the hottest period of the summer in their winter uniforms. However, I wish to say we appreciate the fact that they have been ordered. We are always thankful for small mercies. If the fact that the uniforms have been ordered does not cool off the protective staff it at least cools off the argument that one would normally wish to raise to a higher temperature than the temperature of the chamber at the moment.

But that is not what I rose to say. I rose to make some reference to the question of the protective service. I do not wish to make any reflections or any comparisons that may be odious, a course which seems to be very popular in some parts of the country although I do not know how far it extends. I have never seen much unpopularity in this chamber in regard to it, but in certain sections it does not seem to be very healthy or popular to say much about the other place. But whatever may be said with respect to that, I am going to venture a little into the realm of comparison to-night and indicate that I think the protective staff of the House of Commons and certain services of the House of Commons do not receive equal treatment with that of the Senate. Putting it most charitably, if I may say so, I think the working period in the House of Commons and in its precincts is at least as heavy, as burdensome and as important as that of the other chamber. I do not think anyone, no matter how careful he may be of the amenities, will be able to criticize my rather charitable and, I think, quite kindly references to a subject in connection with which other comparisons might have been used quite properly and appropriately. I will go no farther than that at the moment.

There are some points, however, in which my information would lead me to believe this house does not fare so well as the other place. I am not suggesting that those who are employed there are deserving of less than they are receiving, but I merely make this comparison to indicate that if the employees of another place are worth the money they are receiving, then the staff of this house ought to be paid at least equally well. I am not going farther than that, because, after all, it would not be quite fair to do so and I do not want to be facetious in my references to the other house. I should like some information, however, as to why the law clerk of the Senate, for instance, receives more than the law clerk of the House of Commons. That is only one illustration which comes to my notice in connection with the payments that are made.

Getting down to the protective staff, the information I have is that in the Senate there are six constables. while in the House of Commons there are twenty-four. The salary for similar work in the Senate runs from $1,740 a year to $1,920, and in the House of Commons from $1,460 to $1,680. The hours per day per constable in the Senate are six, and in the House of Commons eight. The patrols in sections of the centre block per day are one by the Senate and six by the

House of Commons. No visitors are escorted through the buildings by the Senate constables; practically all of those who come to see these buildings are escorted by the House of Commons staff. The entrances policed in the Senate are one and in the House of Commons four. There are other points which might readily be brought in as well. My experience with the constabulary of the Senate and those connected with it leads me to pay them a compliment and a tribute.

Mr. RALSTON: How did you get over there?

Mr. GRAYDON: I saw my hon. friend inspecting the precincts of the Senate; I followed him, and in the course of my travels picked up a little information for myself. I do not want anything I have said to be taken as a reflection upon those who work in the other place; I think that would be unfair and quite unjustifiable, because I have found them as I found our own staff, not only courteous but rendering an excellent service in their own way, and I am quite sure that those connected with the constabulary in the other place would be the first to desire to see equality on our side of the building. That is the reason that prompts me to rise. As I understand it, the scale of pay for constables in the protective service of the House of Commons is on a lower standard than that of the Senate. Having that in mind, I should like an explanation from His Honour as to the inequalities that exist, and a statement on the whole situation. So far as the staffs in both parts of the building are concerned I think there should be some approach to equality as far as monetary returns are concerned. So that I am pointing out what would seem to be obvious difficulties which have arisen. On an occasion such as this I should have liked the opportunity to go into the matter a little further and give some additional information, but I believe the circumstances at the moment are such that perhaps this will do for this session, in the hope that it may be something of a tonic to His Honour and perhaps increase his appetite for doing something more to bring about equality for the benefit of those on our side of the building.

Mr. SPEAKER: Perhaps first I should deal with the remarks of the leader of the opposition in regard to uniforms. For the last three months we have been endeavouring to obtain summer uniforms for the members of the protective staff. I have had a great deal of sympathy for them during these hot days, when I have been wearing my gown and vest and have seen them in somewhat similar circumstances. The difficulty in the first instance was to get the cloth. Priority had to be obtained; and although the cloth was ordered we found we could not get it. Finally we were able to get the cloth and then the difficulty was to find tailors to make up the uniforms. After having got in contact with three different tailors, who promised to make the suits, we found that they could not do so, and ultimately we had to place the order in the hands of one tailor. I can tell the leader of the opposition that I have inquired constantly when the uniforms would be ready, and the chief of the protective staff tells me he has been telephoning every day in order that the men may be properly clad for this warm weather.

With regard to the staff of the Senate and the House of Commons, my information is a little different from that of the leader of the opposition. In the Senate there are four senior constables who receive from $1,740 to $1,920 per annum. In addition, there are two other constables, one a full-time temporary who receives $5 a day and one borrowed from the messenger service as a war-time measure who receives $4.50 a day during the session and $4 a day during the recess. On the protective staff of the House of Commons there is an assistant chief at $2,040 per annum; four sergeants, who would correspond to the senior constables in the Senate and who are paid at the same rate; in addition, ten permanent constables who receive from $1,500 to $1,680 per annum, and, in addition, fourteen men employed continuously at rates of $4 and $4.50 a day. There is also one temporary who was taken on for the session at the rate of $4 a day. In the Senate six men are employed doing protective work; in the House of Commons twenty-six are employed in the same work and receiving approximately the same rates of pay.

What the leader of the opposition stated in regard to the duties of the protective staff of the House of Commons as compared with the protective staff of the Senate is perfectly true. There are onerous obligations upon the members of the protective staff of this house. But the leader of the opposition will realize that of himself the Speaker of the House of Commons cannot apply the remedy, or he would have done so long ago. However, I am glad indeed to note the statement made by the leader of the opposition and I will convey it to the civil service commission together with my request that a survey be made in regard to the officials of the House of Commons and of the Senate, in order that we may remedy whatever there may be in the way of injustice to some of our staff. It is

only within the last two or three days that I have heard any complaints with regard to the rate of pay received by the members of the protective staff, and I have not been in a position to judge as to the merits of those complaints in comparison with the members of a similar force. I think I can say to the leader of the opposition, however, that I should very much dislike to find anything in the way of injustice to our own staff with regard to the pay they receive and the duties they perform, and I should be sorry indeed to find that the officers of the House of Commons were discriminated against in comparison with those of the Senate. After all, they are part of the same institution, and the same rate of pay between our staff and the staff of the Senate should prevail. I am obliged to the leader of the opposition for having brought this matter before the house, and I shall take all the steps necessary in order to see that rectification, if possible, is made as between rates of pay here and in the Senate.

Mr. GRAYDON: I wish to thank His Honour. I expected this courteous treatment, and that type of reply from the man who from day to day rules over us, who does it so very well and with such finesse. I should like to say to him that I think his move with respect to having a survey by the civil service commission would be the normal, the most practical and the best move. He will have my support in doing so. I think we all feel, as he does, that the officials and staff in the House of Commons do not wish to boast about being better than anybody else in the legislative field; but I think we must agree—and perhaps we shall have some support in this—that at least they are just as good. And if they are just as good they ought to be remunerated just as well.

Mr. BOUCHER: I hesitate to take further time, because my leader has explained the situation clearly. I, too, feel that our relationships with His Honour the Speaker have been very satisfactory, and I am sure he will look after this matter.

It seems to me, however, that his own statement illustrates one point, namely, that the Senate protective staff boasts of six members and has six senior officers or sergeants, whereas in the House of Commons there are twenty-four members and only four senior officers or sergeants. This illustrates the point I raised a little while ago in discussing the Civil Service Superannuation Act when I said that the government, as a model employer, should look carefully upon its classifications. I believe the illustration already given by His Honour to the committee shows what I have indicated, and if the matter is referred to the civil service commission for report and investigation they should look into classifications, as well as other matters referred to by the leader of the opposition.

Mr. KNOWLES: Mr. Chairman, I wish to express my appreciation of His Honour's statement that he will seek a survey of the whole situation brought to his attention by the leader of the opposition. I trust that when that complete survey is being made His Honour will see to it that the conditions of work and pay of the char staffs on both sides of this building will also be looked into.

There are one or two further matters I should like to mention under this item. First of all, I was glad to notice the report tabled in *Votes and Proceedings* of August 10 by His Honour the Speaker to the effect that the civil service commission had recommended to him an adjustment in the salaries of certain employees who come under the direction of Mr. Speaker or the Clerk of the House of Commons. It is always unwise to single out any person, because one could go on and mention all the rest of them. But I think I would like to single out the case of the Associate Editor of Debates and Reporter. I believe the incumbent of that office is Mr. Galbraith, and that all who are members of this House of Commons know of the heavy burdens connected with his work, along with the work of the others associated with him. We are glad to see that an increase has been recommended for him.

However, in my mind there are certain questions in connection with this matter. First, when will these increases become effective? I see no provision for such increases either in the main estimates or in the supplementary estimates. Perhaps when Mr. Speaker replies he might indicate that. I would hope that the adjustments for all these people would be made at an early date.

My next point is that it seems to me the time has come for a survey of rates of pay of all people employed as servants of this House of Commons. It bothers me a good deal to look into the details of the two estimates now before us, if I may group them together, namely the estimates of the Clerk and of the Sergeant at Arms, to find that we have people working for us for yearly salaries as low as $1,500, $1,440 and $1,320. Frankly, I do not know how a married man could live in Ottawa on those amounts. The sum of $1,500 is listed as the amount for the chief of the repair staff of the House of Commons. Also I am puzzled by the fact that in that case the amount is $120 less than was voted last year.

Our parliamentary doorkeepers, who render us a good deal of service here, are the ones who receive $1,440 and $1,320. How do they live in Ottawa on those amounts?

Then, the chief of pages receives only $1,560 a year. I was quite surprised to discover that these amounts were as low, and that they are the annual salaries for the work these people are doing.

Also in connection with the reporting branch, where the associate editor of debates and reporter is recommended for increase, I notice that the assistants in the *Hansard* office—I believe they are classified as principal clerks—also do very heavy work, and they do it the year round. They have not had any increase recommended, I am sorry to say. I hope they will be considered even yet.

I could go on with a great many other cases, but it does seem to me that the whole question of salaries we pay here should be worked out on a comprehensive basis. I welcome the adjustments which have been recommended for some people, but I feel the whole arrangement should be looked into more thoroughly, for we will all agree that things should be done properly on our own door-step.

I trust His Honour the Speaker will be able to say that the statement he has just made, to the effect that he would ask for a survey, may include everything I have asked for.

Mr. SPEAKER: As I have already said, I shall be glad to show the remarks of the leader of the opposition to the civil service commission, and I make the same promise to the hon. member for Winnipeg North Centre, namely, that his remarks will be seen by the commission.

Mr. KNOWLES: Would His Honour answer my question as to when the adjustments referred to in *Votes and Proceedings* for August 10 will come into effect?

Mr. SPEAKER: That is a matter which will have to be left until later. I cannot say definitely when that will take place. It is a matter which will have to be discussed by the government before it can be done.

Item agreed to.

494. To provide for the full sessional indemnity to members of the House of Commons—days lost through absence caused by illness, official public business, or order of the house, or on account of death during the present session—notwithstanding anything to the contrary in chapter 147 of the Revised Statutes, 1927, an act respecting the Senate and House of Commons, or any amendment thereto. Payments to be made as the treasury board may direct, $28,000.

Mr. HANSELL: It will be noted that we are asked to pass this item, notwithstanding anything to the contrary in chapter 147 of the Revised Statutes, 1927, an act respecting the Senate and the House of Commons. I do not quite understand why this stipulation is made. May I point out what I regard as a discrepancy? This item is based upon the fact that the old act allows a member of the House of Commons to be absent from the house for a period of fifteen days without losing any of his indemnity. If he is absent for more than fifteen days he loses $25 a day. Where the unfairness comes in is the fact that this applies to all members, when in fact all members are not equally situated. A member representing a constituency in Ontario or Quebec can go home over the week-end. He may be able to handle some of his business on Saturday and spend Saturday and Sunday with his family. He is able to return Monday without losing any time.

A member from western Canada or the maritimes cannot do that. If he goes home for any reason whatsoever the time spent in travelling must be considered. There are some members of the House of Commons who are known as T to T men, that is, Tuesday to Thursday men. They are able to leave on Thursday night and return on Tuesday and lose only two days. Of course, if they do that often enough they will exceed the fifteen days. The member who lives in the west or the extreme east cannot do that. We have been sitting in this session for over six months and one can imagine what that means to a member from Alberta or British Columbia or the maritimes who has not been able to go home very often without suffering the penalty of $25 a day.

There is another point in the act which I think is unfair. If an hon. member is sick he does not lose the $25 a day if he is within ten miles of Ottawa, but if a member happens to be out west or in the maritimes and becomes sick, that time is counted as absent time. The best place for a man to be when he is sick is at home. I happened to have had an experience just recently. I kept a record of the days I was absent and planned to be back here under the fifteen days. I was fighting an election campaign and with all the opponents I had, particularly my C.C.F. friends in Alberta—not these hon. gentlemen who are sitting here—and with all the advertising I had to read, it was no wonder that I took sick. The result was that I could not return to Ottawa when I expected and I was away for three extra days. Technically I should lose $75, and I cannot afford to.

The same illustration can be made applicable to many members of parliament. It

just is not fair and I think there should be some change in the act. I am in favour of this vote because, if it does not pass, I will lose $75 through no fault of my own. This House of Commons Act was written years ago in the horse and buggy days and it is due for revision. There are a lot of other things I should like to say with respect to the life of a member of parliament while in Ottawa, but time is getting late and I do not want to hold up the estimates. I am in favour of the item but I think that some consideration should be given to making this act more fair to all members of parliament.

Mr. MACKENZIE KING: Before this session is over, I feel I should say a word about certain difficulties I foresee in regard to the next general elections, whenever they may come. It is the difficulty of securing the best types of candidates. I have heard a great deal from all sides of the house about the difficulties which hon. members are experiencing in meeting their expenses when they are in the city because of the heavy taxation, and the difficulties they are meeting with generally because of the extent to which their practices and businesses have suffered on account of the time they are forced to spend away from home.

There has been a very full discussion in the house about treating the indemnity as something which should not be taxed. So far as this parliament is concerned I do not think the Minister of Finance would have been justified in adopting a course which he thought would not be justified or wise in regard to the indemnity. I cannot say whether I shall be in this House of Commons in another parliament; but if I am I will certainly be prepared to agree with hon. members who deem it advisable that in the interests of the membership of the House of Commons the indemnity should be regarded strictly as an indemnity and not as a salary and, therefore, not be liable to taxation.

I believe that the independence of parliament and the independence of the members of the House of Commons is something that we must seek to maintain at all costs. I regard the amount voted as an indemnity as something intended by parliament to help secure that independence. I have before me a copy of the debate in the British House of Commons on August 10, 1911, when a statement was made by the Prime Minister of that day that at the session following the general election he would arrange for members to be paid. I should like to quote what Mr. Lloyd George, who was chancellor of the exchequer at the time, had to say in reference thereto. I shall quote his words later, but in effect he said that he believed that the House of Commons should be as representative as possible of all classes in the community, not representative merely of certain classes. He said that the British House of Commons as then constituted was made up in a large part of those who came from the learned professions or who were wealthy; he felt that the house should be more broadly representative, that it should have members returned in larger numbers from the working classes, as they are sometimes termed, from the agricultural communities, that there should be as members more persons of talent and ability though in humble circumstances financially.

I feel strongly that at this time of all times we should seek to obtain the best possible representation in the House of Commons of Canada and have it broadened by having as many elements of the community represented as it is possible to have. The other evening I expressed the hope that, in a subsequent parliament, there would be not merely business and professional men, but members chosen from among those who are in the fighting forces to-day as well as a larger representation of labour, a larger rural representation and a larger representation of women, and representatives from no particular class but chosen because of their special gifts, talents and high character.

To make that possible in times like the present it will be necessary that those who are chosen as candidates shall feel that they will be in a position to exercise their duties in this House of Commons in a perfectly independent way, without fear and without favour. What was found in Britain when labour began to be represented in the house was that a string was tied to its representation; members came in as members of the Labour party, but they were bound in advance to support only certain measures and to refrain from supporting certain other measures. They were not free agents representing the country as a whole, or even their constituencies as a whole, but representing a class. Nothing could be worse than that we should have in this country a membership composed of those who represent classes, whatever those classes may be. A member of parliament represents the people of the nation at large, all classes. The danger is this, that unless there is an indemnity that is sufficiently large to ensure independence on the part of members we are going to have this House of Commons composed increasingly of those who are so independent in means of their own, or because of their associations with

powerful interests, that they will come to constitute, as compared with others, a very large section of the membership of the house. In other words, we shall have a privileged class here at a time when the world is doing the best it can—in perhaps the worst possible way—to get rid of a lot of privilege and to recognize that there is a certain equality in men regardless of the particular class to which they may belong, or their particular calling.

There is another danger, and that is that we shall have men elected to this House of Commons who, through the inability to secure a different type of candidate, would not be able to earn an income outside of parliament comparable with that which would be secured to them by an indemnity, or coming here, may I say, under obligation, some of them, to corporations, others to special interests, but not free agents.

I feel that that is a very dangerous thing for the independence of parliament. I look upon the payment made to members of parliament in the form of an indemnity, as I have said, as something to secure the independence of parliament and the independence of members of parliament, and if part of that is taken away in taxation, then the purpose for which the indemnity exists is to that extent defeated.

Mr. Lloyd George made the following statement:

> But even now, membership of this house is very largely confined to four classes, apart from the other classes I shall point out later on. Men of means who have got an unearned income, and barristers with their practice in the London courts are members.
>
> Then there are those in well-organized and well-established businesses who have efficient, and, what is even more important, accommodating partners. Then there is another class who are "something in the city."
>
> The demand of the democracy is really for a free choice of doctors. Instead of confining as it were, those who were able to remedy their evils and cure them to a small class, they say, "We want an unlimited choice in picking out the men who will suit us best." It is the same argument we had last week. This demand can only be met in two ways. The first is by raising funds in connection with some great national agitation, or an agrarian agitation, or a labour agitation, which would enable members connected with the movement to be more or less adequately maintained during the time they are attending to the business of that movement. The second is by the organization of capital and labour, whose business is liable to be affected by legislation. These are the only two classes outside the four I have mentioned who offer any source of opening for democratic representation in the house, and both of them, in my opinion, are open to serious objection. One objection is that when the fervour of the agitation dies down, and when you come to humdrum parliamentary work, it is difficult to keep up the funds. Another objection is that I do not think it is desirable —and I agree here with my hon. friend the member for Leicester (Mr. Ramsay Macdonald) —that any man should come here to represent any organization except his own constituency, I do not care whether it is a trade union organization or any other organization.
>
> A man ought to be here to represent the general interests of his constituents, and it is only the necessities of the case which drive a man as an expedient, as the only alternative, as the only opening, to utilize the other method in order to come here to fight for particular interests, and I do not mean to say that I have not seen some of my hon. friends representing trade unions rather than the general interests of labour. That has been my view. But there is one thing in connection with the payment of members—it makes them not merely trade representatives, but representatives of constituents as a whole.

Then he makes this important statement which I think is correct:

> When we offer £400 a year—

This was away back in 1911.

> —as payment of members of parliament, it is not a recognition of the magnitude of the service, it is not a remuneration, it is not a recompense, it is not even a salary. It is just an allowance, and I think the minimum allowance, to enable men to come here, the men who would render incalculable service to the state, and who it is an incalculable loss to the state not to have here, but who cannot be here because their means do not allow it. It is purely an allowance to enable us to open the door to great and honourable public service to these men, for whom this country will be all the richer, all the greater, and all the stronger for the unknown vicissitudes which it has to face by having here to aid us by their counsel, by their courage and by their resource.

I have had some knowledge of this House of Commons for many years, and I wish to say that nothing causes me more anxiety at the moment than the risk which this country is running of losing from this House of Commons many of its present members at the next general election, not that they are going to be defeated, not that they would not be elected if they were to run again, but because they are unwilling again to become candidates and this only because they find that with the indemnity taxed along with the taxation on their incomes they cannot make ends meet; they cannot maintain their independence. I feel it my duty as a citizen of Canada, as a member of this House of Commons and as the leader of the government to say what I feel concerning the necessity of maintaining the independence of members, and how important it is to get into this House of Commons the best class of men and women constituencies can possibly secure as candidates, and to retain for the house what it has in the way of valuable experience on the part of members who have been here over a period of time. I say that

regardless of party. What I am saying is as true of members of the parties opposed to the government as it is true of members on the government side.

I have already said that so far as the indemnity of members of this present parliament is concerned I think we have all been only too glad during the period of the war to have been able to make whatever in the way of financial sacrifice we could, realizing that it is small or as nothing compared with the sacrifices that are being made by those who are fighting the battles of our country at the front. But we shall hope that the war will be over before another parliament assembles. There will be great problems to be faced, much greater than the people of this country begin to realize, by the parliaments of the future. The problems from now on are not going to be local or mainly domestic problems. They are going to be increasingly world problems, and Canada is going to have a very difficult time indeed in doing its part to help solve these problems. We shall require in parliament all the experience that we can have that is of value from the past. We shall need to have here the best representation that we can get of the men and women who are prepared to present themselves as candidates. And so, in the next parliament, should I continue to be a member of this House of Commons, I shall be glad to join with hon. members of the House of Commons who feel the same way in recommending to the government of the day, whether I am a member of it or should be sitting opposite, that the indemnity of four thousand dollars should be regarded as a payment made by the country to enable members of parliament to be free from pecuniary embarrassment and to be perfectly independent in the discharge of their duties here, and I will advocate that. If I should not be in parliament but spared to speak my mind, I shall be only too happy to support from without on this matter any administration that will recommend the exemption of the indemnity from taxation as a means of helping to maintain the independence of members and the independence of parliament itself in the next parliament.

SUPPLY—CONCURRENCE

Hon. J. L. ILSLEY (Minister of Finance) moved:

That the reports of the committee of supply made to the house on February 18; March 3, 6, 17; June 28, 30; July 14, 18, 20, 21, 24, 25, 28; August 3, 8, 9, 10, 11, 12, 14, less amounts voted in interim supply, be now received, read a second time and concurred in.

Motion agreed to.

WAYS AND MEANS

INTERIM SUPPLY

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mr. ILSLEY moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1945, the sums of $161,199,849.17 and $21,459,077.59 respectively be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported and concurred in. Mr. Ilsley thereupon moved for leave to introduce bill No. 186, for granting to His Majesty certain sums of money for the public service for the financial year ending the 31st March, 1945.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

DOMINION-PROVINCIAL CONFERENCE

CORRESPONDENCE BETWEEN PROVINCIAL PREMIERS AND DOMINION GOVERNMENT TABLED—STATEMENT OF PRIME MINISTER

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with the consent of the house I should like to move that we revert to motions in order that I may table some correspondence related to the dominion-provincial conference and to make a statement in reference thereto.

Motion agreed to.

Mr. MACKENZIE KING: I beg leave to table correspondence that has taken place between premiers of provinces of Canada and the dominion government with respect to the dominion-provincial conference. Some of this correspondence was tabled, I believe, on March 31 and I am herewith tabling the remainder.

Before the house adjourns, I should like to make a statement regarding the proposed dominion-provincial conference.

It was our hope that the conference might be held about Easter, but this was rendered impossible by the sessions of the provincial legislatures, and our inability, therefore, to arrange a date that would be generally acceptable. The inability to fix a satisfactory date was increased by successive provincial elections in Saskatchewan, Quebec, Alberta and New Brunswick. The wisdom of not calling

the conference in advance of these elections has been made obvious by the fact that in two of the provinces where elections have been held, the governments have changed in consequence of the elections. The election in New Brunswick will not be over before the end of the present month. And, I might add, it has been publicly announced that the new government in Quebec will not take office until August 30. Without doubt the new government will wish to have time to prepare for a dominion-provincial conference. It is clear, therefore, that a conference could not be held suitably to all the provinces before October at the earliest.

It is desirable above all else that the conference when held should be a success. Canada cannot afford a repetition of what occurred at the last dominion-provincial conference. The whole purpose of the conference is to work out solutions of many difficult problems, which solutions will have to be implemented by the governments concerned.

It is obviously desirable that the conference should, if possible, be held between the governments that may be in office during the next few years, the governments that will be living together and will have to work together.

So far as the provinces are concerned, once the New Brunswick election is over, there will have been an election in six of the nine provinces since August of last year. In the remaining three, the elections were in 1941 and no further election is required by law in any of the three before 1946.

The date of the federal election is necessarily uncertain, but as I have repeatedly said, once the war is over, it may come at any time. It will not, however, be delayed on any account beyond the legal term of the present parliament. If we are to believe what we are told by our political opponents, it may be a C.C.F. government, or a Progressive-Conservative government, or some other government than the present one which will be in office after the general election. While I myself do not entertain any of these views, clearly all uncertainty should be removed as to the government which will have to carry out, on behalf of the dominion, the important decisions of the conference before those decisions themselves are reached. In no other way can there be a guarantee that the decisions of the conference will be effective.

There is, however, an additional reason why, if the conference itself is to be a success, it should be held only after a general election. What above all else is required to make the conference a success is a cooperative attitude on the part of all governments concerned. How far that attitude has thus far been in evidence may be judged from the correspondence which there has been since the conference itself was proposed.

The correspondence up to March 21 was tabled on March 31. To-night I have tabled the remainder of the correspondence to date. Perhaps the house will agree to have the entire correspondence printed as an addendum to the *Votes and Proceedings* of to-day.

Apart from the correspondence, which speaks for itself, I must draw the attention of hon. members to a statement made by the Premier of Ontario in a broadcast on the evening of July 21, a report of which was published on the following day. I quote from the Toronto *Globe and Mail* of July 22, 1944, a paragraph setting forth, within quotation marks, the statement which Mr. Drew made in his broadcast. It is as follows:

> My one ambition in the political field outside of Ontario is to see an end as soon as possible of the weak and incompetent government in power at Ottawa to-day, and to assist in every way I can to assure that John Bracken is the next Prime Minister of Canada.

Such being the declared aim of the Premier of Ontario, it must be apparent that any conference held before a federal election would have little or no hope of success, and would almost certainly prejudice the success of a subsequent conference.

Preparations for the dominion-provincial conference can and will be continued so that it will be possible to have the conference held immediately following a general election.

Mr. GRAYDON: May I suggest to the Prime Minister—and I do not like at the end of the session to inject anything that is not strictly harmonious—that I think what he has explained as the reason for not holding the dominion-provincial conference may properly be described as an excuse instead.

Mr. MACKENZIE KING: I am sorry my hon. friend has found it necessary to be facetious at the last moment of this part of the session; but may I assure him that the facts speak for themselves. I have carefully refrained from making any comment. I have allowed the record to stand, as I think it will, on its own.

Mr. GRAYDON: You could not have said much more with respect to the premier of Ontario.

Mr. MACKENZIE KING: No; he said all that was necessary.

Mr. GRAYDON: So did you.

SUSPENSION OF SITTING

Right Hon. W. L. MACKENZIE KING (Prime Minister): I move that the house suspend its sitting until a message comes from the senate.

Motion agreed to.

Mr. SPEAKER: The sitting of the house is suspended until 12.15 a.m. We shall need a quorum after we get back from the senate. I think I should tell hon. members that the restaurant will not be open to-morrow.

At 12.05 a.m. the sitting was suspended until 12.15 a.m.

The house resumed at 12.15 a.m.

THE ROYAL ASSENT

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Honour, the deputy of His Excellency the Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, the house went up to the Senate.

And having returned.

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act for the relief of James Russell Popham.
An Act for the relief of Norma Segal Katz.
An Act for the relief of Harold Almond Jelley.
An Act for the relief of Josephine Kurys Kulczycki.
An Act for the relief of Shirley Harte Harvey Payne.
An Act for the relief of Pearl Anneta Benn Russell.
An Act for the relief of Joseph Adélard Paul Bégin.
An Act for the relief of Eugène Charron.
An Act for the relief of Lillian Bessie Noall Salmon.
An Act for the relief of Joan Helen Gorham Glover.
An Act for the relief of Elsie Hollingsworth.
An Act for the relief of Louis Joseph Jules Laurencelle.
An Act for the relief of Freda Altman Scheien.
An Act for the relief of Ivan Walter Moore.
An Act to amend the War Exchange Conservation Act, 1940.
An Act to amend the Judges Act (Annuities).
An Act to amend the Dominion Succession Duty Act.
An Act to amend the Criminal Code.
An Act for the support of the prices of agricultural products during the transition from war to peace.
An Act to amend the Aeronautics Act.
An Act respecting a certain Tax Convention between Canada and the United States of America, signed at Ottawa, in the Dominion of Canada, on the eighth day of June, 1944.
An Act to amend the Special War Revenue Act.
An Act to amend the Civil Service Superannuation Act.
An Act to amend the Customs Tariff.
An Act for the support of the prices of fisheries products during the transition from war to peace.
An Act to provide for the insurance of veterans by the Dominion of Canada.
An Act to amend the Canadian Broadcasting Act, 1936.
An Act to change the name of the Discount & Loan Corporation of Canada to Personal Finance Company of Canada.
An Act to provide for family allowances.
An Act to incorporate the Export Credits Insurance Corporation and to promote the revival of trade by the provision of Dominion Government guarantees to encourage exports from Canada.
An Act to amend the Income War Tax Act.
An Act to amend the Excess Profits Tax Act, 1940.
An Act to incorporate Workers Benevolent Association of Canada.
An Act for the relief of Everett Roy Clow.
An Act for the relief of Elmore MacLean MacKay.
An Act for the relief of Ruth Usher Garson.
An Act for the relief of Albert Daniel Joseph Doherty.
An Act for the relief of Rosie Vogel Blatt.
An Act for the relief of William McKenzie White.
An Act for the relief of Zoe Irene McFarland Craig.
An Act for the relief of George Henry Olaf Rundle.
An Act for the relief of Ruby Violet Gainsford Moorhead.
An Act to promote the construction of new houses, the repair and modernization of existing houses, the improvement of housing and living conditions, and the expansion of employment in the post-war period.
An Act to encourage the provision of intermediate term and short term credit to farmers for the improvement and development of farms, and for the improvement of living conditions thereon.
An Act to incorporate the Industrial Development Bank.
An Act to amend the Canadian and British Insurance Companies Act, 1932.
An Act to provide for the payment of war service gratuities and for the grant of reestablishment credits to members of His Majesty's forces in respect of service during the present war.
An Act respecting banks and banking.
An Act to amend the Quebec Savings Banks Act.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1945.

On motion of Mr. Crerar the house adjourned at 12.35 a.m. until Wednesday, January 31, 1945, at three o'clock in the afternoon.

Wednesday, November 22, 1944

The house met at three o'clock.

BUSINESS OF THE HOUSE

NOTIFICATION TO MEMBERS OF MEETING CALLED FOR THIS DAY

Mr. SPEAKER: I have the honour to report to the house that under and by virtue of a resolution passed by the house (*Votes and Proceedings* August 12, 1944, page 869) dealing with the adjournment of the house, I sent, on 15th November, 1944, a telegram to each member of the house notifying him and her of the meeting of the House of Commons this day, and on the same date I sent by air mail to each member the following notice:

In pursuance of the order of the House of Commons passed on August 12, 1944, I am satisfied after consultation with the government, that public interest requires that the House of Commons which was adjourned on August 14, 1944, until Wednesday, January 31, 1945, should meet at an earlier time and I hereby give notice that it shall meet on Wednesday, November 22, 1944, at 3 o'clock p.m., and transact its business as if it had been duly adjourned to that day.

J. Allison Glen,
Speaker.

Ottawa, November 15, 1944.

I also caused this notice to be published in the *Canada Gazette* of 18th November, 1944.

VACANCIES

Mr. SPEAKER: I have the honour to inform the house that during the adjournment I received communications from several members notifying me that the following vacancies had occurred in the representation, viz:

Of Donald Alexander McNiven, Esquire, member for the electoral district of Regina City, by resignation;

Of J. Alphée Poirier, Esquire, member for the electoral district of Bonaventure, by decease.

I accordingly issued my several warrants to the chief electoral officer to make out new writs of election for the said electoral districts, respectively.

THE LATE J. ALPHEE POIRIER

Right Hon. W. L. MACKENZIE KING (Prime Minister): Since the house adjourned on August 15 last one of the hon. members of this house in the person of J. Alphee Poirier has passed away. Mr. Poirier came into the House of Commons in the election of 1940. It was his first session in parliament, and being a modest man he did not seek to take any important part in the proceedings of parliament, though he was very faithful in his attendance and in his work on committees.

Mr. Poirier was born in the county of Bonaventure, Quebec. Throughout his life his interest had mainly been in the affairs of that county. He was primarily interested in the industry of agriculture. For ten years before he entered the house he was an instructor in agriculture in Quebec. During the time that he was in this house he was a faithful and loyal supporter of the administration. I personally feel very keenly the loss of one who was so true and constant a friend. I am sure that my loss will be shared particularly by all hon. members of my party, and I believe it will be shared by all hon. members of the house who had the pleasure of knowing Mr. Poirier. His career was cut off at the early age of forty-five years. Had he been spared, he might have been expected to take a large place in the public life of our country, more particularly in the public life of his own province. Through a heart attack he was taken suddenly away and is now no longer with us.

Mr. Speaker, I am sure it will be the wish of all hon. members that we should express to Madame Poirier, and her three children who have been left, the high respect in which the memory of our late fellow member is held by all hon. members, and that you will also extend to them in their bereavement the very sincere sympathy of all hon. members of the house.

Mr. GORDON GRAYDON (Leader of the Opposition): I desire at this time to associate myself and the members of my party here with the remarks which have been so well made by the Prime Minister on this occasion, and to say to the government and to the Prime Minister that they have our sympathy in the loss of a loyal and faithful colleague. I wish also to join our party with the message of sympathy of such a genuine character to the widow and to the family of the deceased.

Mr. M. J. COLDWELL (Rosetown-Biggar): We never meet, Mr. Speaker, without having this sad duty to perform. I wish to extend to the government and to the colleagues of our deceased friend the sympathy of our group in the house, and I would join with the Prime Minister in the expressions of sympathy he has addressed to the family.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, on behalf of the members of our group I wish to join with the Prime Minister

and the leader of the opposition in the words of sympathy they have extended to those bereaved, and in their appreciation of the work done by our deceased colleague.

ORDER OF BUSINESS THIS DAY—PROCEEDING TO ORDERS OF THE DAY AND GOVERNMENT ORDERS

Mr. SPEAKER: As this is Wednesday, the resolution (*Votes and Proceedings* 8th June, 1944, page 438) provides that the house shall meet on Wednesday at three o'clock p.m. and that the order of business shall be the continuation of business interrupted by the adjournment of the house on the preceding day, provided always that government business may be called on Wednesdays in such sequence as the government may think fit. The house therefore will proceed to orders of the day and government orders.

CANADIAN FORCES

REINFORCEMENTS—CHANGES IN THE MINISTRY—CORRESPONDENCE BETWEEN PRIME MINISTER AND MR. RALSTON

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the present meeting of the House of Commons has been occasioned by the controversy which has arisen out of the resignation on November 1 of the Hon. J. L. Ralston as Minister of National Defence, and the desirability of affording to hon. members an opportunity of discussing all matters in reference thereto, and in reference to the situation which has since arisen, and which is a matter of first importance to parliament and the people of Canada. I now wish to read the correspondence exchanged between the Hon. J. L. Ralston and myself concerning the resignation of Colonel Ralston as Minister of National Defence, including letters exchanged between us on the subject of the publication of this correspondence. Inasmuch as the correspondence contains references to discussions and deliberations in the cabinet, and is consequently subject to the rule of cabinet secrecy, it has been necessary for me to seek the consent of the sovereign to its publication. I have to inform the house that in accordance with the proper constitutional practice I duly advised His Excellency the Governor General that it was in the public interest that all of this correspondence should be made available to the House of Commons. His Excellency has been pleased to give his permission to this being done.

On November 12 the former Minister of National Defence issued an extensive public statement on the subject. But for this statement, there might have been reasons of military security which would have made it necessary for me to advise His Excellency against permitting the disclosure of certain portions of the correspondence. In the circumstances, however, these reasons no longer obtain, since the references in the correspondence to which exception might have been taken on this ground have already been made public in the former minister's statement, which has been widely reproduced in the press.

The first communication is one from Colonel Ralston to myself.

Mr. HANSON (York-Sunbury): Have these letters been printed, and are they available now?

Mr. MACKENZIE KING: I may say to my hon. friend that I had anticipated that the house would wish to have the correspondence in printed form at as early a moment as might be possible, and I therefore arranged to have the correspondence printed. After it has been read in the house, printed copies will be issued from the distribution office, and hon. members will find them in their boxes.

Mr. HANSON (York-Sunbury): Why not have them now, so that we can follow them?

Mr. MACKENZIE KING: I think it would be proper that I should read the correspondence in the first instance, so that it may first appear in the records of the house and then be distributed. May I return to the first communication, which is dated the office of the Minister of National Defence, Canada, November 1, 1944:

Right Honourable W. L. Mackenzie King,
P.C., M.P.,
Prime Minister of Canada,
Ottawa, Canada.

Dear Mr. Prime Minister:

When I returned on October 18 from a visit to the Canadian troops in Italy, in north-western Europe and the United Kingdom, I felt compelled to recommend as a result of my own observations and inquiries in the battle theatres, and on the information and advice received from my officers, that due to infantry casualties being much greater than had been forecasted on the best information available, it had become necessary to secure substantial numbers of additional trained infantry personnel in order to make reasonable provision for the reinforcement of our troops overseas.

Since it appeared clear to me that enough volunteer personnel could not be made available to meet the need, I considered that I had no alternative but to recommend that N.R.M.A. personnel be sent overseas as reinforcements. I felt that this was necessary to fulfil our pledges to our fighting men.

The whole question was discussed at very considerable length both at meetings of the cabinet and of the war committee of the cabinet. My recommendation was not accepted.

Alternatives were suggested such as reducing our commitments or breaking up units or formations. I felt I could not concur in this when these trained N.R.M.A. men were available; and that at this crucial period Canada's duty was to support our men in the line, and not to relax but to go on with the task to help shorten the war and speed the victory.

It was suggested that, if a further appeal were made to trained N.R.M.A. personnel by ministers of the crown and others, such personnel might volunteer for general service in sufficient numbers to meet the need. This suggestion involved delays which I considered would be serious if the appeal was not successful. Consequently I wished to be assured that it was government policy that if, after the appeal, the need for reinforcements overseas still existed and volunteers were not available, N.R.M.A. personnel would be sent. This was the course which I and some other colleagues had understood would follow from your speech in 1942. It was in effect what I, as minister, have repeatedly said in the house since then.

No such assurance was forthcoming. On the contrary it has developed in the discussions that the government as a whole (certain colleagues excepted) do not consider that your speech committed the government to this course.

I consider myself bound by what I have said in the house. Our differences are fundamental on the vital matter of reinforcing our troops, and consequently and as requested by you, I at once tender my resignation as Minister of National Defence.

In the stand I have taken I have considered that my first thought should be my duty to our fighting men in our overseas army.

I wish every success to the distinguished citizen who I understand will take up the duties of this department, and at the same time I want to express to you my very sincere appreciation of the opportunity I have had of serving in Canada's war activities.

Yours very sincerely,

J. L. Ralston.

To that communication I sent the following reply:

Office of the Prime Minister
Canada

Ottawa, November 3, 1944.

The Honourable J. L. Ralston, M.P.,
Mayfair Apartments,
Ottawa.

Dear Colonel Ralston:

I thank you for your letter of the 1st instant which I received while at a meeting of the cabinet yesterday forenoon. I regret that until to-day I have not had an opportunity to send you a reply.

You will recall that it was not until the 19th of October that you informed the cabinet war committee that you had received a report from the chief of staff at Canadian military headquarters in London, stating that the future effective maintenance of our forces in the two theatres of operations required that additional personnel be made available from Canada.

This was the first report made to the government that the army's reinforcement position was causing concern. You will recall the assurance given the cabinet during the first week of August, that additional military commitments then being sought would not adversely affect this position. During discussions at Quebec, at the time of the conference in September, when future plans for the Canadian army, navy and air force were being considered, no intimation was given of any prospective insufficiency of reinforcements for the Canadian army.

From the 19th of October, as you are aware, the cabinet has been giving its time almost exclusively to a most careful study of the whole situation, exploring every possible aspect of it, but without deciding upon any of the courses explored.

There is one paragraph in your letter to which I regret I must take exception. You say, "Our differences are fundamental on the vital matter of reinforcing our troops, and consequently, as requested by you, I at once tender my resignation as Minister of National Defence". Surely you are in error when you say that "our differences are fundamental on the vital matter of reinforcing our troops". From the outset, the government has been agreed that the matter of reinforcing our troops was "vital". I have never agreed to a single increase in our military commitments without first asking and receiving assurances that the additional commitment would not jeopardize our capacity to provide needed reinforcements. The only difference which exists is one of the method or methods of meeting this fundamental vital necessity.

In your letter you also say "In the stand I have taken I have considered that my first thought should be my duty to our fighting men in our overseas army". I need scarcely say that I have always had the same thought and conception of duty towards all of our fighting men. It is for this reason that I have striven as I have to see that Canada's effort in the present war should be the maximum of which our country is capable. That is why I feel so strongly that at the present time no course of action should be taken if it can possibly be avoided, which, while not certain of accomplishing its purpose, would divide the country and thereby prejudice much that has been so magnificently accomplished throughout more than five years of war—and this on the eve of certain victory.

I have made it clear that I am prepared to follow the course outlined in my speeches in parliament in 1942, if that course should ever be necessary, but I do not believe that it has become necessary.

There has not been a time since the war began that it has not been recognized that resort to conscription for service overseas would occasion the most serious controversy that could arise in Canada. I can think of no course of action fraught with greater danger to our war effort —to say nothing of the unity and strength of Canada to-day and for generations to come— than a general election at this late stage of war on the conscription issue. I believe that such an issue would almost certainly arise were the House of Commons to be asked to endorse an order in council extending the terms of service of N.R.M.A. personnel to include service overseas. Until it is apparent that conscription for overseas service is necessary to the full support of Canada's forces overseas, and that its application would prove effective, the government would not be justified in taking the risk of widespread national dissension.

As to any request by me for your resignation, you will recall that on several occasions you

stated that if the recommendation contained in the report of the chief of staff was formally made to the cabinet and not accepted, you would feel compelled to resign, in view of what you had said in parliament. Subsequently you stated that you saw clearly that the cabinet were not disposed to accept your recommendation. In view of your possible resignation on these grounds, I felt it necessary to ascertain the views of General McNaughton. This I did, and ascertained that General McNaughton was not satisfied that compulsory service was necessary to provide full support for the army overseas. In reply to my further inquiries, General McNaughton indicated to me that, with the cooperation of the cabinet, he believed it would be possible to obtain the necessary reinforcements by voluntary means, and that in this belief he would be prepared to assume the responsibility of Minister of National Defence should you resign. In these circumstances, I expressed the opinion that there should not be further delay in reaching a decision.

I cannot express to you too sincerely my own thanks for your great services as a colleague in the years we have shared the responsibilities of office. Nor can I too warmly express my recognition of what your services in all war activities have meant to Canada in these most difficult years.

Yours very sincerely,

W. L. Mackenzie King.

On November 6, 1944, I received the following further communication from the Hon. J. L. Ralston:

Ottawa, November 6, 1944.

Right Honourable W. L. Mackenzie King,
P.C., M.P.,
Prime Minister of Canada,
Ottawa, Canada.

Dear Prime Minister:

Your letter of November 3 came to my apartment very late in the evening of that date. On consideration I felt that it called for an answer, and I regret that over the week-end imperative matters which I could not escape have prevented my writing you earlier.

In the second, third and fourth paragraphs of your letter you appear to imply that the main issue was in some way affected by the fact that the need to provide for additional infantry reinforcements was not reported by me until October 19 on my return from my overseas inspection trip. I think this has really no bearing on the issue of sending N.R.M.A. men as reinforcements or on my recommendation to that effect. If it has any bearing it seems to underline the urgency of the necessity which I reported. I cabled you from London on October 13 indicating my apprehensions. I reported to you personally on the 18th, the same day I arrived home. I reported to war committee the next day. I do not think your letter represents all the information given by me to you or to war committee or to cabinet from time to time with regard to the reinforcement situation; but suffice it to say that I have not at any time withheld any information which appeared to require attention.

The point is that when I obtained information which led me to believe that the need for infantry reinforcements could not be met by departmental action alone, I so reported at the earliest possible date, and I presented this information as fully as possible with my recommendation for action. The fact that such information was not expected or was disturbing has no bearing, I think, on the essential question of the necessity which I presented.

Regarding the assurance as to reinforcements given in August: You refer to the combining of existing units in Italy into an infantry brigade. Any assurance on this point was given by the officers who knew the situation, and as I have already told you, the corps commander advised me when I was in Italy recently that the casualties sustained by this brigade were no greater than those which had been forecasted for the units if they had operated separately.

The discussions at Quebec, of which you make mention, had nothing to do with the reinforcement situation overseas, but were in connection with participation in the war against Japan.

The point is that we are faced with a practical situation which has to be met.

You take exception to my statement that "our differences are fundamental on the vital matter of reinforcements". I have given the facts regarding these differences in my letter of resignation. I think, when my recommendation has not been accepted, when there is disagreement between us as to what was the policy to which the government committed itself in 1942, and when there is disagreement as to what is the present policy, that these are fundamental differences.

You say you are prepared to follow the course outlined in your speeches in parliament in 1942 if that course should ever be necessary, but you do not believe it has become necessary. There is disagreement between us on the vital point as to the meaning of the word "necessary". Your view, recently expressed, is that you consider it means "necessary to win the war", "necessary to defend Canadian soil", "necessary to avert some great calamity or catastrophe". I took the word "necessary" to mean primarily "necessary to keep our overseas army reinforced". I always thought that this was the meaning given to the word in council and parliamentary discussions. There is, I think, a vital and fundamental difference between us on this point.

In my letter of resignation I said that my first thought was my duty to our fighting men in our overseas army. You say that for the proper accomplishment of this purpose nothing should be done which would divide the country, and in this connection you speak of a general election.

I must point out that when Bill 80 was introduced and discussed in the house, nothing was said about an election. The declared procedure, as appears from your speeches, was that if the government decided that it was necessary to send N.R.M.A. personnel overseas, it would go to parliament, announce its decision, and ask for a vote of confidence, and that there would be no second debate on the question of conscription. You said that debate would have to be curtailed and that only a short time, if any, would be allowed for discussion. The suggestion now of a general election on the matter is the introduction of a new condition not contemplated or discussed at the time Government policy was laid down two years ago.

You mention that you always received assurances that additional commitments would not

jeopardize our capacity to provide needed reinforcements. I recall that I have repeatedly said that I could not undertake that reinforcements would always be available wholly from volunteers. My point now is that due to an unexpectedly heavy proportion of infantry casualties and the developments of the war we need trained reinforcements, which I consider on the best examination I can make of the situation are not available from volunteers. And we have unused man-power resources in the trained N.R.M.A. personnel, which I think we are bound to use.

In this connection I should remind you that all the formations which we are seeking to support to-day are formations which had been authorized by the government and approved by parliament previous to your speeches in 1942.

This brings me to your point about disunity in Canada. My speeches in the house make it clear, I think, that I have realized, from the first time the question was raised, the grave possibilities of division. That is why from the beginning to the end of my association with the Department of National Defence I have done everything I could to avoid it, and to maintain a wholly volunteer army overseas. I have had regretfully to come to the conclusion that to make reasonable provision for reinforcements it was necessary to recommend action to make N.R.M.A. men available. It seemed obvious that some measure of difference or disunity could not be avoided whichever course were taken. What weighed so heavily with me in the stand I have taken were our pledges to our fighting men and indirectly to their families.

I want to thank you most sincerely for your very generous references to any services I may have rendered to Canada during these difficult years.

Yours very truly,

J. L. Ralston.

To that communication I replied on November 10, 1944, as follows:

Ottawa, November 10, 1944.

The Honourable J. L. Ralston, K.C., M.P.,
Ottawa.

Dear Colonel Ralston:

I have duly received your letter of November the 7th. It seems to call for one or two observations.

The statement in my letter of the 3rd instant, regarding the assurance as to reinforcements, given in August, has relation to the assurance specifically given at that time by the chief of staff to the war committee of the cabinet that the reinforcement situation was satisfactory. You will recall that the matter arose out of proposals submitted by you on the recommendation of Lt.-General Stuart for the authorization of certain additional personnel for various units and formations of the army overseas, including the formation of the additional infantry brigade to which you refer. The assurance sought and given had direct reference to the state of the reinforcement pool.

The reference in my letter to the discussions at Quebec was not to any specific matter discussed there, but rather to the fact that no question of any possible need of additional reinforcements was raised at that time. If, on September 14, at the time members of our war committee and our own chiefs of staff were in conference with Mr. Churchill and the British chiefs of staff, and the probable duration of the war and the future employment of our forces were under discussion, there was any possibility of our having to resort to conscription to obtain additional reinforcements for the army, before the end of the war in Europe, surely that possibility should have been made known. In the absence of any such information, members of the cabinet were entitled to assume that the reinforcement situation continued to be satisfactory.

What was meant by the word "necessary" as used in my speeches in parliament in 1942, will I think be wholly clear from the context as it appears in *Hansard*. I think you are in error in attributing to me any different significance to the word "necessary" than that which it has in my speeches in parliament.

The reference to a general election in my letter, as in our previous discussion on the matter, was not to its being *"a condition"* to the application of conscription under existing legislation, but to a general election being an almost inevitable *consequence* of any such attempt to impose conscription at this stage of the war. I felt that this possibility must be taken into account as it bears directly upon the question of the best method of securing additional trained men for overseas service. In deciding upon the best method for the attainment of a given aim, it is imperative to take into account the probable as well as any known consequences of each and every possible course of action.

In your letter you recognize the grave possibilities of division resulting from the course you recommended. It is because I took so grave a view of the probable division which would result, and of the possibility that disunity and division in the country might seriously weaken our support for the army, as well as for other phases of our war effort, that I believed it was preferable to redouble our efforts to secure the required results by voluntary means, including a special appeal to the N.R.M.A. personnel and a review of the employment of the very considerable number of general service personnel serving in Canada and the United Kingdom.

Yours very sincerely,

W. L. Mackenzie King.

On November 10 I wrote a further letter to Colonel Ralston, which I shall now read:

Office of the Prime Minister
Canada

Confidential

The letter is marked "Confidential", but, as I have already pointed out, His Excellency the Governor General has given his approval to the correspondence being made public. The letter is as follows:

Office of the Prime Minister
Canada

Ottawa, November 10, 1944.

Confidential

The Honourable J. L. Ralston, K.C., M.P.,
Ottawa.

Dear Colonel Ralston:

I notice that in a reply to a request for an explanatory statement on your resignation,

which appeared in the press of the 7th instant, you are reported as having said that you feel "that responsibility for informing the public belongs primarily to the Prime Minister". With this, of course, I am in complete accord, and in the broadcast I made on Wednesday night (the 8th instant) I sought to discharge that responsibility.

The report added that you had said you recognized that in this matter the public and the armed forces were entitled to full information consistent with military security. With this also, I agree.

The report continues: "I would assume, said Colonel Ralston in his statement, that the Prime Minister would inform the public of the circumstances by making available my letter of resignation and any further correspondence between us in the matter. The correspondence will speak for itself. I therefore refrain from making any statement at present."

In addition to the obligation upon a member of a government to respect military secrecy in making information public, there is also the obligation of secrecy respecting cabinet deliberations, imposed by the oath of the members of the privy council, "to keep close and secret all such matters as shall be treated, debated and resolved on in privy council, without publishing or disclosing the same, or any part thereof, by word, writing or any otherwise to any person out of the same council, but to such only as be of the council."

The privy councillor's oath is not less binding upon the Prime Minister than upon all other members of the privy council. It is an obligation I am bound to respect, one of which I must take the fullest account in considering the course to be pursued in making available to the public the correspondence which has passed between us concerning your resignation.

I have the added responsibility for which I will be held accountable by parliament, of advising the crown as to the time and place at which publicity should be given to such communications. This responsibility is particularly great at a time of war.

In your letter of November 1 you say: "The whole question was discussed at very considerable length both at meetings of the cabinet and of the war committee of the cabinet". In subsequent paragraphs you proceed to set forth matters which were "treated and debated" in council.

I cannot feel that I would be justified, in the light of this obligation, in advising the publication of those portions of your letter relating to the deliberations in council or of those portions of my reply referring to what you have said respecting these discussions.

I believe there should be an exchange of letters between us with respect to which no question as to the propriety of publication could arise.

Yours very sincerely,

W. L. Mackenzie King.

To the first letter of November 10, I received the following reply from Colonel Ralston:

Ottawa, November 14, 1944.

Right Honourable W. L. Mackenzie King,
P.C., M.P.,
Prime Minister of Canada,
Ottawa, Canada.

Dear Mr. Prime Minister:

I have your letter of November 10 marked "secret", in reply to mine. (It refers to my letter of November 7; I presume you mean my letter of November 6.)

With reference to the assurances given by the responsible officers to the war committee, I had the same assurances as you, and as explained to me and to you the changed situation arises from the unexpectedly heavy proportion of infantry casualties.

Regarding the meeting at Quebec, I still think that this has, for the reasons mentioned in my letter of November 6, really no relevance to my recommendation.

You speak as if "any possibility" of having to resort to conscription for overseas service had not been in mind. May I point out that your speeches in 1942 envisage that very possibility, and the initiation and passing of Bill 80 was in the light of that possibility.

You will recall also that I went to you at Quebec, regarding certain reports I had heard as to your expressed attitude on this matter; and the fact that I asked you, and you gave me, your assurance then that you would stand by your speeches in 1942, indicates that, at least in my mind, the possibility still existed; although I must say that at the time I had no expectation of the developments which have since occurred.

As a matter of fact, it was, I think, at the next meeting of war committee following the Quebec conference that I did indicate, as a result of further information received in the meantime, the possibility of difficulties regarding infantry reinforcements and the necessity, in my view, for keeping N.R.M.A. personnel available in the light of the uncertainties.

May I again come back to the real crux of this matter, which is the actual and urgent situation which I reported instantly on my return from overseas, and which I considered left me no alternative but to recommend as I did.

Yours very truly,

J. L. Ralston.

In reply to my second letter of November 10, I received the following communication from Colonel Ralston, dated Ottawa, November 14, 1944:

Ottawa, November 14, 1944.

Right Honourable W. L. Mackenzie King,
P.C., M.P.,
Prime Minister of Canada,
Ottawa, Canada.

Dear Mr. Prime Minister:

I have your letter of November 10 regarding the release of my letter of resignation and the further correspondence between us.

I do not think there could be any injury to security whatever in publishing the letter and the correspondence, particularly in view of the information given to the public in the speeches by yourself and the Minister of National Defence and by the Minister of Justice.

Regarding privy council secrecy, I feel I ought to point out that your own speech of November 8 contains references to matters treated, debated and resolved in council discussions, and I am sure these references would not have been made had you not considered that they were permissible. Furthermore, you had no hesitation in May 1942 in publishing the correspondence regarding Honourable Mr. Cardin's resignation, which contained references to council discussions.

In any case, permission to make such matters public is vested in the crown, and since the matter is of intense public interest I beg most respectfully to suggest that you advise His Excellency to assent to the release of my letter and the further correspondence.

Yours very truly,

J. L. Ralston.

I might say that there was one additional letter which is not in this printed correspondence. It was one which I sent to Colonel Ralston a day or two ago informing him that His Excellency had agreed to the publication of the correspondence in full.

I need scarcely say that the severance of the relations between Colonel Ralston and myself as colleagues in the cabinet after an association of many years, including more than five years of war, has been one of the most painful experiences of my life. Let me repeat what already, on several occasions, I have said of Colonel Ralston: No man in Canada will question the sincerity of Colonel Ralston's motives, his personal integrity and his disinterested patriotism; no man in Canada has given more selfless and devoted service to our country throughout the years of war.

General A. G. L. McNaughton was appointed Minister of National Defence and sworn to office on November 2. Regarding General McNaughton I need only say that, from the moment of his appointment as commander of the First Canadian Division on October 5, 1939, the name of no man in Canada has been held in higher esteem or commanded more in the way of confidence in the minds of the citizens of Canada or on the part of members of the Canadian army and their relatives and friends. I should like to express my appreciation of General McNaughton's readiness to assume the responsibilities of Minister of National Defence at a moment when it is apparent that a last mighty effort is required.

I now table copies of the orders in council respecting Colonel Ralston's resignation and the appointment of General McNaughton as Minister of National Defence. I also table copies of the correspondence between Colonel Ralston and myself respecting his resignation. As I have already stated, in replying to my hon. friend opposite, copies will be made available immediately to hon. members through the distribution office.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, the order of business to-day, as Your Honour indicated at the opening of the session, is a matter which is within the purview and the jurisdiction of the members of this house, because of the fact that, by way of resolution in the previous part of the session the business to be taken up on a Wednesday is a continuation of that which was under consideration at the adjournment of the Tuesday sitting.

I take this liberty, Mr. Speaker, with your permission and that of the house, to make just an observation or so, having regard to the period through which we are passing. What I say will be impromptu and very brief. As I understand the procedure proposed by the government with respect to this first day's sitting, I think I should indicate my stand as leader of the opposition and that of the party which I lead in the house with respect to the manner in which the business will be presented to parliament under the guidance of the Prime Minister and the government. I believe it is the intention of the Prime Minister, after these preliminary proceedings have been disposed of, to move the adjournment of the house and that the house shall meet again, under certain arrangements, to-morrow.

As I stand in this chamber this afternoon I would not want to have notes in front of me or words to read, because I do not think I have ever taken part in any public proceeding wherein I felt so keenly the seriousness of the responsibility which faces me, as it faces every hon. member in so stern, so trying and so grave a time as this. The crowded galleries, the interest manifested all over the land, the fact that in this house itself few if any seats are vacant, cannot fail to impress us and to show how deeply the issues which now confront us have burned into the very soul of the nation. All the little things which may have divided us in the past, all the small and petty issues which from time to time have occasioned controversy, seem smaller now than ever before, because, thrown up by public opinion like lava from a great volcano, is an issue which has to be faced by every hon. member, regardless of where he sits or to whom he may artificially owe allegiance—a testing time, for this parliament and this nation, such as it has never faced before.

I feel my situation very keenly. No one realizes more fully all the ramifications which an issue such as this presents to this parliament and to the Canadian people. Parliament owes it to the Canadian people to keep these discussions on the very highest plane of which we are capable. Sometimes we shall fail; sometimes we shall be misunderstood. But, Mr. Speaker, if there ever was a time when we should be Canadians first and everything else last, it is now. Our audience, outside this chamber as well as inside, is a stern audience.

It is watching and scrutinizing what we do, because the public is not merely interested but vitally concerned with every move we make. But more important than the public in Canada; more important, if I may say it to you, Mr. Speaker, than any member of this house, is that audience which to-day is so many hundreds and in many instances thousands of miles away. I make no apology for calling it that great unseen audience, made up of Canada's preferred number one citizens, those who are doing more than we who simply debate a great issue, those who are making it possible for us to be here even to debate that issue. Therefore I say to you, Mr. Speaker, that the people of this nation, and particularly those gallant men of ours overseas, are anxious that this house from the very moment of its meeting shall sit through mornings, afternoons, nights, and Saturdays, until the issue that is before the Canadian people shall have been decided—and decided, may I say, sir, so that the reinforcements for our troops overseas will be on their way.

Parliament stands in the testing crucible of public opinion as it never stood before. In this session there must be action; there must be the minimum of talk, if I may say so. On an occasion such as this we should tackle the one problem that the people of Canada want us to tackle. And we must tackle it not tomorrow, not the next day, not the day after, but now. Public concern dictates that course as it never did before.

I take the position I do, Mr. Speaker, largely because the issue is so important, so vital, and carries such a tremendous weight of judgment of the Canadian people as a whole. We feel that immediately—and I call upon the Prime Minister to take this action—we should begin the debate which will bring before this parliament the real issue that the Canadian people want brought before it. In my opinion that issue is that the full provisions of the National Resources Mobilization Act should be put into effect at once and that all trained troops in the Canadian home defence army should immediately be dispatched for reinforcements overseas. That is the issue that faces this parliament. All other issues are fads and frills and will be so regarded by a boiled-up public opinion throughout Canada which is so conscious of the issues which face this house.

Therefore in view of the fact that I understand the Prime Minister is not going to bring before this house to-day a confidence motion or any other kind of government motion with respect to this matter, I ask you, Mr. Speaker, to allow me to move, seconded by the hon. member for Lake Centre (Mr. Diefenbaker):

That this house is of the opinion that the full provisions of the National Resources Mobilization Act should be put into effect forthwith;

And that all trained troops in the Canadian home defence army should immediately be dispatched for reinforcements overseas.

Mr. SPEAKER: The leader of the opposition (Mr. Graydon) understands, I think, that there is nothing before the house at the moment.

Mr. HANSON (York-Sunbury): He is trying to get something there.

Mr. SPEAKER: Did I understand the hon. member for York-Sunbury to say, "He is trying to get something there"? There are certain rules which must be observed before that can be done. No notice has been given of this motion.

Mr. GRAYDON: No notice could have been given.

Mr. SPEAKER: I cannot decide that. All I can decide is that forty-eight hours' notice must be given and the rules so provide. Under the rules I have no authority to submit this motion to the house and therefore I must rule it out of order.

Mr. GRAYDON: I understand Your Honour has ruled that this motion may not be debated at this time.

Mr. SPEAKER: There is no point of order. I am only stating what the rule is. There is no point of order involved.

Mr. GRAYDON: May I ask you, Mr. Speaker, to obtain the unanimous consent of the house to permit me to introduce this motion?

Mr. SPEAKER: I am vested with the authority to interpret the rules of the house. I have already stated the rule and the leader of the opposition is well aware of the rule. There must be at least forty-eight hours' notice before a motion such as this can be presented to the house. If there had been any intention—

Mr. HANSON (York-Sunbury): Mr. Speaker—

Mr. SPEAKER: I cannot allow a discussion on my ruling. If there had been a desire or an intention to have such a motion presented there has been time since the last adjournment of the house to the present moment whereby the orders of the day could have been printed and brought before the house; but in the meantime I am discussing only the power of the Chair to accept the motion that is now submitted. In interpret-

ing the rules may I say that I cannot accept the motion because it is not in conformity with the rule. The hon. member for—

Mr. GRAYDON: May I be allowed to appeal Your Honour's ruling?

Mr. SPEAKER: Order. This is a matter that has already been discussed in the house. There is no appeal. I am not dealing with a point of order. I am dealing only with the interpretation of a rule. There is no point of order and therefore no appeal.

Mr. FRASER (Peterborough West): No justice.

Mr. M. J. COLDWELL (Rosetown-Biggar): I think every hon. member of this house realizes this afternoon the circumstances under which we are meeting. I suppose that seldom in the history of this country and in few other countries has a House of Commons met under similar circumstances. We are literally in the best historical sense of the word meeting in the capacity of the high court of parliament. A grave difference of opinion has arisen between the former Minister of National Defence (Mr. Ralston) and his colleagues in the government which has brought about his resignation. The Prime Minister (Mr. Mackenzie King) has called upon the gentleman who has, I think, earned the high regard of this country in organizing and leading the Canadian army overseas, as Minister of National Defence.

Mr. NEILL: On a point of order, Mr. Speaker, what is before the house now?

Mr. COLDWELL: I think, Mr. Speaker—

Mr. SPEAKER: The hon. member asks what is before the house. There is a ministerial explanation given by the Prime Minister before the house. We have nothing in our rules to cover the situation, but it has been the practice in the British House of Commons that when a ministerial explanation is given remarks may be made upon it, but of course those remarks must be very brief.

Mr. NEILL: By everybody?

Mr. SPEAKER: By the leaders of the house.

Mr. COLDWELL: I was going to suggest that it is the duty—

Mr. BOUCHER: On a point of order, are the leader of the opposition (Mr. Graydon) and the leader of the government (Mr. Mackenzie King) the only two who are granted official status?

[Mr. Speaker.]

Mr. SPEAKER: A point of order has been raised concerning my remark that the leaders of the parties in the house should have an opportunity of expressing their viewpoints. It is true that there is only one official opposition, which is represented by the leader of the opposition, but in the course of our deliberations during these last four years recognition has been given those who are leading different parties in the house. We have always extended that recognition, and I would not now desire that those hon. gentlemen should not have this opportunity. I am proposing that the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Lethbridge (Mr. Blackmore) shall have the opportunity of speaking, but I am asking that they be brief in their remarks.

Mr. COLDWELL: I shall be very brief. I was merely going to add that I think the procedure being followed, of presenting the correspondence to-day and giving members of the House of Commons an opportunity of reading and studying that correspondence and evidence before we make our individual decisions, is the proper course to pursue. No matter what opinions we may have formed I believe that at this time it is our duty as members of a high court to act in a judicial capacity, and not to judge a situation until we have all the evidence before us. Consequently, Mr. Speaker, I hope the government will place before this house every available scrap of information, and I suggest that neither the government nor the official opposition should hide behind the excuse that certain information might give comfort to the enemy if made available to this parliament. If there is such information, and there must be, then I suggest that where it cannot be given in public because it would give aid or comfort to the enemy, we should receive that information in private on our responsibility as members of this house.

Mr. ROSS (Souris): And hide it from the public.

Mr. COLDWELL: No. Hide it from the enemy. I say that we as members of this house have no right to play politics at this time; that we are here in a judicial capacity; that we must receive all the evidence, and we have no right to act in any other manner. I hope that during not this new session, as the leader of the opposition said, but this resumed session of the house, we may all act in the very best traditions of our parliamentary institutions.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I must say that the proposal made

by the leader of the opposition (Mr. Graydon) struck me with astonishment. I came here to elicit all possible facts bearing upon this situation, and to form to the best of my ability a considered opinion as to the merits of the several cases. Imagine my amazement, then, when a proposal is made which would prevent me from forming such a considered opinion. I may say, Mr. Speaker, that thus far I am thoroughly in accord with the procedure being followed by the government in this investigation. It is only fitting that we should hear the correspondence read, and that we should have time to read it ourselves and be prepared to ask questions in regard to it if needs be. If we can just secure to-morrow a similar amount of information bearing upon the general question, and again have time to consider it, free from haste, then we shall take another step forward in our deliberations.

BUSINESS OF THE HOUSE

RESCISSION OF ORDER OF JULY 13 FOR MORNING SITTINGS

Mr. MACKENZIE KING: When the house was seeking to bring to an early end the concluding portion of the session in the late summer we adopted certain resolutions which were designed to conclude the proceedings as rapidly as possible. Among others were resolutions providing for sittings in the mornings and on Saturdays. My hon. friend the leader of the opposition has just said that he thinks that while we are considering this grave question, we should sit mornings, afternoons, evenings and Saturdays.

Mr. HATFIELD: And Sundays.

Mr. MACKENZIE KING: And some hon. member of the official opposition has just added Sundays. May I say that I think any such procedure would be most inadvisable, and would be so regarded by the people of this country. I believe it would be taken as evidence that we were not prepared to give to this question the thoughtful consideration it merits, as one of the gravest questions that has ever been before the Canadian parliament for consideration. May I put it in this way. If I had come forward with the proposal that this house should sit to-night, and again to-morrow morning and afternoon and evening, and do the same on Friday and Saturday, no one would have been on his feet more quickly than my hon. friend the leader of the opposition, to condemn me for seeking to hasten the whole procedure of this house.

Mr. FRASER (Peterborough West): The boys overseas are not laying off Saturdays and Sundays.

Mr. MACKENZIE KING: My hon. friend would have said immediately that what was required, in a situation such as this, was opportunity for the fullest consideration of all aspects of the question and that, obviously, until there had been time to peruse the correspondence carefully and to hear all sides of the question, this house should not be rushed to a decision.

Mr. GRAYDON: I hope my right hon. friend is not trying to put words into my mouth, because I am sure I would not have uttered quite those words.

Mr. MACKENZIE KING: I am not putting any words into my hon. friend's mouth, but I would say to him that it is not so much quantity of talk as it is quality of thought which counts in matters of this kind.

Mr. HATFIELD: And we are wasting time.

Mr. MACKENZIE KING: May I say one word to hon. gentlemen opposite who are continually interrupting. If they have no regard for the order of debate as indicated by myself, and the manner of the conduct of the debate, perhaps they will listen to their own leader, who made quite a strong appeal to them just a few moments ago, in which he said that he hoped this house would deliberate on this matter in the most careful manner possible, and I think he added, on the highest plane.

In order to permit of that deliberation which I think is essential in this matter, it would be advisable to rescind the resolution which still stands that the house should sit in the mornings, and I therefore move, seconded by Mr. Crerar:

That the order passed on July 13, 1944, under which the house was permitted to sit at eleven o'clock a.m. until the end of the session be rescinded and that the house shall in future meet at three o'clock in the afternoon of each day as provided in standing order No. 2.

I have thought that this would be the procedure that would most commend itself to hon. members of this house, and in all that I am proposing at this session I shall seek, at every turn, first of all, to give the amplest opportunity for the discussion which is necessary. I shall seek to meet, as I have at all times sought to meet, the convenience and wishes of the great majority of the members of the house.

Mr. STIRLING: May I ask whether notice has been given of that motion?

Mr. SPEAKER: Notice is not necessary. This is with regard only to the hour and not the

day. It is only a change in the hour; it does not change the day. Therefore no notice is necessary.

Mr. GORDON GRAYDON (Leader of the Opposition): Before the motion carries. I should like to reiterate the position which I took on behalf of the official opposition when the matter was previously mentioned in the house. I realize the underlying thoughts which the Prime Minister has on a matter of this kind. I am not overlooking any of them, because they were present before in his speeches, and no doubt they constitute factors in the decision he is now making. I do not treat them lightly. I know they are serious factors. However, I make this appeal to the Prime Minister and to the members of this house. The people of Canada expect us to deal with this question, which is so urgent, with as little delay as humanly possible, and for that reason I must oppose the passing of a motion of this kind, because I am afraid that throughout Canada the people will seriously misunderstand the fact that we are now shortening the period of our sessions as it stands under the rules at the moment. I would ask the Prime Minister, in view of the public alarm that prevails on this particular problem, not to press the motion which he is now making.

Mr. MACKENZIE KING: The public will be as anxious as hon. members of this house to read very carefully what is said here from day to day. They will not wish that the proceedings in this house shall be conducted at such a rate that it would be impossible for them to cover the matters that are being discussed here, and to cover them intelligently and in such a manner as they would consider advisable. The motion I have made does not admit of debate and I do not intend to debate it. I suggest that it is in the interest of the public and of the members of this house that it should be accepted at once.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. GRAYDON: No. On division.

Motion agreed to on division.

ADJOURNMENT—DEFENCE MINISTER TO MAKE STATEMENT TO THE HOUSE ON THURSDAY

Mr. MACKENZIE KING moved the adjournment of the house.

Mr. GRAYDON: What is the business to-morrow?

[Mr. Speaker.]

Mr. MACKENZIE KING: As hon. members are aware, thus far it has not been possible to have the Minister of National Defence, General McNaughton, obtain a seat in this house in time to discuss any matters from the ministerial benches. I believe, however, that hon. members will wish to have from him a statement as to the present position, on which they can base their decisions with respect to the course which it may be most advisable to take at this time. I would therefore ask hon. members to permit the Minister of National Defence to appear in this chamber to-morrow afternoon to make a statement to the house.

The house is master of its own procedure and can grant the permission which I have just requested, and I believe that hon. members will wish that this course be taken. If that is agreeable to hon. members, then, Mr. Speaker, I would say that to-morrow afternoon after the opening the Minister of National Defence will be prepared to appear in the chamber to make a statement to the house, and at the end of that statement, if hon. members wish to question him, I am sure he will be quite prepared to give such answers as he feels he is in a position to give. That course I suggest as the one which it would be in the interests of the house and of the country to follow to-morrow.

Mr. GRAYDON: Lest my silence on this matter, which is so important, be misconstrued, may I say to the Prime Minister that I should not like it to be taken that his suggestion with respect to the programme of to-morrow, in its entirety, will be acceptable to us under all circumstances. I understand that if General McNaughton comes before the house in open session there may be some disposition on his part to indicate that the house might have to sit in secret in order to obtain some further information. In other words, the whole question of a secret session and of General McNaughton's coming to parliament, as proposed, is of course bound up together to some extent, and for that reason I should like to reserve any decision I may have to make in that respect, particularly as regards one matter about which we feel very keenly. This official opposition is opposed to anything being done to close the doors of this parliament or of any other deliberative assembly. Consequently I wish to have it distinctly understood that as regards a secret session, which is a matter of great importance so far as we are concerned, we are unalterably opposed to that procedure at this time when the country is asking for the information lying behind the whole problem that faces us.

Mr. COLDWELL: I should not like it to be thought that the leader of the opposition speaks for the entire opposition. I recognize at once that we must get every bit of information that will guide us. I recognize that there are matters which may be of military importance not only to ourselves but to those allied with us and under those circumstances we would be disposed to receive that information in secret session, with the right of course to question that information. I should like you, Mr. Speaker, and the house to understand that we do not associate ourselves with the leader of the opposition in that respect. We think, too, it is proper under the circumstances to have General McNaughton appear here in spite of the fact that it might be unprecedented.

Motion agreed to and the house adjourned at 4.30 p.m.

Thursday, November 23, 1944

The house met at three o'clock.

THE MINISTRY

ORDERS IN COUNCIL RESPECTING CHANGES AND APPOINTMENTS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I desire to table certain orders in council respecting changes and appointments in the personnel of the cabinet: P.C. 7999, concerning the appointment of Mr. Mackenzie (Vancouver Centre) as Minister of Veterans Affairs; P.C. 7991, concerning the appointment of Mr. Howe as Minister of Reconstruction, and P.C. 8003, concerning the appointment of Mr. Claxton as Minister of National Health and Welfare. These appointments and changes have been made since the house adjourned in August last.

CANADIAN FORCES

PETITIONS WITH RESPECT TO APPLICATION OF N.R.M.A. ACT

Hon. H. A. BRUCE (Parkdale): I desire to present a petition to this House of Commons from my constituency of Parkdale:

The undersigned citizens of the Dominion of Canada—

Mr. SPEAKER: Order. Did I understand the hon. gentleman to say that the petition was presented to him?

Mr. BRUCE: No, Mr. Speaker; this is a petition to parliament, signed by 139 men and women of my constituency.

Mr. SPEAKER: Is it addressed to the houses of parliament?

Mr. BRUCE: It is addressed to the houses of parliament. I think it is perfectly in order.

That whereas the Prime Minister of Canada has pledged on behalf of his government to the House of Commons that if "circumstances should arise which would render the use of compulsion imperative, such for example as the maintenance of the necessary reinforcements for Canada's army overseas", the compulsory provisions of Bill 80 would become effective by order in council;

And whereas such circumstances have arisen;

And whereas your humble petitioners are of the belief that a grave emergency—

Mr. SPEAKER: Order. The hon. member may read the prayer of the petition, but not the whole petition.

Mr. BRUCE:

It is, therefore, the earnest prayer of your humble petitioners that this force shall be at once dispatched overseas to the aid of our men now fighting at the front;

And it is their further prayer that, since speedy victory can be gained at least cost of life only by a steady and adequate flow of reinforcements, and without such reinforcements lives must be needlessly lost, the policy of total conscription of man-power for overseas service to ensure support to our fighting forces now, and until victory is won, be made effective forthwith as provided by Bill 80, and approved by the great majority of the people of Canada recording their vote in the plebiscite of 1942.

Mr. McGREGOR: I desire to lay on the table a petition of a similar nature.

Mr. NOSEWORTHY: I desire to lay on the table two petitions of a similar nature.

INQUIRY OF THE MINISTRY

Hon. H. A. BRUCE (Parkdale): In view of the disagreement between the Prime Minister and the former Minister of National Defence about the meaning of the phrase "conscription if necessary," will the Prime Minister tell the house now precisely what he means by this phrase which he used in his 1942 speeches?

Mr. SPEAKER: That question must be placed on the order paper.

CANADIAN FORCES

TABLING OF ORDER IN COUNCIL RESPECTING EXTENSION OF SERVICE OF N.R.M.A. PERSONNEL

Right Hon. W. L. MACKENZIE KING (Prime Minister): I understand that by agreement yesterday the house wishes to hear General McNaughton, the Minister of National Defence, and that he will be allowed

to appear on the floor of the house and make a statement and be subject to questioning after the statement has been made. Before General McNaughton is asked to appear on the floor I desire to read to the house an order in council which sets forth the policy of the government with respect to the extension of service of N.R.M.A. personnel, which order is P.C. 8891, and has been approved by His Excellency the Governor General to-day.

At the Government House at Ottawa
Thursday, the 23rd day of November, 1944.
Present:

His Excellency
The Governor General in Council:

Whereas it is essential in the national interest and for the efficient prosecution of the war to provide for the adequate reinforcement of the Canadian forces overseas;

And whereas it has now become necessary, in order to ensure provision of adequate reserves to meet requirements for the reinforcement of the Canadian forces fighting in Europe and in the Mediterranean, to extend the locality of service of certain personnel who have been called out for training, service or duty, pursuant to the provisions of the National Resources Mobilization Act, 1940;

Now therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of National Defence and under and by virtue of the provisions of the National Resources Mobilization Act, 1940, and the War Measures Act, is pleased to order and doth hereby order as follows:

Notwithstanding the provisions of any other statute, law, regulation or order, the Minister of National Defence is hereby authorized and directed to dispatch to the following localities of service, namely: the United Kingdom and/or to European and/or Mediterranean operational theatres such personnel, in such numbers as may be approved by the governor in council (the number hereby approved being sixteen thousand) who are serving by reason of their having been called out for training, service or duty pursuant to the provisions of the National Resources Mobilization Act, 1940, as are or may from time to time hereafter be required, in the opinion of the said minister, for training, service or duty within the said localities of service; such personnel to be detailed from such units, depots and establishments as may be designated by the said minister; and the Minister of National Defence is hereby authorized and directed to issue or cause to be issued all orders and to take all steps necessary to give effect to this authorization and direction; and all personnel so dispatched or to be dispatched are respectively hereby required (in addition to all other obligations for training, service or duty) to perform while in the said localities of service such training, service or duty as may be ordered by any superior officer.

Further, all personnel so dispatched or who may at any time be dispatched are, pursuant to section 64 of the Militia Act, hereby placed on active service beyond Canada for the defence thereof.

A. D. P. Heeney,
Clerk of the Privy Council.

[Mr. Mackenzie King.]

I ask the permission of the house to table a certified copy of this order which has been approved to-day.

Mr. HANSON (York-Sunbury): Surrender.

Mr. SPEAKER: Order. From the remarks that have been made by the Prime Minister I take it it is the unanimous wish of the house that the Minister of National Defence shall appear now.

Mr. GORDON GRAYDON (Leader of the Opposition): May I continue with what I said yesterday with respect to this matter? The Prime Minister indicated a few moments ago that consent had been given. I think I would be less than frank if I did not indicate that there were certain observations that should be made before consent is actually given by the house.

I wish to make our position clear in this matter. Yesterday I mentioned that this question might be bound up with the question of secrecy. Our party are unalterably opposed to any part of this session being conducted in secret, and I so indicated to the Prime Minister yesterday. We feel that any deliberations or any arguments that may be advanced from time to time by any minister of the crown or anyone testifying before a committee or in this house should place sufficient facts in the open to enable the members of parliament and the people of the country to form their judgment. If there were secrecy in this chamber it would perhaps give us a prior right over those who ought to know what is going on, and we are opposed to that. I am hopeful that the Prime Minister will not press it at any time General McNaughton is giving his report.

We are very anxious to hear General McNaughton. We are glad to extend our whole-hearted consent to his coming before this house. I understand however that in matters of this kind it has always been agreed that there shall be one sitting only, or a meeting for one day, as the case may be. Because of the irregularity of the proceedings, when General McNaughton comes in we are anxious that this shall not be simply a general meeting lasting for some days but rather that it shall be an orderly presentation of the facts by the Minister of National Defence and that we shall finish it up to-day. It is hoped that in accordance with the motion which the Prime Minister has on the order paper we shall have an opportunity to commence the debate to-morrow upon those premises. We

are all agreeable and glad to have the opportunity of welcoming General McNaughton to our midst.

I should like to say something by way of criticism of the proceedings so far. I think we should get down to business just as quickly as possible. I am hopeful that to-morrow at three o'clock the Prime Minister will be able to proceed with the motion which stands in his name on the order paper. I am sorry that he was not able to bring it on to-day. I think the proceedings would have been more regular had the Prime Minister made his motion first; General McNaughton's statement could then have been made during the general course of the debate.

I should like to make one further observation with respect to the position which the Prime Minister has just announced in connection with government policy. This is a partial reversal of the position to which the government has adhered so rigidly over a long period of time. Having regard to public opinion it is not much of a surprise to us that the government has partly surrendered what we had thought for some time was an untenable position. In spite of the partial reversal of policy, in spite of the position taken by the government, we intend at a suitable stage of the proceedings to move an amendment or to introduce a motion so that this matter may come before parliament. I indicate this merely to indicate to the Prime Minister our position. We intend to move a motion along the general line that this house no longer has confidence in the present Prime Minister, and that the interests of our troops in Europe and the honour of Canada call for the immediate application of the full provisions of the mobilization act, and that another government should be formed without delay under leadership known to favour and pledged to take that course.

Mr. MACKENZIE KING: Replying to my hon. friend may I say that I agree with what he has laid down as the condition under which General McNaughton is to be permitted to appear, namely, that the discussion shall not be carried on beyond to-day in connection with anything that General McNaughton may say in his statement or which may arise out of the questions that will be asked later.

The question of a secret session is entirely in the hands of the members of the house. I recall that yesterday the leader of the Cooperative Commonwealth Federation and the leader of the Social Credit party both expressed the view that it would be helpful to hon. members to have the fullest information, even to the extent of information which if made public would lend comfort to the enemy, but which if disclosed in secret session would not be subject to that risk. General McNaughton will be asked questions, and I am sure he will answer them as fully as he can, subject to the one condition that when questions are asked which affect military security he will have to say that he cannot give the answer in public. I believe he will express a willingness to give that information to the house in secret session, but that will be a matter entirely for the house to decide for itself. I am not pressing for a secret session. For my own part I would prefer, like my hon. friend, to have everything completely in public, but I would not wish to have anyone disclose matters which would be of comfort to the enemy.

Mr. HANSON (York-Sunbury): That principle has been stretched to the limit.

Mr. MACKENZIE KING: My hon. friend referred to the proceedings to-morrow and to the motion, notice of which appears in the *Votes and Proceedings* of to-day, which reads:

> That this house will aid the government in its policy of maintaining a vigorous war effort.

I propose on that motion to make a statement and to have the debate thereon proceed. I regard that motion as being a motion of confidence and it will be so construed by all members of this house. I would point out, however, that I have given notice of another motion reading:

> That the order passed on July 13, 1944, under which the house was permitted to sit at 11 o'clock a.m. until the end of the session be rescinded and that the house shall in future met at 3 o'clock in the afternoon of each day as provided in standing order No. 2.

I would hope that there would be no objection to that motion in the light of what was said yesterday. If, however, there is to be objection in some respects, it is a matter of indifference to me whether the motion is brought up at the end or the beginning of the day. I would prefer to settle that question first thing to-morrow, and I hope the house will feel it desirable to pass it unanimously.

My hon. friend has spoken of the order in council which I have just tabled with respect to the extension of service of N.R.M.A. personnel as a partial reversal of policy. May I say to him that the government regards that order as being in entire accord with its policy. My hon. friend has paid me a further compliment on behalf of himself and his party by saying that they have lost confidence in me.

Mr. HOMUTH: We never had any.

Mr. MACKENZIE KING: That was the reply I was going to make, that they never

had any confidence in me and I never expected any from them, although at times they have professed that they wished me to stay in office until the war was over.

Mr. HOMUTH: Oh, no.

Mr. HANSON (York-Sunbury): I do not recall that.

Mr. HOMUTH: We never wished that at all.

Mr. MACKENZIE KING: I think hon. members will agree that that expression of view has been given time and again, not only by hon. gentlemen on all sides of the house but by the people of this country. May I say at once that so far as I am concerned I intend to use all the power that I have to prevent the dissolution of this house while men are fighting in decisive battles at the front.

Mr. HOMUTH: And remain in office.

Mr. MACKENZIE KING: There is, of course, the condition I have expressed previously, that this parliament should not be permitted to carry on beyond its constitutional term.

I may say to my hon. friend, about his vote of confidence, that I have perfect confidence as to the confidence which will be expressed by this house in myself.

Mr. GREEN: May I ask the Prime Minister whether it will be possible for us to get this afternoon copies of the order in council that has just been passed? It would be very helpful if we could have them some time to-day.

Mr. MACKENZIE KING: I shall try to oblige my hon. friend. I shall send out word and ask if copies can be printed immediately and distributed.

Mr. HANSON (York-Sunbury): They should be distributed.

Mr. GRAYDON: May I ask the Prime Minister if it will be possible for the members to have before them a copy of the report which General McNaughton is to make so that they may be able to follow his remarks as he goes along? We have always done that with the budget speech, and I think it would help with the discussion following the report.

Mr. MACKENZIE KING: I am sure that my hon. friend will recognize that General McNaughton will wish to have perfect freedom in making his statement. I imagine that he intends to read it, but he may desire to vary it as he proceeds, and I think in reading his statement he should be permitted to speak for himself and that it should be read by hon. members from the official record.

[Mr. Mackenzie King.]

Mr. GRAYDON: I thought that perhaps copies had already been printed.

Mr. SPEAKER: Is it the unanimous wish of the house that the Minister of National Defence shall have the right to appear on the floor of the house?

Several hon. MEMBERS: Carried.

Mr. SPEAKER: When the Prime Minister was speaking he mentioned that after the Minister of National Defence had made his statement there might be questions and answers. There is a rule of our house, standing order 43, which says:

> No member may speak twice to a question except in explanation of a material part of his speech which may have been misquoted or misunderstood, but then he is not to introduce any new matter, and no debate shall be allowed upon such explanation.

It is necessary as long as the Speaker is in the chair that that rule of the house be suspended to enable questions to be put. I suggest that the Prime Minister might move that with the unanimous consent of the house standing order 43 be suspended.

Mr. GRAYDON: I take it, Mr. Speaker, that that really means that with Your Honour in the chair hon. members will have the same freedom as they would have in committee of the whole?

Mr. SPEAKER: Quite so. Is it the unanimous wish of the house that standing order 43 be suspended as long as the Minister of National Defence is on the floor of the house?

Some hon. MEMBERS: Carried.

Mr. MACKENZIE KING: May I mention one other matter, following the suggestion of my hon. friend. Under the procedure adopted in committee of the whole a minister is permitted to have his officials beside him to supply him with detailed information that he may not happen to have in his head. I hope the same privilege will be granted to General McNaughton if he should wish to have his officials nearby to verify his statements or supply information that he requires in answering questions.

Some hon. MEMBERS: Carried.

Mr. SPEAKER: I ask the Clerk to inform the Minister of National Defence that he may attend the meeting of this house.

REINFORCEMENTS—STATEMENT OF THE MINISTER OF NATIONAL DEFENCE

HON. A. G. L. McNAUGHTON (Minister of National Defence): Mr. Speaker, the reason for my being here to-day is to report to the

House of Commons the facts concerning reinforcements for the Canadian Army overseas; to give the house whatever assistance I can in the interpretation of the facts; to state the problems which now exist; to indicate the action which has been taken and the further measures which are being instituted.

The problem is complicated because time is required to translate action taken in Canada into numbers of fully trained men in the reinforcement pools in the theatres of operations and immediately available for posting to units in the field.

In what I am to say to-day I have had to remember that the information I shall give goes out to all the world. I have to be very careful indeed that no word of mine will carry new information of value to the enemy. For if this should come about it would bring hazard to our troops in action and prejudice their further operations, which is the last thing any of us here would wish to do. I need not, I think, emphasize this grave responsibility. I recognize that this inhibition will result in there being important gaps in the full information I seek to give. I am completely at the disposal of the house should hon. members wish to examine me under circumstances in which I shall be free to give precise answers to questions relating to the Canadian Army. If this is arranged, I shall endeavour to give as complete information as possible.

It is perhaps needless to say that I am not at liberty, in any circumstances, to disclose information affecting allied armies which we have received under an undertaking that it should be kept strictly secret. Some of this would be interesting for comparison and to develop the basis on which our own figures have been estimated, but I do not think it is really necessary for an understanding of our own position.

Right at the start I would like to say that there is no difference of opinion as to purpose between my predecessor in the office of Minister of National Defence and myself. We, both of us, are determined with all the strength we have that our troops in action will not lack for reinforcements to carry forward our part in the war in northwest Europe and in Italy. We intend to march forward with our allies to crush Germany finally into defeat and to confirm the safety of the peace which follows. There is no doubt about this intent. That has been stated by the Prime Minister on behalf of all in clear, explicit terms.

There is agreement on the establishments of our army overseas which should be kept up in present circumstances. We are agreed as to where our several formations should operate and under which higher command and as to how our command should be organized. I have made no change in any of the arrangements overseas which were made by Colonel Ralston.

Where my predecessor and I differed was on the methods which should be used to provide the reinforcements needed. In October last he took his stand on the basis that we had outrun the possibilities of maintaining our forces overseas by voluntary enlistment. At that time I took the stand that our traditional system which we had used throughout this war and long before, was capable of producing the results we sought and of producing them in time, provided always that it was given the full public support which was requisite.

I submit that it would have been very dangerous indeed to hazard a change until all measures proper to the existing method had been developed to the full and it had become clear and evident to all that they would not suffice. To do so might well not have increased the rate of flow of reinforcements but might instead have reduced it most seriously. This is what I think would have happened if voluntary service had been abandoned for compulsory service in the late days of last month when the question had first come up. Since then, conditions have altered, public attention has been riveted on these matters. The paramount need of reinforcements in adequate supply has been recognized throughout our land from coast to coast. For myself I frankly state I prefer our present system in its application to the conditions we have in Canada, but I have not excluded the other method in circumstances in which it is absolutely necessary.

Since I took office early in November, I have pressed the application of the voluntary system by every means. At the same time I pressed forward the completion of the organization and training of the men in the N.R.M.A.

In my first public address as Minister of National Defence at Arnprior on Sunday, 5th November, I spoke of the last hard stretch we had to pass before victory was achieved—that there must be no relaxation of effort here at home or in the field. I told of the principles I had followed in the organization of our army in England. I stressed the advantages I thought we had. I hoped that the urgent need for support to the army being known, the public would support and encourage our young men to take up voluntarily the honourable obligation of service overseas to meet this need. The following day, to give greater emphasis to my appeal, I repeated these views before an audience in Ottawa.

At the same time I drew attention to factors which were deterring N.R.M.A. men from converting to general service. I undertook that these difficulties would be removed.

I told the men in the N.R.M.A. that fair play required that, in demobilization, our troops overseas would have the first call on all gainful employment and that those who did not convert to general service would have to wait their turn.

Then followed the radio address made by the Prime Minister on Wednesday, 8th November. He covered again the points I had previously been authorized to make. I thought that this appeal addressed to the men and the other measures we were taking would have the effect desired and that, as well, we would have the united support of all our people, and that shortly our difficulties in finding men trained as infantry would be largely over.

I drew the policy defined in the Prime Minister's speech to the attention of all our senior commanders in Canada. I directed that it be adopted forthwith, and I asked their help in every way.

Later these officers met me in Ottawa and I was able to explain to them personally the objectives which we should reach if the numbers of reinforcements for overseas were to be adequate to meet the army's needs. I was able to hear at first hand their views on the problem and discussed with them the means of removing the difficulties which had operated to deter N.R.M.A. men from converting to general service. I undertook that these matters would be corrected and this has in large part been done. The district commanders told me quite frankly they had not much hope that our requirements would be met, but they loyally undertook to make another effort. This they have now done, and I must admit that the results have not been adequate. I am advised that there are very many N.R.M.A. men who will not volunteer under present circumstances but who are quite willing to be sent overseas.

I think that I should now state our problem in terms of numbers and times.

First, let me say that in total for all arms and services overseas there is no present shortage. Moreover, no overall shortage is expected in the period for which the figures have already been forecast which extends well on into next summer. Unfortunately, however, it is not in totals that our present problem can be expressed, for men are not quickly transferable from one arm of the service to another, and even with time, there is a limit beyond which remustering cannot be carried out.

[Mr. McNaughton.]

The difficulty we have arises in the infantry, for it is in this arm that we have unfortunately experienced heavy casualties in Italy and in northwest Europe since D-day. In total for all arms the casualties have been very close to the estimates, but in infantry they have been heavier than the forecasts on which our plans for reinforcements were based. Should casualties continue at the higher rates, there is a possible prospective shortage of fully trained infantry, which may come late in January or early in February next. Against this there will be, at that time, large numbers of infantry in the depots whose training has approached completion and who will be available for posting to the units shortly thereafter in the following month. We must remember that our figures are forecasts and estimates and so we cannot expect a high order of precision. There are many uncertainties one way or another, such as sailing dates delayed by adverse weather, quarantine for minor contagions, etc., which may affect particular groups of the men concerned and for which allowance must be made. The figures I am using to assess the situation are very definitely on the safe side and I think it well that this should be so, for if there is any error it should be on the safe side. In all the figures which are used the rates of wastage and the scales of future activity are those which have been arrived at by our own officers in the field and confirmed by the theatre commanders.

Later on in the spring or early summer the forecasts show another period when the infantry reserves behind the troops might become low. In this period the intake into the pools of trained infantry reinforcements depends on the numbers now in the training stream and on the conversions to general service from the fully or partially trained infantry in the N.R.M.A. The number of volunteers in the training stream is known. The number of conversions from the N.R.M.A. to general service has been estimated at the average rate of recent months.

The forecasts have not as yet been carried through the summer, and all I can now say is that the situation then will depend on the rate of recruiting for general service in December and in the following months.

I look forward to placing before you the actual figures up to the end of May inclusive under conditions in which they can be disclosed.

Within the general infantry situation there is another which I frankly admit is giving great concern. I refer to reinforcements for our French-speaking infantry units. These,

like our English-speaking ones, have had very heavy fighting for prolonged periods and our reserves are low. Special measures have been and are being taken to correct this situation and already there are some promising results for which we are indebted to our colleagues from the province of Quebec and others. We need all the help we can be given in this matter and I look forward to placing the full details before you for consideration.

To summarize the situation in respect to reinforcements: I would say that the actual dispatches during this calendar year in total will be very much greater than originally planned. Shipping is completely arranged till the end of December and while there may be some delays in sailings, I do not believe that the effect would be serious. Some additional shipping can be obtained in December if we should be in a position to make use of it.

I want to say, quite definitely, that all anxiety would be removed if we were able to find in December a total, above the numbers now arranged, of 5,000 infantry fully trained or in an advanced state of training, a similar number in January and a further 6,000 in the succeeding months.

Every possible economy in the employment of fit general service personnel in home establishments has now been made or is in process, and the men so made available are included in the figures of planned dispatches.

In consequence the only source from which this additional 16,000 can be secured is from the N.R.M.A.

If we are to dispatch any considerable body of these men in time to ease the anxieties in the situation, arrangements for shipping must be initiated forthwith.

To be realistic, our plans for the future must be strictly related to the nature of the task which remains to be completed and so I shall, if I may, give the house an appreciation of the nature of the battles which lie before the allied armies of which our Canadian troops now form an important part.

We now, both in Italy and in northwest Europe, are up against fortified zones of great depth and strength with every obstacle and device to hamper our advance which the German mind has been able to conceive. In northwest Europe hundreds of thousands of slave labour have been employed for years to create the fixed defences of the west wall. They have been carefully sited by the skilled engineers of the German army to give them every advantage of terrain. They are provided with all the accessories to make life easy for those in garrison: heavy concrete emplacements for machine and anti-tank guns, bomb-proof shelters for resting personnel, elaborate roads and railways for rapid transfer of reserves from place to place, deeply buried cables to maintain certain intercommunication, huge dumps of food and ammunition and spares and replacements for guns and tanks and other gear. We can take it that these defences are provided with everything which could be thought of which would be of use and every day they are being strengthened by the forced labour of the German people.

To break through these lines we must turn to siege warfare of the most intense character and above all else we must have guns and shells in lavish quantities.

We learned in the last war and again in this that in siege wafare there is little opportunity for manoeuvre. When we attack we must use vast quantities of shells to crush out of existence wide sections of the enemy's defence and to paralyse his garrisons and so free the way for the advances of our infantry closely supported by the fire of mobile guns. By reason of the immensity of the volume of fire required and the time taken to get the ammunition forward, these battles go in phases marked by short periods of intense activity and longer periods of quiet in between.

The conditions in northwest Europe will, I think, approximate very closely to those we experienced in France and Flanders in the later phases of the first world war. We will have to turn back to this period for guidance on the wastage rates to be expected in the various arms and services. It is probable that these rates will be more uniform throughout all troops in the forward areas. We must be very careful that the remustering from other arms which we have been carrying out to make up for the higher rates in the infantry in the mobile war since D-day is not carried too far. Fortunately, as I have said, we have no present anxiety as to the adequacy of the reserves in arms other than infantry, but the situation must be closely watched.

So with the business of siege warfare in front of us, it becomes most important to remember that the supply of shells and munitions is a vital necessity which must be met. The call has gone out to multiply the rate of production several fold and this must be done as a first priority on our industrial effort. I believe that the effort which is required can be made without diversion of men needed for reinforcements. We can divert men from less essential industries. We can use many more women. We can use some of the personnel in the armed forces who are not in the categories fit for service overseas. I have proposals in this connection which I hope to raise

in later discussions to arrive at an effective use for large numbers of men who have come into the army in Canada, both general service and N.R.M.A., who never can be employed in battle.

The only other observation I would like to make in connection with this vital industrial effort in the production of shells and guns and certain other gear is that we in Canada are now a great source of supply for all our allies engaged with us in battle in Europe. In some things we are the only source and it is therefore most important that this industry be not disturbed for any reason, or otherwise there will be most serious consequences for all. In siege warfare you have to pay for victory either in shells or the lives of men, and very great quantities of shells must be expended if there is to be any progress at all.

Now may I turn to the N.R.M.A. Since I was called to office I have been investigating the situation in this department of the army. First, I find that this group of men has been held together for a multiplicity of purposes. Some of them have been trained as soldiers; others fully or partially trained as soldiers have been used from time to time as a sort of reserve of workers to move about and undertake construction and other tasks. Others have been similarly used to gather crops, to work in the mines, and in the woods.

I do not doubt that all these works are of national importance, but I do not think that they should be done by soldiers to the prejudice of their proceeding overseas.

I find that some of these men have been able to obtain remuneration on a scale which is extravagant, and I do not wonder that those who seek their personal advantage and who have had the chance to make large sums in cash would fail to come forward to volunteer for service overseas.

The policies which are to govern the N.R.M.A. in future are given in the statements made by the Prime Minister when he addressed the people of Canada by radio on 8th November. The particular points which it is my duty to develop now are in relation to the employment of that force in Canada.

In fair play to our men who have long served overseas and carried the heat and burden of the battle, it has been decided that they will have first claim on employment opportunities when the war ends. This means that the N.R.M.A. remaining who have not volunteered will be held until they can be demobilized without prejudice to the interests of our men returning from overseas.

These are all most important matters on which you will wish to be fully informed, and I shall do my best to give this information as briefly and as clearly as I can and to report progress as to the measures which have been adopted.

The position of those who volunteer for service overseas is straightforward. They cease at once to be members of the N.R.M.A. and pass to the depots and holding units to be given the final training and instruction which they require. They become in all respects an integral part of that great band who serve Canada by their own free will and whose pride it is to go where duty calls and needs dictate.

The position of N.R.M.A. personnel who do not convert to general service is not so simple. It had been my hope that once our vital need had been made clear—as it has been—and once opportunities had been given for considerate explanation—as they have been—that their number would have been very materially reduced.

The first business is to ensure that all who are physically fit and likely to become efficient soldiers are brought into units in balanced composition to act as a reserve to meet possible future requirements for combat operations. The arrangements for this require few changes in the existing organization and these can be effected quickly.

The elimination of units, formations, headquarters and local establishments which, in an earlier phase of the war, were required for strictly home defence, and the transfer of the personnel thus freed to other duties in keeping with our present need; the freeing of personnel in appropriate medical categories from home establishments, from extraneous employment, or their recall from leave are other matters to be attended to. This is being done as rapidly as individual cases can be reviewed and replacements provided wherever this is necessary in the public interest for the prosecution of the war.

For example, some hundreds of men were detailed some weeks ago to assist in the construction of the new hospital at Sunnybrook. These could have been ordered back to their units, but then this work, which is most urgent in the interests of our returned soldiers who have suffered wounds, would have been delayed. Therefore we have chosen to keep them on the job for the moment and replace all who are physically fit for combat duties by men in a lower category.

There are other tasks of national importance in the shell factories and in construction which are being dealt with in like manner.

The purpose is to concentrate in N.R.M.A. units for potential combat duties all men who

are physically fit and deemed likely to make efficient combat soldiers. This is a first priority and it is being dealt with as such. The standard of training will be brought to the high level we insisted on in England.

There are a considerable number of men in the N.R.M.A. whose physical fitness is below the standard required for first-line combatant duties but who are, in all other respects, capable of rendering useful service in the field, in base installations, on the line of communications and in the forward area behind the battle fronts.

In the British Army these men are grouped into the corps of pioneers to act as a reserve of labour for the engineers for the construction of roads and railways and aerodromes and field fortifications and similar works; to man the base depots, to load the supplies of food and ammunition; to help in the repair establishments and generally to do unskilled labour wherever required to set free the combat troops from these ancillary tasks.

Canadian employment companies are also being organized. The military side of this training is not extensive. It is from this employment corps that we propose to discharge any requirements for help on works of national importance to the prosecution of the war which we are required to undertake.

In this arrangement you will, I know, agree that two safeguards are very necessary. The first that the tasks requested are really of national importance; the second that by undertaking to do them with our employment companies we are not depriving anyone in Canada of gainful employment they otherwise would have.

I am in no position in the defence department to give the consideration which is required to the application of these important safeguards to tasks other than those which are carried out under the defence department for strictly military purposes, and so we are asking the Minister of Reconstruction to undertake the first responsibility, and the Minister of Labour the second. Until we have certificates from these departments, the work will not be undertaken.

These certificates may be revoked at any time by the ministers concerned to meet the changing requirements and conditions and to open opportunities for gainful employment to men outside the N.R.M.A. as they may become available.

Since we must hold a considerable number of men in the N.R.M.A. in order to ensure that men returning from overseas shall have first claim on remunerative employment, I intend to give the men who are retained in the employment companies useful work to do which will be of benefit in their training and which will make a considerable contribution to our war effort. It is perhaps needless to repeat that only the pay and allowances provided for in military regulations will be allowed, and leave will not be on any more generous scale than is given our troops overseas.

There are a number of other categories of men in the N.R.M.A. who are neither suitable for combat units nor for the employment companies. I refer to those who have become physically unfit, and these I propose should be considered individually and that those who are below the category for military duty should be discharged.

There are others in the lower physical categories who, by reason of their technical or other qualifications, should be placed in industry to aid in this great effort which is required. These we propose to place in a reserve, which can be released from military duties subject to recall.

I have dealt with the N.R.M.A. in some considerable detail because it presents a problem of great difficulty which cannot be resolved by any single measure.

Now may I return to the great question which brings anxiety to all of us to-day. I mean the provision of the additional reinforcements required to ensure the effective support of our units and formations overseas in the field and to give them the reserves which they will need to carry forward the great battles which lie ahead.

It is absolutely necessary to the confidence of our fighting forces in the European theatres that there be a substantial reserve of reinforcements made available overseas. The absence of such a reserve might mean casualties that would not otherwise be incurred.

The lives of our men in the fighting lines must be guarded in every way that is dependent upon action which can be taken from here. The numbers required to make up the reserve that is necessary are larger than could be provided in time by the volunteer conversion of trained and fit personnel of our N.R.M.A. men to general service.

I have said that except for some 16,000 men we are able to meet all requirements from men who have come forward voluntarily. I have said that it is our purpose to maintain the voluntary system to the limit. I have stated that 5,000 additional trained infantry must be available early in December to safeguard the position at the end of January; that another 5,000 must be found in January, and some 6,000 in the succeeding months.

I have brought these facts before my colleagues in the cabinet. An order in council

has been passed extending the service of this number of men to the European theatres of operations.

This power will be used only to the extent necessary to make up the numbers of reinforcements required.

Mr. Speaker, in closing I would just like to express my appreciation to my predecessor in office. He left me the most of his personal staff, without whose loyal aid I could not possibly have carried through the tasks and duties of these last three weeks. I am deeply obliged to him and to them for all that they have done to serve the public interest in this matter.

Mr. Speaker, I have taken the situation as I found it. I have tried with all my strength to work forward from there. I hope I am in some measure making some contribution to the purpose we all must serve—the effective support of our army overseas in the great task they still must do to discharge our just part in bringing the war in Europe to a successful conclusion, and to safeguard the peace which follows.

If we enter this new era united, we will be strong and we have all that is required to carry the happiness and welfare of our people to heights as yet undreamed.

Mr. GRAYDON: I take it that we are to be confined as much as possible to questioning the Minister of National Defence. Out of deference to a great Canadian I think I should indicate to Your Honour that I should make way for the hon. gentleman who represents the constituency of Prince in Prince Edward Island. I think this deference is due him in view of the importance of the matter and in view of the fact that at this time party lines and all divisions of opinion in the House of Commons are down. Therefore I am ready to give way to the hon. member for Prince.

Mr. RALSTON: There is quite a bit of information that General McNaughton could give, and it seemed to me that it might be regarded as bordering on the territory of security. As I have been listening to him it occurred to me that possibly the way to deal with any matters in connection with the information desired is, if there is to be a secret session or a hearing to deal with this matter, to decide there and then—

Mr. SPEAKER: Would the hon. member speak a little louder?

Mr. RALSTON: I am sorry. I have not yet made up my mind, but it occurred to me that possibly it might be more useful to the house and to the public if any information which is desired and which borders on the line of security could be elicited from General McNaughton with the galleries clear, and then such information as could be made public would be published.

I am obliged to my hon. friend for suggesting that I should be given the right of way; but I am not here as the public interrogator of this house. I am the humble member for Prince, and I know a little about the things about which General McNaughton has been talking. There is little difference between him and me. The only difference as I understand it, is that the general said there was a difference between us respecting policies. I think he rather attributed to me the policy of conscription for conscription's sake or conscription whether necessary or not. My policy has always been, and it has been frequently announced in this house, conscription when necessary, and I was following that policy when I made the recommendation I did which was not accepted by the government. I hope that the general will accept that correction, because there is no difference between him and me so far as the matter of policy is concerned. I understand his policy to be the same, that is to say, conscription when necessary.

Mr. HANSON (York-Sunbury): He has changed like the rest of them.

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): You will have to eat crow like the rest.

Mr. RALSTON: I will have to ask the minister to take the responsibility for warning us if there is any matter of security connected with the questions I ask. There are only two or three questions that occur to me. I have not a copy of his statement. I found it a little difficult to hear him. I was interested in something that he did not give, but perhaps he will regard it as a matter of security. I refer to the size of the pools that he proposed to maintain in the Mediterranean area, in the northwest European area and in the United Kingdom; that is to say, the target which he sets as a pool which should be maintained there in the two battle areas directly behind the troops. Could he give us that information? He has given us numbers and has indicated that reinforcement pools are very necessary. Perhaps he could indicate the size of them in view of the fact that he has mentioned sixteen thousand altogether.

Mr. McNAUGHTON: In answer to that question I would say that it would not be possible to give the information requested in open session.

Mr. HANSON (York-Sunbury): Why not?

Mr. McNAUGHTON: The reason is that to be intelligible it would have to be broken down in such a way as to disclose the weeks of intense and other forms of activity. Since the period is not a very long one it might give indication of intention.

Mr. RALSTON: I wonder if that is quite the situation? I understand that when one is estimating casualties one estimates so many weeks or months of intense activity, so many months normal and so many months quiet. I am not talking about that. I am talking about the pool, and on the basis of a pool generally the estimate is on so many months or weeks of intense activity. I do not think there is any possibility of giving any information to the enemy if we estimate intense activity. Without giving the numbers of the pool, how many weeks of intense activity would you feel that you should provide for by way of a pool in Italy? I do not think the distinction you make applies to pools; I think it applies to estimated casualties.

Mr. McNAUGHTON: There is a set formula for that, and I think it would be very difficult to justify giving out information from which those rates could be calculated back. I do think that in discussing these matters in open session I must if anything err on the side of caution. We intend to give as much information as we can when there is no danger in discussing the matter, but in open discussion I am fearful that —

Mr. RALSTON: All I want to know is how many months of intense activity was calculated. I am not asking for the numbers; I simply want to know how many months of intense activity were calculated in planning the pool. Generally a pool is calculated on three months of intense activity, that is, on the basis of the casualties which would be suffered in three months of intense activity. Is that correct?

Mr. McNAUGHTON: No, that certainly is not. The pool is built up upon the basis of the operation; it is assessed upon the nature of the operation. The casualties and wastage rates and so on are assessed and then provisions to replace the casualties are laid down. I do not think that the pools would be the same on any two occasions.

Mr. RALSTON: There would be a variation in the numbers, but is not that generally the basis upon which the target of the pool is fixed? You do not change the pool target every day or every month.

Mr. McNAUGHTON: I would not say that that is the case, because on many occasions in calculating operations I have had to take these matters into consideration. The size of the pool, the size of the reserve, is fixed according to the particular operation you have in front of you. Then your safety factor is worked out.

Mr. RALSTON: But you estimate for how long ahead?

Mr. McNAUGHTON: It is related to the campaign.

Mr. RALSTON: With regard to the overall pool in the United Kingdom, is not the size of that pool based upon a definite number of months of intense activity? I am not dividing it into battle areas.

Mr. McNAUGHTON: The reserves in the United Kingdom have to be figured on a different basis from that which would be the case if the troops came from the United Kingdom. We have to allow for the time of transporting troops across the Atlantic, and we must provide cushions against that. It is not the distance, it is the time taken to get our troops from this country into the forward area that counts. All those factors have to be taken into account.

The staff have prepared a most comprehensive table which is made up much in the form the hon. member for Prince has indicated. This shows what we have planned and laid out. There have been changes in some cases from the plans that were previously in effect and with which the hon. member is thoroughly familiar. I think this table would provide a clear understanding of the matter if we were free to take it from beginning to end. It has been so put together by the staff that the monthly requirements are shown, but it is hardly possible to work back to these specific rates. You could not give the different weeks of activity that were contemplated and then work back from that.

This table gives figures that the house would want in terms of men and it shows clearly the supply position that existed. I do not believe it is possible to give a clear understanding of this position at this time, and it is most important that we should all have a clear understanding of this very complicated position because it is basic to everything we do. We want to put that in front of hon. members in some way that will not carry comfort to the enemy.

Mr. HANSON (York-Sunbury): They would not be able to use it.

Mr. McNAUGHTON: But from the table they could draw general conclusions which could be used outside without using the specific figures. I would like to say also that these figures are unstable, if I can use that word, in that they are susceptible to many minor factors that enter into the matter from day to day.

Mr. HANSON (York-Sunbury): They are really only an estimate?

Mr. McNAUGHTON: They are simply an estimate based on experience, with a factor of safety provided to be on the safe side.

Mr. HANSON (York-Sunbury): Of necessity they must be an estimate.

Mr. McNAUGHTON: They must be, because the effects of battle are uncertain.

Mr. HANSON (York-Sunbury): There are so many unknown factors?

Mr. McNAUGHTON: Yes.

Mr. HANSON (York-Sunbury): The loss of a troopship, for instance?

Mr. McNAUGHTON: Yes.

Mr. RALSTON: Then on the ground of security you prefer not to give us what the pool was, say a couple of months back, and what number of months of intense activity was estimated in planning it. Could we have that information as of September 30?

Mr. McNAUGHTON: I am not familiar with parliamentary procedure.

Mr. RALSTON: It is new to me.

Mr. McNAUGHTON: I think the information the hon. member wants is a comparison of the reserves that are now in the plan with the reserves of some months ago?

Mr. RALSTON: What I really wanted to get was the number of the reserves or the number which should have been in the pool according to whatever formula was laid down, say on September 30, both in Italy and in northwest Europe, and also the number which were actually there at that time.

Mr. HANSON (York-Sunbury): To show the deficiency.

Mr. McNAUGHTON: I must say frankly to the house that a person skilled in the art of debate might be able to give information of the sort that Colonel Ralston is asking for in open session and safeguard his tongue, but I have not such skill in that matter that I would care to take the responsibility. I have the figures under my hand; I see the way they are calculated, and I would rather not be pressed to give them.

Mr. RALSTON: Thank you. But you will not mind my making this remark. In the statement that you made I thought all the skill that could possibly be brought to bear was used in the way you worded your address. You said: "All anxiety would be removed" if we were able to find in December so and so. That was as skilful a use of words I thought as could possibly be made. In another case you said the infantry reserves "might become low". What "low" means I do not know. I suppose you do not want to go any farther than that? I have done the same thing. But I do not want to have bouquets heaped on me for debating skill because I think the general is proving himself pretty apt.

May I ask another question. You spoke about 5,000 needed to be in the United Kingdom in December.

Mr. McNAUGHTON: No. I was saying we would like to ship during the month of December another 5,000; another 5,000 in January, and another 6,000 distributed over the months which follow. It is quite possible that these figures would have to be adjusted to fit in with shipping available. There is a margin one way or the other. You cannot in these things paint with a fine brush. You have to treat them generally.

Mr. RALSTON: The 5,000, and the 5,000, and the 6,000 are in addition to all the supplies of general service personnel available?

Mr. SPEAKER: While this meeting of the house is informal to a large extent it should not be so informal that those in the house cannot hear, and this will apply to the galleries as well as to the house. I would ask those behind the curtains for silence because it is not possible otherwise for the house to hear.

Mr. GRAYDON: Mr. Speaker, may I also suggest that the press here has quite a responsibility, and I am quite sure that it must be very difficult for them to hear some of the remarks made by the minister and by the hon. member for Prince. I think I need only bring that to their attention to have them speak a little louder.

Mr. RALSTON: I was asking whether or not the 16,000, which is the combined figure for December, January and February, of dispatches which you desire to make is in addition to supplies of general service personnel whom you planned to dispatch in any case?

Mr. McNAUGHTON: Yes, sir.

Mr. RALSTON: The 16,000 will be N.R.M.A. personnel?

Mr. McNAUGHTON: No, I would not say that entirely. The real requirement is 16,000, eventually destined for the infantry. But there must be complete flexibility. Some of the personnel might be gunners converted to infantry; they might be existing G.S. infantry, people shifting from one place to another, but the net total increase which we wish to place in the pools on the other side of the Atlantic is 16,000 infantry.

Mr. RALSTON: Up to what date?

Mr. McNAUGHTON: We plan, subject to adjustments to fit shipping, to send the first 5,000 in the month of December.

Mr. RALSTON: Pardon me. You said 16,000 would be the total. The total up to what date? That will last you up to what time?

Mr. McNAUGHTON: Those figures carry us forward, so far as dispatch is concerned, to the month of May, up into the month of May. The movement will be complete in May.

Mr. RALSTON: The movement will be complete in May? And that is in addition—

Mr. McNAUGHTON: In addition to what had previously been planned, for which we made the personnel available by withdrawals from home defence establishments and so on in this country, by cutting down the progressive programme which had been instituted in the department before I took over, and which I have carried on as the chiefs-of-staff committee have told us of the possibilities under a lessened scale of attacks. It is a systematic programme of reduction which was in effect and which we have carried forward. We have saved some personnel in so doing.

Mr. RALSTON: When you first came into the department you found a certain plan ready of dispatching reinforcements from November until May; that is, so many each month, in varying numbers. Is that right?

Mr. McNAUGHTON: That is right.

Mr. RALSTON: Then you found also that an additional 5,000 men had been found—that was prior to your coming into the department—and had been found by way of (a) accelerating the dispatch of 1,500 infantry; (b) sending directly overseas 1,500 other arms to be remustered over there; (c) demoting N.C.O.'s to the number of 750 and paying them the pay of their former rank for a certain period although reducing them to the rank of private; and (d) using infantry tradesmen and paying them trades pay although using them as general duty men—that accounted for another 750. That makes 4,500. And then 500 more were obtained I think by taking reduced physical standards. Is that right?

Mr. McNAUGHTON: That is correct. That is the programme I found for those dispatches. The point I wish to make is that when I saw the proposal for reduction of physical categories of 500 for the infantry, I could not bring myself to accept that.

Mr. RALSTON: You did not find any approval of that proposal by me, I can assure you.

Mr. McNAUGHTON: That is right. There was a proposal for it, which I did not accept.

Mr. RALSTON: Therefore that 500 was out, so that there were only 4,500?

Mr. McNAUGHTON: There were only 4,500.

Mr. RALSTON: In addition to these regularly planned dispatches and the 4,500 found in this way, you propose now to send 16,000 more in the manner which you have, generally speaking, indicated. Is that right?

Mr. McNAUGHTON: Yes.

Mr. RALSTON: And you think that will last up until May with the regular dispatch of general service personnel?

Mr. McNAUGHTON: As we all know, these are estimates based on the best experience that we can get and the best judgment that our technical and general staff officers can use. They are only estimates.

Mr. RALSTON: That is right.

Mr. McNAUGHTON: And they are subject to the chances of battle, the changed circumstances as they come on day by day. The figures might be absolutely valid and translatable into terms of individual men at this moment. A week hence they might be invalidated by circumstances on the field of battle. All we can do in planning is to try to keep the average rate running on correctly so that using our best knowledge and cool judgment we shall not face particular shortages at particular times. Just as dangerous to the conduct of operations as a shortage itself might well be the time at which the shortage occurs.

Mr. RALSTON: You are telling me!

Mr. McNAUGHTON: You know; so do I.

Mr. RALSTON: General, will you come back to the question I asked. The question I asked was whether or not the 16,000 plus the other dispatches which I have mentioned would see you through until May. You answered that these are only estimates. Of course, all these are estimates. But I ask you whether the 16,000 would see you through until May.

Mr. McNAUGHTON: I can give no undertaking that it will. That is something which is beyond the knowledge of any person here or any place else. But these figures are the result of experience and knowledge of the rate at which troops can be moved; the probabilities based on experience of delays in shipping; the case of mumps which may hold back a whole group or may hold back only a few. All these have been taken into account and averaged out; and since we are dealing with very considerable numbers the statistical figures do have significance to guide us. Then we have our good staffs putting in, as all staffs do, a little cushion to be on the safe side.

Mr. RALSTON: I am asking you if, on that statistical position—I am using your word now—you anticipate on the estimates, rough though they may be and subject to contingencies, that the 16,000 plus these other dispatches will see you through to May? Will you have a surplus on hand at that time?

Mr. McNAUGHTON: What I would say is that the dispatches, planned as they are, and having regard to the time limits in the movements from this country to overseas, make it reasonably safe to hold that, if any extra incidents occur, we would have time to make them good.

Mr. RALSTON: But, on the figures which you have—I am not asking you the numbers—would you have any substantial surplus at the end of May, on the estimates that you have made?

Mr. McNAUGHTON: If everything went according to the figures the position would be satisfactory.

Mr. RALSTON: That means that you would have a substantial pool on hand?

Mr. McNAUGHTON: Yes.

Mr. RALSTON: For the next month's casualties?

Mr. McNAUGHTON: Yes.

Mr. RALSTON: And any more than the next month's.

[Mr. McNaughton.]

Mr. McNAUGHTON: In May we are going into the future beyond where the planned possibilities have been communicated to us. I have no doubt that in some sections of the supreme allied command plans have been made and figures are being prepared, but the time to carry them to us has not yet come.

Mr. RALSTON: And, with that 16,000 and the others, you would have a substantial pool in all three bases: that is to say, the main pool in the United Kingdom, the pool in the battle area in northwest Europe, which we hope will be Germany, and another pool in the Mediterranean?

Mr. McNAUGHTON: The answer is yes.

Mr. RALSTON: Substantial?

Mr. McNAUGHTON: Yes.

Mr. RALSTON: Now then, without the 16,000 what would your position be? If you did not get the 16,000 in December, January and February would you be—shall I say—on the estimates, going into the red?

Mr. McNAUGHTON: I would say, far more than going into the red—quite deep.

Mr. HANSON (York-Sunbury): That is frank, anyway.

Mr. GREEN: General McNaughton, the order in council which has been tabled to-day limits the number of N.R.M.A. personnel that may be sent over to 16,000; and you have just told Colonel Ralston that, of the 16,000 extra men who will go over in December, January and from then until May, some will be general service personnel and some will be N.R.M.A. men. Can you give us any idea of approximately how many will be N.R.M.A. men and how many will be general service personnel?

Mr. McNAUGHTON: I would say to the hon. member that I think the best way I can answer the first part is by reading the operative clause of the order in council itself. It is restricted, as you know, to the operational theatres in the European or Mediterranean war zones, and the United Kingdom, of course, which is on our lines of communication; and it states that the minister is—

> . . hereby authorized and directed to dispatch to the following localities of service, namely: the United Kingdom and/or to European and/or Mediterranean operational theatres such personnel, in such numbers as may be approved by the governor in council (the number hereby approved being 16,000) who are serving by reason of their having been called out for training—

And so on. The order in council is general in its character, but the particular authority it has vested in me is sixteen thousand of the N.R.M.A.

Mr. GREEN: No, but you have said that the total number, over and above the previous commitments, that are to go over during these next few months is 16,000.

Mr. McNAUGHTON: Yes.

Mr. GREEN: You said that these will not all be N.R.M.A. personnel; some will be G.S. personnel. Now can you tell us how many N.R.M.A. men are to go over? I ask you that question because the Prime Minister in his statement over the radio said that there are eight thousand fully trained N.R.M.A. men in Canada who presumably are trained and fit to walk on the boat to-morrow. He said there are another eight thousand men who could go over in a very short time. Now I should like to know how many of these N.R.M.A. men you intend to send overseas during these months you have mentioned.

Mr. McNAUGHTON: It is not possible to give an answer to the hon. member, because of this fact, that the shipping we shall have will be for 16,000; in the first instance those who volunteer for service will probably be selected, and we shall use the powers regarding these 16,000 N.R.M.A. men just to make good a deficiency. I want to say to hon. members right here, as I said in the formal address which I gave, that I am a confirmed believer in a system of voluntary service for the Canadian Army. In that, I make no invidious comparison with the customs and practices of other great nations who are allied with us. It happens that this system has been traditional, and hon. members of this house who were here of recent years will know the history of this question far better than I do. It has been traditional; it was the system we had in effect when I had the great honour and privilege of taking our first Canadian division overseas. The fact that our men were volunteers had a very material effect on the principles of organization and training and the development of leadership in the schools and all the way through. I am most reluctant to depart, in the Canadian Army, from that principle. I believe in the voluntary system. I have made a confession of faith in it for us and under our conditions, and I certainly am not the one to use compulsion any more than I can possibly avoid in order to make good the deficiency in the situation which otherwise would exist. I may be right or I may be wrong, but that is the view which I will implement to the limit of my capacity.

Mr. GREEN: Then the fact is that you intend to make up these 16,000 extra men as far as possible by sending general service personnel?

Mr. McNAUGHTON: Yes.

Mr. GREEN: And you will send N.R.M.A. personnel only if other men cannot be scraped up from the bottom of the pool in Canada. Is that correct?

Mr. McNAUGHTON: That is not quite correct, sir.

Mr. GREEN: Then what is correct?

Mr. McNAUGHTON: What is correct is this: where we have general service personnel, N.R.M.A., who have converted, if they are entirely suitable and are up to the standards of training which we require of them—and that cannot be stated in simple terms across the whole business, because some of the training will take advantage of facilities. We shall have people at certain stages in Canada, and certain places, and as regards others we shall want to use our facilities in England for working out. As long as there are suitable general service personnel available to fill the requirements, it is our intention to use them. We propose to make good whatever deficiencies there are from N.R.M.A. personnel.

Mr. GREEN: So that the government's policy means this, that there may not be any N.R.M.A. personnel sent over at all between now and next May?

Mr. McNAUGHTON: Perfectly correct—if there were, as I see signs developing already to indicate, a most satisfactory start in the conversion of N.R.M.A. men. We would not use this authority, then, in any way, and I would be the most thankful man in this room.

Mr. GREEN: N.R.M.A. men will not be sent overseas if you can possibly avoid it?

Mr. McNAUGHTON: I have no intention of using compulsion except to meet a deficiency, and having regard to the purpose we have of maintaining the strength of our armies overseas.

Mr. HANSON (York-Sunbury): Answer the question.

Mr. GREEN: General McNaughton, are you aware that general service men in the Pacific command are being transferred to infantry, for example, from the ordnance corps, who have had no military training at all, who were put on as clerks immediately they enlisted? They are now being transferred and rushed overseas and other men, for example, carpenters, are receiving the same treatment. Are you aware of these facts?

Mr. McNAUGHTON: I am aware of the policies which are in effect.

Mr. GREEN: But are you aware of these facts?

Mr. McNAUGHTON: The men transferred from the other arms are put into the training stream and given the training appropriate to what they have been wanted for.

Mr. GREEN: Are these men being transferred now in that way and sent overseas?

Mr. McNAUGHTON: They are being remustered.

Mr. GREEN: And sent overseas?

Mr. McNAUGHTON: Yes, when they have reached the appropriate stage of effectiveness; and the training is not necessarily complete here, because we have establishments in England which we must use to the best advantage.

Mr. GREEN: I am told that these men in some cases are being sent right off, shipped overseas, without receiving training here.

Mr. McNAUGHTON: We cannot talk in generalities in this matter. We are dealing with tens of thousands. If the hon. gentleman will give me a specific case I will give him a specific answer.

Mr. ROSS (Souris): There are thousands of them.

Mr. GREEN: What length of training will a man of that class get before he is put into the front line?

Mr. McNAUGHTON: I shall be glad to give the hon. member that information. I take it he is anxious about those who are remustering. I will read the information in order to get it on the record:

> The first eight weeks of training for every soldier is in basic military subjects, which include grenades, mines, booby traps, rifles and automatic and other weapons. Hence on remustering, say from artillery to infantry, the gunner has had considerable training with the weapons and other subjects peculiar to the infantry soldier. The gunner will require a refresher and probably more detailed training in these subjects and will require training in infantry tactics and some conditioning by marching, although his general physique should be good. In the United Kingdom, where most remustering is taking place, a special syllabus calling for a minimum of six weeks' training is applied and has been found sufficient to adequately train a gunner as an infantryman. In such cases where it is found, at the end of six weeks' training, that the soldier is not proficient in the infantry arm, provision is made for an extension of one or more weeks to bring him up to the standard required.

Mr. GREEN: So that in the average case a man from the ordnance or artillery in Canada, who has had basic training, although it may have been three years ago, will get only six weeks' training before being put into the line.

Mr. McNAUGHTON: I would not say that is correct, because all through the courses there is going on a constant testing by experienced instructors, and wherever a man is found below par, below the standard, then what he has to take is adjusted accordingly.

Mr. GREEN: In the average case that man will face the enemy with only six weeks' training, according to your own statement.

Some hon. MEMBERS: Oh, no.

Mr. GREEN: How long will he have?

Mr. McNAUGHTON: You cannot say—

Mr. GREEN: Your order says six weeks, with a week or two extra in some cases.

Mr. McNAUGHTON: You are talking about the average case. It might happen that he would go forward after six weeks of training, but usually he moves forward towards his unit in progressive stages.

Mr. GREEN: He might be in the line after six weeks of training.

Mr. McNAUGHTON: No. It would be something more than six weeks before he could possibly get to the line.

Mr. GREEN: How many weeks?

Mr. McNAUGHTON: There is a time required, after the six weeks' training, for transport forward from there, from the training schools in England across the channel and up through the pools in France, where training is kept on continuously, and the most important training which he can be given, when left out of battles with the units themselves.

Mr. GREEN: You are relying, then, on these men getting some of their training on their way from England to the front line?

Mr. McNAUGHTON: In the theatre, yes, very definitely so. Of course he has had eight weeks of basic training behind him.

Mr. GREEN: Yes, but that may have been two or three years ago. If you do not know it, some of the rest of us do, that in many cases these boys do not throw grenades or fire Bren guns when they get basic training in Canada.

Mr. McNAUGHTON: They would be checked on that, and those who did not have it would be detected by the instructor in the tests on elementary training, and would be given what was required.

Mr. GREEN: Then some statements were made earlier this week by some of your senior officers of the sixth Canadian division, stationed in British Columbia?

Mr. McNAUGHTON: Yes.

Mr. GREEN: In the press report I find this statement:

> The whole of the sixth division, a large proportion of which is composed of home defence troops, is stationed in British Columbia. The officers said virtually all the home defence troops in the division have received full combat training.

Is that correct?

Mr. McNAUGHTON: I would not answer that question, from my knowledge, quite as emphatically as the officer in question has done. I would say it stands very high.

Mr. GREEN: Have you any reason to question the statement made by this officer?

Mr. McNAUGHTON: That they have had full combat training?

Mr. GREEN: Full combat training.

Mr. McNAUGHTON: They have had a very high degree of combat training, but under the circumstances, since my return to Canada, I have not had an opportunity to visit them, so that of my own knowledge I cannot state whether that is the case.

Mr. GREEN: Yet under your policy these home defence troops who have had full combat training will not be put into action, but boys who have had five or six weeks of training will?

Mr. McNAUGHTON: No, I would not say that would be the result.

Mr. GREEN: Then have you any fault to find with that statement of fact?

Mr. McNAUGHTON: I think all any of us can say is that the event will show.

Mr. GREEN: Oh, but this is not what the event will show; this is what the facts are at this very time. Do you question the accuracy of that statement? That is a simple question. Do you question the accuracy of that statement?

Mr. McNAUGHTON: Would you repeat the statement?

Mr. GREEN: Under your policy men in the home defence army whom you admit have had full combat training will not be put into action, but young lads who have had only five or six weeks of training, or make it even seven or eight weeks, will be put into action.

Mr. MITCHELL: That is not true, and you know it.

Mr. GREEN: General McNaughton should answer the question.

Mr. McNAUGHTON: No, I will not answer that question in the affirmative.

Mr. GREEN: You will not answer that question?

Mr. McNAUGHTON: I say I will not answer it in the affirmative. The answer is definitely, no.

Mr. GREEN: Then the Canadian people will see for themselves.

Mr. GRAYDON: Please let us have some order; I cannot hear what is being said.

Mr. GREEN: General McNaughton, with regard to the young Canadians in Great Britain who, without any say in the matter, are being remustered into the infantry, perhaps by thousands, what training will they get before they face the enemy?

Mr. McNAUGHTON: I took the case of a man in a specific arm, the artillery, going into the infantry, for the purpose of giving the information. Of course it was in the United Kingdom that most of the remustering had to take place. There it was laid down that there should be a minimum of six weeks of training for a gunner going on to infantry.

Mr. GREEN: I cannot hear you.

Mr. GRAYDON: Be quiet while the general speaks.

Mr. SPEAKER: Order; may I ask hon. members to listen for a moment. I cannot hear half the questions and answers, and we must have the record clear. There must be silence rather than the conversation that is going on all over the chamber. As I have said already, while this may be somewhat informal, still the Speaker is in the chair, and I expect the same silence to be maintained as would be observed during an ordinary session of the house.

Mr. McNAUGHTON: The question I was asked was what training a fully trained gunner would be given before going forward, if he were converted to infantry.

Mr. GREEN: Does it make any difference whether he is a fully trained gunner or a partly trained gunner?

Mr. McNAUGHTON: Very much. On being remustered he would be given a minimum of six weeks of training; then, if he had not come up to the test standards which

were laid down and practised in the training centre, he would be given more training before being sent forward.

Mr. GREEN: In the average case that boy would get six weeks of training?

Mr. McNAUGHTON: He would get six weeks as a minimum.

Mr. GREEN: What would be the average; six and a half weeks?

Mr. McNAUGHTON: Somewhere perhaps between six and seven, talking in averages.

Mr. GREEN: Supposing that boy had been given only two months of training in artillery; then how long would he get before being put into the line?

Mr. McNAUGHTON: I have been asked as to a condition that could not arise, because he has all the training here behind him.

Mr. GREEN: That is what you think, but a great many of them have not. Supposing he is an army service corps man; then how long will he get?

Mr. McNAUGHTON: That remustering course of which I spoke, which as a minimum runs to six weeks, is a standard which has been laid down for all remustering, and that is a minimum. Then the persons who are in charge of these units and responsible for seeing that the soldier is up to the standard will be required to check the training of the men in every subject laid down for them. It is their duty to ensure that before a man is passed out on remustering, he has reached the standard required, and I have no reason to doubt in any way that the mechanism is working satisfactorily. Like all mechanisms which deal with large numbers of men there will be occasions when individuals who are not up to standard physically, or not up to this, that and the other thing, will get through. We rely most of all on the final check; that is, where the man goes into the "left out of battle" part of his own units.

I take a chance on security, if there is a security question involved, but I do not believe there is. I wish to read a letter dated October 28 sent to all commanders in the field. It deals with the question of absorption of reinforcement personnel and is as follows:

1. Occasionally I have had instances reported to me purporting to prove that the training of reinforcement officers and soldiers on joining their units in the field, has been wrong, or inadequate. I am satisfied that most of the officers now responsible for training and testing remustered personnel, or drafts arriving from Canada, are officers who have had considerable infantry fighting experience in this war, know what is required and all are conscientious in their duty. I have discussed this problem with some commanding officers and senior formation commanders and I believe that the way in which reinforcements are posted within units has much to do with their unsatisfactory performance in cases where they have fallen short of expectations. I do not believe that commanding officers have given enough consideration to the human aspects of the problem.

2. Commanders and commanding officers must realize that when the reinforcement officer or soldier joins the unit with which he is going to fight, it is one of great moments in his life—comparable with birth, marriage or death. The position of a new reinforcement joining a unit is quite different from that of a soldier who has served with a unit for a considerable time and goes into battle beside officers and N.C.O.'s who have trained him and with men whom he knows. The reinforcement (unless he is a recovered casualty returned to his own unit) comes as a stranger. Regardles of how thorough his preliminary training may be, in the stress of his first battle, he may react in a way contrary to his training unless steps have been taken to win his confidence. It is well known, and only human, that the experienced fighting soldier is inclined to "lay it on a bit thick" in describing his battle experiences to the new arrival. This adds to the tension under which the inexperienced soldier goes into his first engagement. He may do things in the stress of the moment which afterwards he may well realize were contrary to what he had been taught.

3. Unless proper steps are taken within a unit, the reinforcement officer, or soldier, goes into action as an individual rather than as a member of a unit team.

4. Commanding officers will take steps to ensure that their unit arrangements for the reception and absorption of reinforcement officers' and soldiers are properly organized. Reinforcement personnel arriving at a unit must:

(a) be made to feel that they are part of the unit and no longer just individuals. A responsible officer who has served with the unit for some time must interview them and explain the practical side of soldiering in the field and make the new arrival feel that he belongs there. If this matter is properly handled, confidence is won from the outset and each man feels that he has become part of a unit which takes an interest in him.

(b) have a final check over of their individual weapon training and be given a few talks from experienced officers and N.C.O's, on practical pointers.

(c) be given time to adjust themselves to their new surroundings before they are faced with action itself.

5. I have previously issued instructions that every infantry battalion and armoured regiment shall have a strong "left out of battle" party, including 2IC's and selected officers, N.C.O.'s and men. From this "left out of battle" party can be formed the "unit reception school" to deal with arriving reinforcements. If properly organized within the unit, this party should be able to provide just the type of officer and N.C.O. needed to test and initiate the new soldier. I am satisfied that the means to handle this problem are there, if there is proper organization within the unit.

6. Except in extreme emergency, i.e., when it is a question of winning, or losing, a battle, reinforcements will NOT be posted into fighting

echelons in infantry battalions, or armoured regiments until they have spent a minimum of forty-eight hours in the LOB "school". I stress forty-eight hours as the minimum. Four or five days is preferable, whenever operational circumstances allow.

7. Whilst during prolonged active periods, the urge may be very strong to bring up to strength depleted fighting echelons as soon as a draft of reinforcements arives, I am convinced that if the steps are taken, which I have outlined above, a far greater fighting value will accrue to the unit and casualties will be fewer.

8. I fully appreciate that during the period of intensive activities through which we have been going that commanding officers have had little time to think about things other than the battle in which they are engaged. But, once proper arrangements have been made for reinforcement absorption, and a "unit reception school" formed, the senior LOB officer can command it.

Mr. GREEN: You are relying a good deal on these young lads who have had six or six and a half weeks' training in England getting at least forty-eight hours' training when they get to their battalions?

Mr. McNAUGHTON: I am relying much more than that on the testing by the officers as the men come up through the various echelons checking on the standards of qualifications which are required and physical fitness and so on. All of these echelons have authority to hold back in the training stream or in the depots people whom they consider to be unfit. I am satisfied, too, as matters have progressed, that we have a comprehensive number of officers and N.C.O's who have very great experience and who have been placed in these key positions where they can check the training and ensure the adequacy of people who are passing through their hands.

May I say one thing further? One of the things that I was always interested in and one of the things which relieved me most was to find, when I came to the department and asked what was being done with left-out-of-battle personnel, this information. I was relieved when the staff turned me up a copy of this letter from one of our senior commanders. I said: "At last we have this thing under control with the units themselves in place of having it left to chance." Once we have it checked at that point by the people who have to use and be responsible for the lives of these young men, they will very quickly bring the echelons up to standard, if they have been falling down. I was relieved to find that letter given as an order by one of our senior commanders in the field.

Mr. GREEN: In any event you are placing a good deal of reliance on the training that these young boys will get when they reach the battalion. What is to happen in the case of a boy going up to the Seaforth Highlanders of Vancouver as an example and meeting a condition where that unit has been reduced to fifty or a hundred men, and they are in desperate straits to hold their part of the front? How much training do you think that boy will get under those conditions—and some of us as infantrymen saw that happen in the last war—

Mr. McNAUGHTON: Quite so.

Mr. GREEN: Actually what will happen, as you know, will be that that boy will be put right in the line, and the chances are that he will be killed or wounded within twenty-four hours. If he is lucky enough to live he may learn something. We have had men back from the Seaforths, and that is exactly what has been happening in Italy. What do you do in a case like that?

Mr. POULIOT: Before the general answers may I say I submit that he is not a witness in court. He should sit down while such questions are being asked.

Mr. GREEN: What chance do you think a boy has to get training in the unit in circumstances like that?

Mr. McNAUGHTON: The hon. member has described a specific case.

Mr. GREEN: I am sure that there are many of them.

Mr. McNAUGHTON: It is a case where one of our battalions in an attack has been reduced to a strength of fifty all ranks.

Mr. GREEN: Or one hundred.

Mr. McNAUGHTON: If the circumstances of battle permitted, what would happen there is that the unit would be withdrawn.

Mr. GREEN: Suppose it is not withdrawn?

Mr. McNAUGHTON: Some of us have been in like positions; no doubt you have; I have been myself. Under those conditions, when the fate of the battle depends on it, it is the duty of every man, regardless of his qualifications or training, to do the best he can.

Mr. GREEN: Government members are applauding. What does the general think the duty of the men who are in the home defence army fully trained in combat training should be?

Mr. McNAUGHTON: The duty of the man in the home defence army is that he should take up his honourable obligation of service, and take it up at once, as other Canadians are doing.

Mr. HANSON (York-Sunbury): If he does not do so, then what?

Mr. GREEN: I suppose there is no obligation on the government to send him over! Under this proposed plan there will be two types of Canadian soldier, one who fights and one who does not fight.

Mr. McNAUGHTON: That is a statement of fact; I am not sure whether it is a question.

Mr. GREEN: I will put it as a question. Under your present policy will it be a fact that there will be two types of Canadian soldier, one who fights and one who does not?

Mr. McNAUGHTON: I sincerely trust that these young men will come forward to take up their obligations. I am doing everything I can to persuade them to do so.

Mr. GREEN: I understood you to say in your statement that you had reached the conclusion that it is impossible to persuade these young men to come forward.

Mr. McNAUGHTON: I said that under the circumstances as they exist at the moment there are not enough men with the requisite background of training coming forward to provide the essential reserves needed for our army overseas. For that reason, and for that reason only, I have been vested with authority, which I shall use, to see that the army is kept up. May I say that the organization in Canada is separate and distinct from the keeping up of our army overseas.

Mr. GREEN: But it is important.

Mr. McNAUGHTON: I agree.

Mr. GREEN: The lives of young Canadians are at stake.

Mr. McNAUGHTON: No one agrees more profoundly with what you have stated than I. One of the most difficult problems which faces me in the Department of National Defence is not the business of getting men to volunteer for service overseas, because once the unity and the will of the people of this country are established that will occur of itself. I have been given the residual problem of the N.R.M.A. personnel in the camps. Even with the most honest searching of our hearts as to how to go about it, we really do not yet know how to handle it. We have to study and investigate; we have to be sympathetic; we have to be human about it. We will find the answer, although I have not it yet to give you.

Mr. GREEN: Do you think you will promote unity by this policy of yours?

[Mr. McNaughton.]

Mr. MACKENZIE (Vancouver Centre): To support the soldiers overseas?

Mr. GREEN: Mine is a fair question. Do you think you will promote unity by this policy of yours?

Mr. McNAUGHTON: My primary responsibility to this house is the maintenance of the army overseas. I try in my humble way to put first things first. My business is to look after the army, and that I will do. May I say to the hon. member that if we do that and do it right, a lot of fine consequences will follow and we shall not have to worry about the unity of Canada.

Mr. GREEN: That is all very nice, but you have not answered the question.

Mr. MACKENZIE (Vancouver Centre): This is on a high plane.

Mr. GREEN: The hon. member for Vancouver Centre need not talk about things being on a high plane. Is your plan to continue asking N.R.M.A. men to volunteer for general service?

Mr. McNAUGHTON: Yes.

Mr. GREEN: You propose to carry on in Canada the two systems, general service and N.R.M.A.; is that correct?

Mr. McNAUGHTON: I want to phrase my answer in words that are understandable. The policy is to have voluntary service, and there will be an extension of that principle only where it is necessary to meet deficiencies in our army overseas.

Mr. GREEN: But the two methods will still be carried on?

Mr. McNAUGHTON: We have a problem on our hands. We have 60,000 men in the N.R.M.A. They are there physically in existence and something has to be done about them. The system must continue until it is liquidated, either by the men volunteering for service or by their going into some other form of activity. You cannot change an organization with 60,000 men in it just overnight.

Mr. GREEN: What about the young lads you are going to call up from now on? Are you going to continue calling up men and then asking them to volunteer? Are the men who are to be called up to be for service anywhere, or are they simply to go into the N.R.M.A. in Canada and then have to be persuaded to go active?

Mr. McNAUGHTON: There has been no alteration in the call-up system. Under that system we forecast the activities and needs

for a long time in advance and then we requisition on the Department of Labour for certain numbers of personnel who are physically fit and in certain other categories to be turned over to the army. Those who volunteer after being taken into the N.R.M.A. depots count against the quota and are later diverted into the training stream, while the others are handled through the N.R.M.A.

Mr. GREEN: The others simply go as N.R.M.A.?

Mr. McNAUGHTON: Until they volunteer.

Mr. GREEN: You said something about setting up a Canadian employment corps of N.R.M.A. men who are not in physical categories which would enable them to do any fighting. Is that Canadian employment corps to serve abroad or only in Canada?

Mr. POULIOT: While the general is looking up that information perhaps I might be allowed to ask one question.

Mr. GREEN: I do not mind permitting the hon. member for Témiscouata to ask one question if it is distinctly understood that it is only one and that I can then finish my questions.

Mr. POULIOT: It will take only a fraction of a minute.

Mr. SPEAKER: The hon. member for Vancouver South (Mr. Green) has the floor.

Mr. McNAUGHTON: I am afraid that I did not bring with me the particular table I wanted to deal with that question. The question was as to these employment companies that are being set up. What we propose to do is to gather into these employment companies the personnel of the N.R.M.A. who are in the lower physical categories, men who are not fit for training for the combat units, and it is from these companies that we will seek to discharge the requisitions for men to do work of national importance which are being passed on to us. They will be given a reasonable amount of military training, but from then on we propose to get work done by them to help out in all the business of the country in so far as we can. The hon. member will recall that I prescribed two very important safeguards with respect to that work. The first of these safeguards was that somebody other than myself who was in a better position to judge would say that the task was of national importance. The other was, because I am deeply concerned with safeguarding the rights of labour and getting back to our ordinary conditions as quickly as we can, that the Minister of Labour should tell us whether by doing the work requested we were interfering either with labour or with the standards of wages of labour. If so, we would clear out and do something else. But you cannot keep men in inactivity. If you have men and you have to keep them, which is the job which has fallen on my shoulders, you must have useful work for them to do or they will deteriorate.

Mr. BRUCE: Why not send them overseas?

Mr. McNAUGHTON: That may happen, sir.

Mr. GREEN: General McNaughton, you said that in the British army these men were sent abroad and did work behind the lines.

Mr. McNAUGHTON: Yes.

Mr. GREEN: Why cannot you do the same thing with this Canadian employment corps?

Mr. McNAUGHTON: That may very well happen.

Mr. GREEN: But is it going to happen or is it not?

Mr. McNAUGHTON: It depends on planning.

Mr. GREEN: Is it your intention to send them over?

Mr. McNAUGHTON: If they are required to do work behind the lines, if that is part of our commitment that we have assumed, as we balance things up from time to time, I would—

Mr. GREEN: Do you think they are required at present?

Mr. McNAUGHTON: You are asking me, if I may say so, to pass judgment on a thing which my present office does not require. To my great unhappiness I have ceased to be a soldier. I have come to a position where—

Mr. GREEN: I suppose you are now just a politician like the rest of us.

An hon. MEMBER: Cheap stuff.

Mr. McNAUGHTON: I have come to a position where I take my advice from the competent military advisers who are provided me and I act on that advice.

Mr. GREEN: Did your military advisers advise you that these home defence troops should not be sent overseas?

Mr. McNAUGHTON: Mr. Speaker, I cannot complete—

Mr. GREEN: You also said that some of these N.R.M.A. men in Canada are to be put

on a reserve and apparently are to go into civilian clothes and go back into industry. Can you tell us just what number you think will be affected by that, and what use they will be?

Mr. McNAUGHTON: The employment companies I admit are in an early stage of development as regards their regulation. The hon. member asked me, if I understood him correctly, whether these men would go into civilian clothes and be allowed—

Mr. GREEN: No, no. I understood you to say in your statement that you were going to have some of these N.R.M.A. men put into a Canadian employment corps, presumably working on government jobs in Canada.

Mr. McNAUGHTON: Yes, hospitals and the like.

Mr. GREEN: I suppose they would be in a uniform of some sort. In addition, you said that some N.R.M.A. men are to be placed on a reserve and are to go back into industry. It is about the second group I am asking.

Mr. McNAUGHTON: I think that is a most important matter because many of the men have special qualifications and can meet the needs, for example, in the munitions industry. If we have a man who is capable of helping us in that business, where we are very short, we are in duty bound, I think, to release him, and the simplest way to do so is to place him on a reserve and allow him to go and work in that industry.

Mr. GREEN: About how many men are to be dealt with in that way?

Mr. McNAUGHTON: I cannot give the answer to that until I have a detailed analysis of the figures. All I have been able to state to the house to-day is a policy. We are working it out, and in due course we shall see what the needs of the situation are and how we can best meet them.

Mr. GREEN: Will it run into some thousands?

Mr. McNAUGHTON: The skilled men will run probably into a few hundreds.

Mr. GREEN: About how many will be enlisted in the Canadian employment corps?

Mr. McNAUGHTON: In round numbers, somewhere about 9,000.

Mr. GREEN: So 9,000 are to go into these employment companies and just about the same number are now working out at different jobs.

Mr. McNAUGHTON: It is a regrouping of people who are out and bringing them under more effective control.

[Mr. Green.]

Mr. GREEN: This plan of bringing men who are out working in industry back into the army again does not amount to very much if they are simply to be brought back into this Canadian employment corps.

Mr. McNAUGHTON: The hon. member said it did not amount to much. I wish to goodness it amounted to nothing.

Mr. GREEN: But that is the position, is it not? Thank you, very much.

Mr. POULIOT: I have a threefold question to ask of the general in regard to reinforcements. The general will probably agree that N.R.M.A. men are not the only source of reinforcements, and that the first source of reinforcements shall be the general service men who have never been in any theatre of war.

That is preliminary to these three questions, the last of which has not been written, but it is one which the minister will remember without difficulty:

First: On November 1, 1944, were there (a) at national defence militia headquarters at Ottawa, (b) at those of the various military districts, and (c) in all other army militia establishments, any G.S. officers who had not been sent to any theatre of war; and if so, how many at (a), (b), and (c)?

Second: were any of such G.S. officers and men fully trained, and if so, how many, at (a), (b) and (c)

Third: Precisely why those G.S. men, who have volunteered, are not clear on the way to the front—because they are not—before N.R.M.A. men are called?

Mr. McNAUGHTON: May I reply to the hon. member that I have not this detailed statistical information here, but we will do our best to get the figures and give him the answers to his questions. As regards the last question, regarding general service volunteers for overseas, it is a principle that an officer shall go where he is sent. There is no question that these volunteers are available for service anywhere as need dictates. It may happen, and I have no doubt does happen, that technical officers and others who have been used on special work may well have been retained even this long at one of the headquarters. I must admit that I have not information as to the number, but I will try to get it and give the answer at the first opportunity.

Mr. DIEFENBAKER: Mr. Speaker,—

Mr. SPEAKER: The hon. member for Macleod has the floor.

Mr. HANSELL: I shall not take much time. It is nearly six o'clock, and perhaps the hon. member for Lake Centre will be able to speak before the recess or immediately after eight o'clock. I have but one question to ask. Parliament has been summoned, I fancy, to discuss the reaction of this country to government policy with respect to the men in the forces now in Canada. I still feel slightly in a quandary as to what the government policy actually is. When we came here to parliament we were quite certain that government policy was against conscripting the N.R.M.A. men overseas. Now there has been passed an order in council which, when it was read, appeared to be a reversal of that policy. I pick up the evening paper, and the headline, which I believe you, Mr. Speaker, can read from where you sit, fifty or sixty feet away, is this: "Zombies to the Front." But since this headline was put in type we have listened to a little questioning of General McNaughton and it appears that that is not the case, that perhaps the press got its wires crossed a little bit. I am still uncertain as to what government policy is, and whether or not this order in council reverses the policy of a day or two ago. I take it that the reason for calling parliament has its basis in a conflict of opinion which occurred between the former Minister of National Defence and the government in respect of policy. Personally I feel that before we are through with this matter, the hon. member for Prince (Mr. Ralston), the late Minister of National Defence, should make a statement.

Some hon. MEMBERS: The former minister.

Mr. HANSELL: The former Minister of National Defence. It may be that I am addicted to the use of the expression "the late So-and-so", because in the course of my life time I have had to hold so many funerals, although the word is very ghostly to me. I thank hon. members for the correction. I personally think that the former Minister of National Defence should be the one to answer questions, so that from him we could gain some knowledge of this matter. He was in harness in Canada since General McNaughton returned from England, and should know the situation. I have said that the reason for calling parliament has its basis in the fact that there was a difference of opinion with respect to the policy of the former minister of defence and the government. When the former minister resigned his position this country was stirred; feelings ran high, so much so that pressure of public opinion caused the Prime Minister or Your Honour to feel it imperative to call parliament. I doubt whether General McNaughton can answer the question I am about to put, and therefore I do not ask that he necessarily shall answer it.

May I say in passing that I appreciated the suggestion of the hon. member for Témiscouata that General McNaughton should be seated. I appreciate, too, that General McNaughton is not a criminal on trial for his life. On the basis of his position as an honoured general of the army he should be treated with the utmost respect.

My question is perhaps more directed to the Prime Minister than to General McNaughton; or possibly the former Minister of National Defence would like to answer it. This is my question: Would Colonel Ralston's resignation have been necessary if this order in council had been passed upon his report to the cabinet after his return from overseas? That is my question, and I think the people of Canada have a right to know.

Mr. ROWE: Do not embarrass the general; page the Prime Minister.

Mr. DIEFENBAKER: That apparently was the $64 question.

Mr. HANSELL: Just a moment. I appreciate the fact that the hon. member for Lake Centre wants the floor. He will get it all right.

Mr. DIEFENBAKER: I have waited for three minutes.

Mr. HANSELL: I want an answer. The Prime Minister can accept resignations and can put in his cabinet whomsoever he chooses, but he cannot trifle with the feelings of the people of Canada, and, as my hon. friend the member for Bow River says, with the lives of our fighting men. I want that question answered. Surely the Prime Minister can answer it. If he cannot, we shall have to try to get it from the former Minister of National Defence.

Mr. MACKENZIE KING: At the beginning of this afternoon's session, the leader of the opposition asked that General McNaughton's answers to questions be confined to to-day. I thought at that time that in regard to the questions to be asked, there would be a fair distribution as between the members on different sides of the house, and that the general would not be subjected to almost continuous cross-examination by members of one particular group. I am hoping

that the chance will be given members of the Cooperative Commonwealth Federation and those of the Social Credit group to ask questions as well as members of the official opposition.

I do not wish to take up time in answering questions at the present time. General McNaughton should be given all the time he can possibly have to-day.

But may I say a word with reference to the question. There are some things that can be done or which may be unnecessary at one time which cannot be done or which may become unnecessary at another, and if the government had attempted to do a month or two ago what at that time did not appear necessary or what has been done to-day, I venture to say that its action would have frustrated the ability of the defence department to give to the men fighting on the other side the reinforcements needed at the time they may be needed.

Mr. COLDWELL: May I ask the Minister of National Defence one or two questions? Will the estimate for reinforcements allow for leave to be given to the men who have been continuously in the firing line ever since we invaded Italy, or more recently in France? Will the estimate of reinforcements to be sent overseas allow for proper leave for those men who have borne the brunt of the day?

Mr. McNAUGHTON: I am glad that question has been asked, because that is a matter which has given me most anxious thought from the beginning. Some of our men have been over there for five years or more, away from their homes, and we are most anxious that those with such long service should have the rest that comes from returning to their families. The number for December is very small. We hope to have home before Christmas 450. That number was set purely by the exigencies of transportation. That is the limiting factor. I am in great hopes that we may have larger numbers and that we can increase them very materially as soon as transportation is available. We are certainly going to do that.

Mr. COLDWELL: Is this estimate of the needs one that will allow, having in mind what the general has just said, a reasonable and proper margin of safety—

Mr. McNAUGHTON: Yes.

Mr. COLDWELL: —making allowance for underestimate?

Mr. McNAUGHTON: I may say to the hon. member that the figures were carefully studied by our military officers and the general staff, and they were studied from every angle. The figures with reference to transportation take into account reinforcements in the various progressive times that lie ahead, to the level which is recommended by our military authorities, and on top of that, while it varies from time to time, there is some margin of safety. Again, I may say to hon. members that many uncertainties enter into the picture. We do not know with certainty what the fighting will be; we can only base it on past experience. But that experience has been analysed and the greatest care has been put into these figures, so that we believe that on the average they are sound and safe.

Mr. COLDWELL: In his statement to the house, the Minister of National Defence stated that there might be important gaps in it which he could not disclose in public session, and he indicated one of those gaps. He said he had had comprehensive figures prepared, and he had a table under his hand. In the light of the two questions I have asked regarding leave and the margin of safety, I think this house ought to see those figures and that table. I would therefore ask the general under what conditions he would allow members to have access to that table.

Mr. McNAUGHTON: That particular table was one which I felt that this house in confidential session would like to have. It has been prepared in such a way that I can use it complete without anxiety in a session of that sort.

Mr. COLDWELL: The hon. member for Dufferin-Simcoe (Mr. Rowe) suggested, when I asked these questions, that I must have talked it over with General McNaughton. May I say that I have never spoken to General McNaughton in my life.

Mr. ROWE: I never said that.

Mr. COLDWELL: The hon. member said I must have talked it over with him.

Mr. ROWE: Not with him.

Mr. COLDWELL: I have talked it over with nobody. I am asking these questions because of their importance, and I think that the further we get away from suggestions of that sort of political strategy the better it will be for the house and the country. I was going to ask a question, but I see it is six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. COLDWELL: Can the Minister of National Defence tell us what are the medical categories of the men in the home defence army, how many are in each category, and what categories are considered to be fit for duty in the line?

Mr. McNAUGHTON: I was not able to catch the question in full, but I understand the hon. gentleman to be asking for a breakdown of the N.R.M.A. men by categories. The total strength of the N.R.M.A. as of September 27, the latest figure I have with me, was 68,489, of whom 8,743 were on extended leave, which leaves actually in the service 59,746. Of that number approximately 16,000 were trained as infantry and another 26,000 were of an age and category suitable for infantry training. So that the total potential infantry in the N.R.M.A. is the sum of 16,000 and 26,000, or 42,000. The remainder, namely some 17,746, are considered to be unsuitable and unavailable for infantry.

Mr. COLDWELL: And is the lowest category B-2? What will be the lowest category accepted as fit for infantry service in the line?

Mr. McNAUGHTON: We do the categories on what is known as the pulhems system. With the exception of a few tradesmen the minimum pulhems categories acceptable for infantry for service in the line are 1-1-1 and 2-2-2-1.

Mr. COLDWELL: What does that mean, precisely?

Mr. McNAUGHTON: The pulhems categorization is a most carefuly worked out system with the introduction of which our own medical officers, both here in Canada and overseas, had a great deal to do. It breaks the estimation of a man's fitness down into all parts of the body; for instance, "P" is physical; "U" is upper body; "L" is the lower part of the body, and so on. Unfortunately I have not with me at the moment the rather thick pamphlet giving all the details, but I have sent for it and it will be here in a few moments.

Mr. DIEFENBAKER: There is one question I should like to ask in connection with the number of voluntary enlistments and the discharges in each of the months beginning with last June. I ask for this information because in a return brought down some months ago, just before the house adjourned, it was stated that the excess of voluntary enlistments over discharges was some 5,400 during the months of March, April and May. So that I would like the minister to give the house a statement setting out the number who volunteered in each of the months from June to October, and the number of discharges in each of those months.

Mr. McNAUGHTON: I have under my hand the figures for January, 1944, to September, 1944, by months which I would be very glad to give.

Mr. DIEFENBAKER: Would you give them from June, 1944, to the end? We have had the other figures. What I wish to get is the figure for the last three or four months starting with June.

Mr. McNAUGHTON: The total enlistments for general service in June were 6,282; July, 4,860; August, 5,256; September, 5,318; October, 4,710. That is the last figure I have. We have not November.

Mr. DIEFENBAKER: Would you give the discharges for each of the corresponding months?

Mr. McNAUGHTON: I have been able to give the enlistments in terms of precise figures. We have to give the discharges in round figures with the data I have available here. In June there were 4,000 discharges; in July, 3,400; in August, 3,500, and in September, 3,000. The figures I have here were rounded off for another purpose.

Mr. DIEFENBAKER: Have you October?

Mr. McNAUGHTON: I have not October. I shall be very happy to get it for you if you would ask again.

Mr. DIEFENBAKER: I should like to ask you whether in your opinion, or whether you so advised the Prime Minister (Mr. Mackenzie King), that you believed or had reason to believe that you could secure a very large increase in enlistments among the N.R.M.A. troops? When was such a suggestion first made to the Prime Minister?

Mr. McNAUGHTON: The answer that I would make to the hon. member is that if I had not believed that the measures which were open to me to take that persuasion would yield the results I would not have made that suggestion.

Mr. DIEFENBAKER: When was the suggestion made? When did the minister first let the Prime Minister know that he believed that he could make the voluntary system supply the necessary reinforcements for the Canadian infantry? When was the first time you gave the Prime Minister that opinion?

Mr. McNAUGHTON: I can only give the hon. member an approximate date from memory because I have not kept a diary of it. I would think from memory, subject to correction, that it must have been about the last day of October.

Mr. DIEFENBAKER: About that time was the first occasion on which the minister had advised the Prime Minister—

Mr. MACKENZIE KING: May I say to my hon. friend that I think the minister could give that information best by reference to the day on which he was made minister. The minister was sworn in on Thursday the 2nd of November.

Mr. McNAUGHTON: Yes. I see I have a note in this little diary. The conversation took place on Tuesday, October 31.

Mr. DIEFENBAKER: Did the minister at the time he gave that opinion have a full statistical record regarding the enlistments and the difficulties of getting men from the N.R.M.A. men in general as experienced by the department?

Mr. McNAUGHTON: The answer to that question is, no.

Mr. DIEFENBAKER: I am asking these questions for the purpose of getting information. What change in attitude, what degree of different types of persuasion did the minister decide to use on the N.R.M.A. men that had never been used before? I mention in that connection the fact that the minister was quoted in the press as using words to this effect, that improper means or unjustifiable means had been used but that that course was to be departed from. What innovation or improvements did the minister suggest could be used on the N.R.M.A. men in order to induce them to enlist?

Mr. McNAUGHTON: I would say to the hon. member that I had seen a fair amount of what was going on in various parts of Canada, and I had formed the definite opinion that these men who were in the N.R.M.A. units had been pressed rather than led. It seemed an attitude of mind which had grown up towards them in all quarters. I heard it on all sides. From the earliest days when I was called upon to study these matters for the last war, to study, report and recommend what should be the basis of our military organization for the future, I had formed the definite opinion that in this country we should rely on the voluntary system. It struck me that these people had been put into the camps and that they were certainly not being encouraged to come forward the way I would like if I were the one responsible for them, and I felt myself emphatically that in an appeal to them, pointing out the part that they could play, we would have a considerable measure of success in persuading them to volunteer for general service, or, as I have put it on more than one occasion, to take up voluntarily the honourable obligation of service.

Mr. DIEFENBAKER: That is far from an answer to what I had in mind. What were the coercive actions that you objected to? That is far away from an answer to that question.

Mr. McNAUGHTON: The hon. member will forgive me if I do not agree. These matters of opinion and judgment are hardly susceptible of categorical answers in detail.

Mr. DIEFENBAKER: The question that I asked was this: What were the coercive actions that had been practised on these men that the minister decided were not going to be continued any more? What were those practices? I ask this only to ascertain what change has taken place.

Mr. McNAUGHTON: If the hon. member will give me a few minutes I shall have the memorandum looked up.

Mr. DIEFENBAKER: While the minister is having that information looked up, will he tell me if, as a result of his examination or knowledge gained in various parts of Canada, he has come to the conclusion that coercion has been used on the draftees who were actually in the forces?

Mr. McNAUGHTON: Since I came back to Canada I have been in the position of an onlooker and I have had very little opportunity to see the men except when they were out of their camps. The impression I have formed is that with leadership and persuasion and appeal these men will come forward.

Mr. DIEFENBAKER: Did the minister conclude that there had not been leadership before?

Mr. McNAUGHTON: I would answer "No" to that question.

Mr. DIEFENBAKER: What changes has the minister made since he became minister with a view to securing the enlistment of the N.R.M.A. men?

Mr. McNAUGHTON: I covered this matter in considerable detail in the address which I had the honour to make to the house to-day. As I said then, this group had been held together for a multiplicity of purposes. Some of them had been trained as soldiers and others had been fully or partly trained to be moved around the country from time to time

to work for farmers, picking tobacco and so on. I do not dispute that all these matters were of significance in the industrial and agricultural life of the country, but I submit that these men were called up primarily to be trained as soldiers and that they should be brought back to be trained as soldiers rather than be sent out to do other work for which they would receive high rates of pay.

Mr. DIEFENBAKER: Does the minister have any reasons other than those given this afternoon for the failure to secure the necessary volunteers from the N.R.M.A. ranks?

Mr. McNAUGHTON: I think the reasons which I gave this afternoon were sufficient to form my opinion and judgment.

Mr. DIEFENBAKER: How many volunteers from other branches of the service have been transferred to the infantry since the minister has been minister?

Mr. McNAUGHTON: As I understand the hon. member's question, he wants to know the number who have been remustered since November 2?

Mr. DIEFENBAKER: Yes.

Mr. McNAUGHTON: I regret that I have not the figures broken down in that way; it has been prepared as a cumulative figure.

Mr. DIEFENBAKER: Is it possible to tell me how many there were as of the first of the month, and how many there are to-day? There would then be no difficulty in deciding how many there were at that time.

Mr. McNAUGHTON: That would mean cabling our staffs in England, because most of the remustering has taken place on the other side.

Mr. DIEFENBAKER: Have you the figures for Canada?

Mr. McNAUGHTON: We could not give figures for November at this time.

Mr. DIEFENBAKER: Did you give instructions to the district officers commanding of the various districts that men in other branches of the sevice regardless of their rank so long as they were non-commissioned officers or privates should be transferred to the infantry? Have you given such orders during the last two weeks?

Mr. McNAUGHTON: The question of the hon. member, as I understand it, is, did I give those orders?

Mr. DIEFENBAKER: Yes.

Mr. McNAUGHTON: The particular orders for remustering fit men, non-commissioned officers included, were given before I took over the department. I reviewed those orders and continued them in force under the circumstances.

Mr. DIEFENBAKER: Any man who was a volunteer and who was remustered into the army, regardless of whether he had non-commissioned rank or not, was remustered as a private; is that not correct?

Mr. McNAUGHTON: As to the non-commissioned officers and the specialists who were remustered to infantry, the recommendation was and is that they should retain their rank during training and for six months after posting, by which time it was thought that if they were up to the standards of that rank they would continue to hold it. To make the pay side of that effective requires an amendment to Financial Regulations and Instructions, which amendment has been signed, has gone forward and will be effective for the men concerned from the date on which they were remustered.

Mr. DIEFENBAKER: And has authority also been sent out that all the non-commissioned officers in the N.R.M.A. who may enlist in the active army shall retain their rank?

Mr. McNAUGHTON: Yes; the answer is in the affirmative; they are treated in the same way. It is in all cases men who have gained their stripes as N.C.O's. It is well to keep them before the commanding officer of the unit to which they go.

Mr. DIEFENBAKER: The minister stated this afternoon that he was hopeful that by proper persuasion the N.R.M.A. army would be very considerably reduced. May I then ask how many N.R.M.A. men have enlisted since the minister took over?

Mr. McNAUGHTON: The hon. member asked me if I am hopeful that with a new approach the N.R.M.A. can be persuaded to convert to general service.

Mr. DIEFENBAKER: No, I did not ask that at all. My question was, in view of the hopeful attitude of the minister as expressed earlier this month, have events justified it? How many N.R.M.A. men have since enlisted for active service?

Mr. McNAUGHTON: From the 1st to the 4th of November—a four-day broken week—96; for the week ending November 11, 173; for the week ending November 18, 280. In one camp where the work has been well organized there were over 185 converted to general service during yesterday and to-day. If the hon. member will excuse me, I have been busy with other affairs and have not been

able to get the figures of the last few days together to be of use, but I shall endeavour to give the figures to-morrow.

Mr. SLAGHT: What help did you get from the hon. member for Lake Centre?

Mr. BROOKS: Are the figures you gave of N.R.M.A. men who have enlisted for active service those of men who have been in the N.R.M.A. for some time or of men who have just recently been called up in the draft?

Mr. McNAUGHTON: I could not give the break-down with any certainty, but most of the men referred to in those figures as converting from the N.R.M.A. have been there for some considerable period.

Mr. BROOKS: The figures include both men who have been recently called up and men who have been in the N.R.M.A. for some time?

Mr. McNAUGHTON: That is correct. But the majority I believe have been there for some time. I have no statistical break-down with me.

Mr. DIEFENBAKER: I have before me a clipping of a statement made by Major-General G. R. Pearkes with regard to the units in the Pacific command. I shall quote from the clipping and then ask the minister whether it is a fact. It is dated November 17 and quotes Major-General Pearkes as follows:

"There must be an immediate and unprecedented acceleration of recruiting among N.R.M.A. infantrymen if any adequate response is to be made within the short time General McNaughton intimated, in his appeals at Arnprior and Ottawa, was yet available."

Asked what new methods would be used to urge "Zombies" to go active, General Pearkes replied:

"God only knows. But we're going to have a try anyway."

What new methods have been put into effect since then beyond the order in council that was passed to-day?

Mr. McNAUGHTON: I would say to the hon. member that probably one of the most important methods was to see by the publication of the figures that the general public of Canada had knowledge of the particular problem of the N.R.M.A. which was growing up in our midst. The second fact is that members of the community whose voices are respected and carry far have in some instances been making appeals to these men, reinforcing the appeals which I myself have made. They were doing it and getting an effect. Previously we had little help from outside. The problem seemed to me to have been largely left to the army to solve. I believe that the problem of N.R.M.A., while it is true that it is the army's responsibility, is also the responsibility of the general public of this country, and I have not felt that we have had much real charity and support in this work.

Mr. DIEFENBAKER: Speaking of charity, and in all charity, do you think the government had no responsibility under its power? I ask the question in perfect courtesy, too.

Mr. McNAUGHTON: A courteous question requires a courteous answer. I think we all, government and people, bear a responsibility when a social problem of the magnitude of N.R.M.A. arises.

Mr. BROOKS: I think your appeal was to be made to the parents and friends of the people in the localities where the men's homes were. Is that not correct?

Mr. McNAUGHTON: That is right.

Mr. BROOKS: Well, is it not true that most of these men are miles away from their homes? Many men on the Pacific coast are from eastern Canada; many of those in the east are from the west; and how would it be possible for the parents or the local people to use influence on men who are not in their own homes?

Mr. McNAUGHTON: There are letters and other communications between the boys in the camps and their people at home.

Mr. DIEFENBAKER: If, as you stated this afternoon, you believe that the manpower should be secured by this new policy of persuasion, as you call it, why the introduction of this order in council at this time?

Mr. McNAUGHTON: When I made my appeal, and when the Prime Minister made his appeal, it was not only the making of the appeal that was required, but that there should have been a unity of public opinion behind that appeal. As it turns out, in place of getting support we got the opposite. I would say further to the hon. member that when I made my original appeal at Arnprior I said that it was conditional on the good will and support of the public. When persons are charged in war with responsibility for the armed forces, when persons are charged in war with responsibility for the leadership of the nation, and the public do not respond to their appeal—

Mr. ROSS (St. Paul's): They did in 1942.

Mr. McNAUGHTON: —it is no wonder that, if we get no support, and with the responsibility which the Minister of National Defence and the government carry for the proper maintenance, the full maintenance of

the army overseas, we should turn to another method in order to discharge our duties and responsibilities.

Mr. HANSON (York-Sunbury): If I properly interpreted your remarks this afternoon, you frankly admitted that a mistake had been made and you did not get the big response you expected you might get? Is that not the substance of your statement this afternoon? It is the way I interpreted it, at all events.

Mr. McNAUGHTON: What I contended we should do was that we should make an honest and full endeavour to maintain our traditional system and to prove conclusively, to the satisfaction of ourselves and of all the country, that it could not be done, before we turned to measures which were more extreme.

Mr. DIEFENBAKER: What are the more extreme measures?

Mr. MACKENZIE (Vancouver Centre): Read the order in council.

Mr. McNAUGHTON: The measures to which the hon. member refers are those which were laid on the table of this house to-day.

Mr. DIEFENBAKER: And which the minister said he did not expect he would ever have to use.

Mr. CRERAR: He said nothing of the kind.

An hon. MEMBER: He "hoped".

Mr. DIEFENBAKER: Did the minister say he never hoped to use it?

Mr. McNAUGHTON: He said he hoped it would not be necessary to use it. But he said also that the forces overseas will be maintained.

Mr. DIEFENBAKER: Oh. So that we can take it as definite that the statement this afternoon that the minister did not expect to use the powers has been changed; his attitude has been changed?

Mr. McNAUGHTON: I would say to the hon. member that the answer to his question is, no. I still hope that the voluntary system will be effective, but my first duty, my first purpose is to maintain our forces overseas to the strength that has been decided; and those forces will be maintained, by any method.

Mr. NOSEWORTHY: General McNaughton, I was very much interested in the coincidence which is evident in the figures which you gave this afternoon. You estimate that an additional 16,000 men will be needed for reinforcements, to see you through, I think you said, until May. The figures show that there are 16,000 men in N.R.M.A. either fully trained or very nearly fully trained for the infantry; and I notice that the order in council tabled this afternoon authorizes you to send at your discretion a number up to 16,000 overseas. Would you like to comment on that unusual coincidence of figures?

Mr. McNAUGHTON: I would say to the hon. member that it is a coincidence. It is fortuitous because there is no real connection between the figures in the sense that he means. We do require another block of infantry overseas, as I shall endeavour to show when I am speaking to the house under conditions where I can disclose these figures in detail.

Mr. NOSEWORTHY: Would you say that the 16,000 provided in the order in council was governed by the fact that there were 16,000 fully trained available, or by the fact that there were 16,000 needed overseas?

Mr. McNAUGHTON: The figure of 16,000 of additional dispatches is the recommendation of the general staff, who are responsible for advising me on these matters. It is a statement of requirements.

Mr. NOSEWORTHY: I note from the afternoon papers that the press at least gained from the order in council the impression that the 16,000 trained in the N.R.M.A. would be sent overseas under the authority of that order in council. You would say that there is no justification for the press drawing that inference from the order in council.

Mr. McNAUGHTON: The numbers sent over under the authority of the order in council will be those numbers which are needed to make up any deficit in the men who are coming forward voluntarily and who, of course, are suitably trained.

Mr. NOSEWORTHY: I understood from your statement this afternoon that that is your policy. I have not a copy of your statement, and this may be asking for the repetition of something that you have already given; but would you outline to us just how you propose to make up that complement of 16,000?

Mr. HOMUTH: Where are you going to get them?

Mr. McNAUGHTON: I would say that these extra 16,000 for dispatch—5,000 approximately in December, 5,000 in January, and speaking from memory, I believe, 2,000 in each of the months thereafter, making the total of 16,000—having been set by the staff and approved by the minister, it becomes the duty of the adjutant-general's branch, work-

ing in cooperation with the training branch, who know the training standards, to make selections of personnel. When these matters have been studied, specific proposals will be made by the adjutant-general as to where these men are to come from and who they are, and will be placed in front of the minister for approval. In the course of the two or three hours since that order in council became the law of the land, that process of distribution and selection has only just commenced. It will be some time yet before I can give a specific decision as to how it is to be put together.

Mr. RALSTON: I think the general is missing something that appeared in his statement this afternoon. As I understood the question, it was, where are we to get the 16,000? I understood the general to say that the deficit of the 16,000, over and above those who are volunteers, would be obtained from the N.R.M.A. Do I not understand that all these 16,000 are to be from N.R.M.A. men?

Mr. STIRLING: No.

Mr. RALSTON: I am talking about N.R.M.A. men, whether volunteers or under the order in council. Are not all the 16,000 from N.R.M.A.?

Mr. McNAUGHTON: No.

Mr. RALSTON: The general is missing something, or I am hazy in my reading of the speech. He said:

> I want to say, quite definitely, that all anxiety would be removed if we were able to find in December a total, above the numbers now arranged, of 5,000 infantry fully trained, or in an advanced state of training, a similar number in January, and a further 6,000 in the succeeding months. Every possible economy in the employment of fit general service personnel in home establishments has now been made or is in process, and the men so made available are included in the figures of planned dispatches.

Which means other dispatches altogether—not the 16,000.

> In consequence, the only source from which this additional 16,000 can be secured is from the N.R.M.A.

Is that right or not?

Mr. McNAUGHTON: When N.R.M.A. men volunteer for general service and go into those quotas, then compulsion is not used. There are also certain individuals coming from other sources to make up that 16,000 requirement.

An hon. MEMBER: From what other sources?

Mr. RALSTON: I am more interested in the 16,000 men than in anything else talked about to-night, because they are the men to make up the reinforcements.

Mr. McNAUGHTON: The substantial bulk will come from that source.

Mr. RALSTON: But does it not say that all the 16,000 will come from N.R.M.A., either as volunteers or under the order in council?

Mr. McNAUGHTON: There are other individuals who go to make up these drafts.

Mr. RALSTON: Surely your speech meant that all the 16,000 would be from the N.R.M.A., either by volunteering or under the order in council, and not from people who are general service men now.

Mr. McNAUGHTON: We have taken most of the general service personnel who are free. Additional general service personnel are being freed from home war establishments every day, and as they are sorted out, if they happen to be selected for particular dispatch they will be included.

Mr. RALSTON: But I want to point out, if I can read anything at all, that this indicates that all men who have been planned for and sorted out, and who are expected to be sorted out, are to be put in the planned dispatches, which I understand to be the usual monthly quotas which are going over from time to time. This 16,000, I understand, constitutes a lump sum of 5,000, 5,000, and three 2,000 lots. These have to be trained men, and they do all come from N.R.M.A., whether they volunteer subsequently or come under the order in council.

Mr. McNAUGHTON: The bulk of them will come from that source.

Mr. RALSTON: This says all of them:

> In consequence, the only source from which this additional 16,000 can be secured is from the N.R.M.A.

Is there any qualification to that?

Mr. McNAUGHTON: No. There is no qualification to it whatever, but there are always people coming from various sources. There are additional general service people coming in, in addition to the planned dispatches which we had made up and formed before this additional provision was made.

Mr. RALSTON: You will find that the officer beside you has every man that can possibly be forecast as coming from any source at all, and that he and you are counting on N.R.M.A. personnel who volunteer as going in the regular monthly dispatches and not as part of the 16,000.

Mr. McNAUGHTON: Substantially.

Mr. RALSTON: Practically all, to furnish the 16,000. While I am on my feet I should like to clear this up, because I think it is very important for us to know about these 16,000. I have read the minister's statement carefully, and I find there is not one word in it that indicates positively that these men are being sent. I do not think it is put in this way purposely at all, but this would seem to be the way whoever wrote it thought would best indicate what were the needs.

I want to say, quite definitely, that all anxiety would be removed if we were able to find in December a total, above the numbers now arranged, of 5,000 infantry fully trained or in an advanced state of training, a similar number in January and a further 6,000 in the succeeding months.

If that were the case all our anxiety would be at an end.

Every possible economy in the employment of fit general service personnel in home establishments has now been made or is in process, and the men so made available are included in the figures of planned dispatches.

They are out of the way. The next sentence is:

In consequence, the only source from which this additional 16,000 can be secured is from the N.R.M.A.

Still we do not say they are going.

If we are to dispatch any considerable body of these men in time to ease the anxieties in the situation, arrangements for shipping must be initiated forthwith.

There is not one word from start to finish to indicate that one of these men is going; it is all hypothetical. Now I want to ask about the shipping arrangements.

Mr. McNAUGHTON: If there is any doubt, due to my lack of mastery of phraseology, I say now to the hon. member that these additional shipments of 5,000 in the month of December, 5,000 in the month of January and 2,000 in each of the three succeeding months, subject to some variation one way or another, to fit in with the ships as we can get them—I say to him that these numbers of trained infantry will go.

Mr. RALSTON: When would the first 5,000 arrive in the battle area? That is the important thing.

Mr. McNAUGHTON: The December shipments, having regard to the estimated state of training, should be available for use close behind the units by the end of January. They are well trained. That number is 5,000. Then, taking the point in the pools, there should be another 2,500 available in February, another 2,500 available in March, 3,000 available in April and 3,000 available in May.

Mr. RALSTON: That is, available in the battle area?

Mr. McNAUGHTON: That is right.

Mr. RALSTON: And shipping has been arranged, I take it?

Mr. McNAUGHTON: Shipping is in process of arrangement.

Mr. RALSTON: Speaking of the number of N.R.M.A. men enlisted for July, you gave some figures to-night of the late enlistments. I think they show 117 for four days, 256 for the next week and 314 for the following week, which is 787 for a little more than half a month. I would just ask if you would check. The normal enlistments in July were 1,350, were they not?

Mr. McNAUGHTON: The information requested is the number of N.R.M.A. men converting to general service in the month of June. That number was 2,976; for July, 1,342; for August, 1,350, and for September, 1,340.

Mr. RALSTON: Then for October the figure I have is 850.

Mr. McNAUGHTON: The figure given here is 848.

Mr. RALSTON: So that the enlistments so far in November are on the order of the enlistments in July, August and September, and about fifty per cent higher than the enlistments in October?

Mr. McNAUGHTON: Yes.

Mr. NEILL: I wish to ask the Minister of National Defence one question, and I do not propose to hitch a speech to it. I want to bring up a matter which as far as I have heard has not been touched so far, and which I think would have a direct bearing on the success or otherwise of the policy laid down this afternoon by the Prime Minister and emphasized or brought into being by the order in council which he quoted. In order to make my question intelligible, however, I must be allowed to lay a foundation for it, in as few words as possible.

As I see it, the situation is this. The former Minister of National Defence (Mr. Ralston), to whom I presume I must now refer as the hon. member for Prince, after some years in charge of the department, after several visits overseas, the most recent of which was within the last few months, and after a thorough investigation of the situation, comes to the conclusion that he must send overseas these

men of the N.R.M.A., and that the situation is urgent. He comes home and so advises the cabinet, but he finds his advice ill received; in other words it is rejected. He presses it until he is asked to resign. In taking that action the Prime Minister was perfectly correct and only following constitutional practice. When a member of the cabinet is in disagreement with his colleagues on any major policy it is his duty to resign, because the cabinet could not profitably exist or cooperate if one section were working against another; there is no doubt about that.

What is the position now? After hearing the views of the followers of the former minister, perhaps, or for some other reason the cabinet reverses its policy, in part at least, and decides to send overseas 16,000 men; to make sure there will be no doubt about it an order in council is put through to-day specifically setting out that number. I highly approve that policy, except of course that in my view it does not go far enough; it should have been left open to send more later on. But I notice that the order in council puts the whole weight upon something the minister has to do; he may do this, or he may do that. It gives him a great deal of leeway. Now, to quote scripture, the position is that "the stone which the builders rejected is become the head of the corner", and what position does that put us in now? According to the correspondence and the speeches in this house and also the speeches over the radio by the Prime Minister, it was on your advice, Mr. McNaughton, that the government took the steps that were taken in regard to not sending these men overseas, which linked you up with the anti-overseas service policy of the government.

If any further proof were needed your own language this afternoon would supply it. You reiterated not once but several times with more force and determination than you have given to any other expression of your views that your full belief was and still is and would be to avoid force or conscription, and not one of those men would go over if you could possibly avoid it. That is strong language from a man who has just been sworn in a few weeks ago to carry out the policy of the governor general in council and the cabinet, who now place their faith in a policy directly and diametrically opposed to those that you gave expression to this afternoon. Your subordinates in Ottawa and elsewhere throughout the British empire or wherever our troops are will know those words of yours, will know the language forthwith. They will know and must know that, no matter what your written instructions may be, your real views are those you have so strongly indicated this afternoon. Your ideas, your wishes, your views are diametrically opposed to the policy you are now sworn to carry out. Failure would justify your action, and it would be pleasing to you if it proved to be that your policy was correct.

This is the question I should like to put to you. The question is really twofold. One part of it applies to your subordinates and the other part to yourself. In such circumstances can you as a businessman and a capable soldier expect strong cooperation from your subordinates throughout the army towards the policy towards which you have just now expressed such dislike, such hatred it might almost be called? I have been a soldier myself and I know how completely easy it is to receive instructions and to carry them out in such a way as to vitiate the whole intent of the written instructions. It is a long time since I was a soldier, but I can remember getting instructions and if they did not suit the officer or the colonel or the boys how easy it was to walk through them.

I will go farther and appeal to you yourself. In view of your former position does not the changed policy of the government and the fact that you have not changed, as you had a perfect right not to change—I give you honour for sticking to your opinion—justify and compel you as a man of honour to tread the same narrow path of self-sacrifice that was trod by your predecessor and force you to resign so that someone else can carry out the new policy of the government which now is so entirely different from that which you advocated this afternoon and this evening.

Just one word more. You may well say that it is not my business; that it is a matter for your conscience and your concern. But we are facing the greatest crisis since confederation. This may mean the breaking up of confederation and we have to throw aside any loyalty to party and courtesy itself indeed to an individual. We must ask ourselves only one question: What does this mean for Canada? I would hate to be anything but courteous to the hon. gentleman with his very fine record, but still there is something bigger and better than friendship or loyalty or anything else but the best interests of Canada. I ask you the question again as man to man. In your honest opinion would it not be better for the cabinet to which you now belong, for the Liberal party to which you now adhere or to the greater interest of the people of Canada whose interests I know you have at heart, and the welfare of Canada and the best interest of the war, if you gave way to a

man who believes in the policies to be carried out by the government, who can tell us flatly that he is going to do everything he can to carry out the policies of the government, and whose whole record will be behind carrying out the new policy of the government which has been expressed to him to-day by the cabinet, by his party, and which is very much the opinion of the whole nation or at least eight-ninths of the nation?

Mr. MACKENZIE KING: I have to say to my hon. friend that if he has any questions to ask about resignations of ministers the proper person to ask is the Prime Minister. The Prime Minister is the one who gives advice to the crown as to whether a resignation is in order, whether it should be accepted or not. No minister of the crown should be expected to answer a question such as my hon. friend has just addressed to the Minister of National Defence. May I say to him that he usually is very thoughtful and courteous and considerate. I do not know whether he has realized that this is the first day on which the Minister of National Defence has ever been on the floor of parliament, has ever had to address a great parliamentary assembly such as the assembly of the commons here to-day, and that he has a right to expect from hon. members when he comes into this chamber and is subjected to questions by experienced members, expert lawyers and others, in the nature of a cross-examination for the first time that he has ever had an experience of the kind, some due consideration. I would say to my hon. friend that due consideration does not consist—

Mr. HOMUTH: He asked for it.

Mr. MACKENZIE KING: This consideration is scarcely being shown to the minister when he is asked whether he does not think—when he is performing his duties in a magnificent way—that he owed it to himself and the government to resign therefrom. I say to my hon. friend that no minister of the crown that I have ever known has on the first day of his experience with the House of Commons shown the great ability in matters relating to government which the Minister of National Defence has shown to-night, to say nothing of his knowledge of military affairs. There is no man in Canada who has the knowledge and the lifelong contact with military affairs which the present Minister of National Defence has.

Mr. HOMUTH: What about the ex-minister?

Mr. FRASER (Northumberland, Ont.,): What changed you six months ago?

Mr. CRUICKSHANK: What change did you take in the last war?

Mr. FRASER (Northumberland, Ont.,): You change every time an idea changes.

Mr. HOMUTH: Stand up when you speak.

The SPEAKER: Order. The hon. member for Comox-Alberni has the floor.

Mr. NEILL: If the minister does not wish to answer my question he does not have to, but if he is the man I think he is, he will.

Mr. NOSEWORTHY: Mr. Speaker, may I continue my questions at the point at which I was interrupted. Am I to understand from the general that the answer to my question is, as the hon. member for Prince (Mr. Ralston) indicated, that there is to be no further recombing of the general service men for any part of the 16,000 extra men required for reinforcements?

Mr. McNAUGHTON: The answer is that there is constantly going on a combing of the general service personnel in Canada, that men from the N.R.M.A. units who convert to general service will be in those figures that are going forward, and that any deficit in those figures will be made up under authority of the order in council from the men suitably trained under the N.R.M.A. There are several streams going in. I expect that the great bulk of the 16,000 men will be N.R.M.A. men, but I cannot say that that is the only source, because there will be other sources coming in to make up the stream.

Mr. NOSEWORTHY: Can you indicate at all the number that you expect to get by recombing the general service and the number that you will have to take from the N.R.M.A.?

Mr. McNAUGHTON: The number from general service which will be included in these transhipments of 5,000, 5,000 and three lots of 2,000 is not large. There will be some, but not many.

Mr. NOSEWORTHY: You would not care to indicate the actual number?

Mr. McNAUGHTON: I was only able to announce the decision, and there is a lot of detailed planning and staff work to be done before we shall know who will be in what shipment and so on.

Mr. NOSEWORTHY: Do we understand that you expect to get part of the first 5,000 by volunteer enlistments from the N.R.M.A. and that the remainder will be called up under the authority of the order in council?

Mr. McNAUGHTON: That is right.

Mr. NOSEWORTHY: How long do you intend to proceed with the volunteering before you ask for the first draft under the order in council?

Mr. McNAUGHTON: It would be a matter of days, as soon as the detailed plans have been prepared.

Mr. NOSEWORTHY: Will the men to be secured by recombing the general service be as effectively trained for service as the men who have been trained in the N.R.M.A.?

Mr. McNAUGHTON: The men who are being combed out from the general services will in many cases have to go back for retraining, and that is why they will be coming into the stream later on.

Mr. NOSEWORTHY: Will the application of the policy you have announced, that is, securing as many as possible by voluntary enlistment before applying the order in council, provide the 5,000 that are needed as quickly as would an immediate application of the order in council?

Mr. McNAUGHTON: The hon. member wants to know whether we can get them more quickly by slapping on the order in council and pulling them out than we can by waiting until they volunteer. The action will be governed by the need. There will be no use in proceeding with drastic measures except to fill up a ship as it becomes available.

Mr. NOSEWORTHY: Can you state what delay there will be before the 5,000 will be available under the policy you have announced?

Mr. McNAUGHTON: No, I cannot tell you.

Mr. NOSEWORTHY: You will admit that it will require more time to secure those 5,000 men under the policy you announced than it would by applying the order in council?

Mr. McNAUGHTON: Possibly, but the time element is fixed in relation to the sailings than can be arranged.

Mr. NOSEWORTHY: Is there any appreciable shortage of reinforcements at the present time on any of the fronts on which Canadians are serving?

Mr. McNAUGHTON: I would be loath to give that information in open session. When I give these figures to hon. members I plan to give them in great detail, but I do not think they should be made public.

Mr. HANSON (York-Sunbury): But the situation is as has been suggested, that there is a shortage?

[Mr. McNaughton.]

Mr. McNAUGHTON: As I said this afternoon, there is no shortage in any armed service with the exception of the infantry. In the infantry as a whole there is an anxiety about a prospective shortage in January because of the time required for training, the flow of the reinforcement stream and so on. I do not mind admitting that because, with the action which has been taken, that will be corrected before it becomes a menace to the continuity of our operations. Then there was another prospective shortage in connection with the stream flowing into the reinforcement pool.

Mr. HOMUTH: A complete change of policy.

Mr. McNAUGHTON: Then there is a difficulty developing with the French-speaking regiments which have been through some very hard fighting.

Mr. HOMUTH: General LaFlèche will look after that.

Mr. NOSEWORTHY: My next question may be similar to the last one which you felt you could not answer. Is there any remustering taking place overseas at the present time in order to make men from certain units available as reinforcements for the infantry?

Mr. McNAUGHTON: The planned programme of remustering from the other arms to the infantry is approaching completion.

Mr. NOSEWORTHY: Am I to understand that at the present time men are being remustered overseas to be used as immediate reinforcements for the infantry?

Mr. McNAUGHTON: After retraining, of course.

Mr. NOSEWORTHY: What is the minimum time that would elapse between the time a man is remustered from the artillery overseas and the time he goes into action with the infantry?

Mr. McNAUGHTON: There is a minimum of six weeks for remustering from artillery to the infantry, six weeks or more, depending on the ability of the man to pass the tests.

Mr. HOMUTH: Wait a minute. That is not according to the facts. That is not the truth.

Some hon. MEMBERS: Sit down.

Mr. HOMUTH: I am not going to sit down. I rise to a point of order, Mr. Speaker. The minister, who has been given the privilege of coming in here, makes a certain statement with regard to the training of men who leave the artillery and go into the infantry, and I say to him—

An hon. MEMBER: Where were you in the last war?

Mr. HOMUTH: Where were you? All you have been interested in in this house is the baby bonus because you are the biggest man to get it. I want to say to the minister this, that what he has stated in the house is not according to the evidence that many of us have, because men have been taken from the artillery and other units and within three weeks have been shoved up to the front line. So that when the minister says it takes five or six weeks he is not telling the absolute truth.

An hon. MEMBER: Name a case.

Mr. HOMUTH: I could name a dozen. Wouldn't you love to have them? What a trimming you would give them!

Mr. SPEAKER: Order. As I just came into the house the hon. member for Waterloo South (Mr. Homuth) was making a statement against the Minister of National Defence, saying that something he had said was not true. The hon. member for Waterloo South will understand that the Minister of National Defence, although he is not a member of this house yet, is a member of the government and offensive words cannot be said to him. I would ask the hon. member to withdraw that statement.

Mr. HOMUTH: Mr. Speaker, in view of the fact that the minister is not a member of the house, actually I do not have to withdraw the statement I made—

Some hon. MEMBERS: Oh, yes.

Mr. HOMUTH: Just you fellows shut up for a minute. You are in a hot spot and you wonder where you are going. I know darned well where you are going. You are going into oblivion.

Mr. SPEAKER: Order. I have made a request of the hon. member.

Mr. HOMUTH: And I am going to withdraw my remark, Mr. Speaker, that the minister made an untruthful statement. But I do want to register my objection to his statement, because it is not according to the facts that I have.

Mr. SPEAKER: The hon. member withdraws the statement he made against the minister.

Mr. NOSEWORTHY: General McNaughton, a parent informed me a few days ago that his son overseas was transferred from an artillery unit to the infantry and was a casualty within two weeks of the time he had been remustered. Would you say that that parent was misinformed and that such a situation could not possibly occur?

Mr. McNAUGHTON: I could give no such assurance to the hon. member. I have myself in the last war seen men who have transferred from the artillery to the infantry direct from unit to unit. The case cited by the hon. member is an individual case that may and will happen, but it is not in accordance with the instructions which have been laid down. If he will give me the name, I shall have inquiries made and see what the facts are.

Mr. NOSEWORTHY: I have a telegram here which I shall be pleased to give to the minister, if necessary.

Mr. MACKENZIE KING: I would say to my hon. friend that if he is going to read from a communication on a public matter he will have, if requested, to give it to the house in full. I ask him to tell us to whom the telegram is addressed, and whom it is from?

Mr. NOSEWORTHY: Mr. Speaker, in a similar case last year I was challenged and instructed by the chairman of the committee to table a letter from which I read. I complied with his instructions. The next day I received the letter back from the Clerk of the House saying that since it was a personal letter it could not be tabled in the house. This is a telegram to a member of the house signed by a citizen, and I want your ruling, Mr. Speaker, as to whether I must give all the details if I read part of the telegram.

Mr. COLDWELL: Before you give your ruling, Mr. Speaker, I would refer you to the standing order and citation 289 on page 94 of Beauchesne's Parliamentary Rules and Forms, second edition. Citation 289 reads:

> The rule respecting the production of public papers, quoted by a minister of the crown, is necessary to give the house the same information he possesses and enable it to come to a correct conclusion on a question. It does not appear that the English Commons have ever applied this rule to the case of private members citing public documents not in the possession of the house.

Mr. MACKENZIE KING: If the hon. member wishes to ask any questions, he is free to ask them, but if he desires to quote from a document in his hand he is bound, if requested, to give the house full particulars requested concerning the document.

Mr. HANSON (York-Sunbury): There is no rule on that point, Mr. Speaker. The rule cited refers to public documents.

Mr. MACKENZIE KING: No, no. The house is entitled to know the authority on which the statement is being made if one

purports to use a document in making his statement. My hon. friend can ask his question without making any reference whatever to whom the telegram comes from or to whom it is addressed, but if he is going to use the document he must be prepared to table it.

Mr. HANSON (York-Sunbury): Assuming that he takes the responsibility for the contents of the document he does not have to table it. But if he is using a public document and is called upon to table it, he must table it. That rule is applicable principally to ministers of the crown who have access to information in public documents. There is no specific rule with respect to private communications. A member of the house should not use a private communication to quote from it to the house unless he assumes responsibility for the context. That is the rule and it is founded on logic.

Mr. NOSEWORTHY: Mr. Speaker, to save your ruling I will drop that. The telegram is sent to another member of the house. Were it sent to me personally I would ask your ruling and either table it or read it.

My next question is, would you tell us whether the need for reinforcements at the present time is a factor in determining whether men who have been wounded two or three times are sent back into the line? That is, would they normally be sent back as they are being sent, were there sufficient reinforcements at the present time?

Mr. McNAUGHTON: The answer to the hon. member's question is, first, that before a man is returned to the front he must be physically fit to the standards which have been laid down. If a man has had three wounds, and certain periods of service, the particulars of which I have not under my hand at the moment, he is entitled to certain extra periods of leave. If the hon. member wishes the details I will send down to the department and have them sent up at once.

Mr. NOSEWORTHY: I ask my question, because a great many people are hearing from overseas and are under the impression that the boys overseas are being unduly used; that they are being sent back time after time from the hospital; that they are being used for unduly long periods of time in the front line; and that squadrons are going into action at part strength because of the reinforcement situation. That is the information I get from citizens who are receiving letters from overseas. I would like your comment on that situation.

Mr. McNAUGHTON: The statement which I have made of the reinforcement situation is that in arms other than the infantry there is no problem as far as numbers are concerned. There always is and always will be in battle, particularly in the fast-moving type of fighting in which our men in northwest Europe have been engaged during the summer, the problem of getting reinforcements promptly to the units. When a casualty occurs a demand is made on the depots and it may be some days before the man gets forward. I myself served in units during the last war, and I do not suppose we ever were fully up to strength. That condition exists in arms other than the infantry. In the infantry there have been special problems which are being met by the theatre commanders from the resources at their disposal. Generally the situation has been reasonably satisfactory. In some units, unquestionably, there have been shortages. We are trying to correct those matters as promptly as we can.

Mr. NOSEWORTHY: Earlier in the evening you referred to the extent to which you appreciate the voluntary system and its advantages over a compulsory system. Do you not think that the system of remustering which is taking place at present is imposing a considerable degree of compulsion upon men who have volunteered and is actually taking advantage of the fact that they are volunteers?

Mr. McNAUGHTON: I share the hon. member's dislike with regard to remustering from one arm of the service to another. Apart from the natural love and inclination that a man gets for his own service, there is the time of extra training and the retraining which is required. But when circumstances such as forced a remustering in this instance arise, when the battle must go on, there is no alternative.

Mr. HANSON (York-Sunbury): "Necessity" is the answer.

Mr. McNAUGHTON: Necessity is the law which governs.

Mr. CRUICKSHANK: In your opinion, General McNaughton, are there sufficient reinforcements in the pools for the infantry battalions?

Mr. McNAUGHTON: I have repeated the figures several times. The numbers at present in the pools overseas, covering the whole of the infantry, are sufficient. I have spoken of the possibility of a critical position late in the month of January, and I have indicated the measures which have been taken to correct that position or to avoid its coming

about. Within individual units there are always times when units are short; it cannot be otherwise, in battle.

Mr. CRUICKSHANK: One other question, then, to follow. If casualties to an unknown extent may occur, is it the opinion of the general that we have a—contemplated—sufficient pool for possible casualties of the future?

Mr. McNAUGHTON: I am not absolutely certain that I understand the question, but I think it is this. You have asked whether the provision we have made, and which I have outlined briefly, is sufficient for the future. I must repeat that the requirements of wastage are determined on estimates given by our own officers and countersigned by the theatre commanders, so that we may know they have been prepared to accord with the planned operations which are in prospect. Then, with the numbers in the depots, which can be calculated from that, according to the scales shown by experience to be necessary, and the numbers behind to maintain, we have made full provision, with a small margin beyond.

Mr. CRUICKSHANK: Is it the general's opinion that the former Minister of National Defence and his advisers used incorrect figures or were ill advised?

Mr. McNAUGHTON: The answer is, no, not under the plans that were before them. I have been over those estimates and I think that with the information then available they were correct.

Mr. CRUICKSHANK: Without disclosing secrets to the enemy—I do not know who they are—have you information since then which the ex-Minister of National Defence did not have? I should like to know that, as an old soldier—and the general is too. What information is there since Colonel Ralston was overseas which would offset his information?

Mr. McNAUGHTON: Information changes—

Mr. CRUICKSHANK: How?

Mr. McNAUGHTON: —when you are dealing with this fluid situation of reinforcements, a great stream of men moving forward. The situation changes almost daily as to numbers available.

Mr. CRUICKSHANK: Not volunteers.

Mr. BROOKS: I wish to ask a few questions. It may seem like repeating, but I do not think the situation is altogether clear to some hon. members with regard to these 16,000. The general said that the requirements will be maintained. I should like to ask him, first: Are these to be maintained by volunteers through ordinary volunteering, men coming up, and from N.R.M.A. volunteering? That is correct?

Mr. McNAUGHTON: Yes.

Mr. BROOKS: That is one source. The second source is from mustering.

Mr. McNAUGHTON: Subject, of course, to training standards laid down.

Mr. BROOKS: The third source of reinforcements is the wounded man who has recovered and who has come back.

Mr. McNAUGHTON: The recoverable.

Mr. BROOKS: And the fourth will be from N.R.M.A. as a last resort. Is that correct? That is what I understood the minister to say.

Mr. McNAUGHTON: The powers to compel obedience will be used to make up any deficit in the drafts that have been planned.

Mr. BROOKS: In the next three or four months there will be 16,000 reinforcements for infantry. We know that in the training camps in this country at the present time there are men who have volunteered, who are receiving their training. There are men who have been mustered out and who are receiving their training. These men will be part of this 16,000.

Mr. McNAUGHTON: No. With reference to the 16,000 of which we have been speaking, in order to be specific I would point out that the number is to be made up of 5,000 in December, 5,000 in January, and then three monthly quotas of 2,000.

Mr. CRUICKSHANK: Is the war to be over then?

Mr. McNAUGHTON: May I answer one question at a time. What I have said is additional to the plans which we have made before and which I am hoping to show you in detail later.

Mr. BROOKS: Will this 5,000 for the first month be taken entirely from N.R.M.A.?

Mr. McNAUGHTON: Substantially, yes.

Mr. HANSON (York-Sunbury): You said "all", this afternoon.

Mr. BROOKS: Will any volunteers be taken in that first five thousand?

Mr. McNAUGHTON: I cannot answer the question yet.

Mr. BROOKS: Will any of the mustering out be taken, men who have received their training?

Mr. McNAUGHTON: The personnel who have been remustered are in the other stream which was arranged before we took this action.

Mr. BROOKS: They are not included.

Mr. McNAUGHTON: No.

Mr. BROOKS: We cannot get a definite answer on that at the present time. As regards this 16,000 N.R.M.A. personnel, covered by to-day's order, we know that in reinforcing there are certain geographical areas which reinforce certain units at the front representative of those areas. Supposing one area has not enough men from the 16,000, will reinforcements come from some other geographical area, or will each area reinforce its own?

Mr. McNAUGHTON: It has not been found practical to keep a one to one relation between areas in Canada and units in the field. We have tried always, whenever service conditions permitted, to put people in units that were in some way affiliated with their place of origin. An honest attempt was made in that direction, but it breaks down; you cannot sectionalize in that way.

Mr. BROOKS: In other words, you may have British Columbia men reinforcing Ontario, or Nova Scotia reinforcing Quebec.

Mr. McNAUGHTON: It happens; but try to reshuffle them after they have been in the unit for a few days and you will find that they dig their toes in and do not want to move.

Mr. BROOKS: Are the men that are taken from ordnance and the other corps to be replaced by N.R.M.A. personnel who were in Canada?

Mr. McNAUGHTON: In some cases the answer would be, yes. We have to use hands and feet for labour wherever we can get them. In many cases there is a scaling down of establishments.

Mr. BROOKS: All across Canada?

Mr. McNAUGHTON: All across Canada, in accordance with the plan. At one stage, with the possibility of an attack on our west and east coasts, and in view of the possibilities of carrier-borne and other aircraft coming in, quite rightly for the safety and the peace of Canada, coast defence, anti-aircraft and other guards were arranged. But with the progress of the war these forms and scales of attack have become a remote contingency and we are justified in withdrawing men from them. It is a matter of common sense.

Mr. HANSON (York-Sunbury): Has that been done in any numbers? I am thinking about the gentlemen who are on Partridge island in Saint John harbour and have been there for three and a half years.

Mr. McNAUGHTON: This process is continually under way, and as soon as our advisers and the chief of staff say that there is no reason for a particular installation, then it comes to us and I act on their advice and tell the staff to disband or to reduce it, or whatever the decision may be. We do not want people sitting in idleness when there is nothing to be defended against.

Mr. BROOKS: What is the maximum age for infantry overseas?

Mr. McNAUGHTON: The maximum is forty, but the man must meet the pulhem requirements.

Mr. BROOKS: I understand that; but men are being sent over from these other corps up to forty years of age for infantry if their pulhems permit?

Mr. McNAUGHTON: The thirty-ninth birthday is the bar line.

Mr. BROOKS: I do not suppose the minister could tell me how many of those who have been mustered out of these other corps have been between the ages of thirty-five and forty.

Mr. McNAUGHTON: The information I have is that there would not be many, but I have not that break-down.

Mr. BROOKS: Well, I happen to know there are quite a few. The minister stated that N.R.M.A. personnel would take the places of these men here in Canada, but I should like to ask whether he would not consider a well-trained N.R.M.A. man of twenty or twenty-one a better soldier to send overseas than these men between the ages of thirty-five and forty who were drawn from these other sources.

Mr. McNAUGHTON: The answer is in the affirmative, but until to-day I had no such authority.

Mr. BROOKS: I understand your position. I should like to ask the minister also if at the present time his department is encountering any objections from men who have been home from overseas, such as men who have been on prisoner of war escort and others, to their return overseas, while they see in Canada so many young men of military age trained under the N.R.M.A.

Mr. McNAUGHTON: There may well have been complaints, but the conditions under which men are sent back on prisoner of war escort were prescribed and laid down, and selection for that duty is very much sought after.

Mr. BROOKS: They are home for thirty days, I believe?

Mr. McNAUGHTON: Yes, free of transportation time.

Mr. BROOKS: I asked the minister if he had received many objections from these men to returning overseas, while there are under the N.R.M.A. young men who they feel should take their places.

Mr. McNAUGHTON: There were reports, but I am not aware of them personally.

Mr. BROOKS: I believe the department intends bringing home men who have been overseas for four and five years, which I believe is a splendid thing.

Mr. McNAUGHTON: Yes.

Mr. BROOKS: These men have been away for a long time, and they are war weary. How long is it anticipated they will remain in Canada?

Mr. McNAUGHTON: The minimum period is thirty days, clear of time taken up in transportation. As a matter of fact, although I cannot be specific on the point I think we shall find that a good many of these people with special experience will be kept here as instructors and so on in the training scheme.

Mr. BROOKS: You would not say that you could absorb four or five hundred of these men each month.

Mr. McNAUGHTON: Our difficulty in working it out has been the availability of transportation from the theatres of war back to Canada. I believe the number we have this month is about 450. I am hopeful that in subsequent months the total may be very much greater. I should like to see them rotated.

Mr. BROOKS: Does the minister anticipate any objection from these men to returning overseas?

Mr. McNAUGHTON: No; I should say most of them will be anxious to go back. The old soldier follows the call, after he has had a bit of leave. My hon. friend has been through it, and so have I.

Mr. CRUICKSHANK: I should like to ask the minister one question—

Mr. SPEAKER: The hon. member for Cape Breton South has the floor.

Mr. GILLIS: I listened to the discussion all afternoon, and in my opinion the information we have received to-day has added very little to the knowledge of hon. members, although it has provided the Minister of National Defence with a good deal of mental exercise. As to this matter of reinforcements, and whether or not the order in council tabled to-day meets the situation, we are not in a position to say until we know exactly what the situation is in the various theatres of war. To what extent are our forces depleted? To what extent do they require immediate reinforcement? To what extent must we create reserves in order to support them up if and when they move forward? The minister is not in a position to give that information to hon. members, but I think we must have it.

Mr. MITCHELL: Not publicly.

Mr. GILLIS: That is so; not publicly. That is why I say most of the stuff we have been given to-day has given us no information whatever. I am not interested in finding out whether the minister can raise 16,000 men next month or the month after or the month after that. That may not be adequate. We have met here to make some definite and complete arrangements to see to it that our men overseas are reinforced adequately, and we cannot determine what is required until we have the information which the minister can give this house only in private session.

I am interested in one point, and that is how this matter came about. Why are we in this situation at the present time? We have had competent staffs. The war has been in progress for five years. Our troops sat in England for four years. As soon as they go into action we strike a crisis in the matter of reinforcements. Someone fell down on the job, and if that is so, then in my opinion the answer for the future is to correct that initial mistake.

I rose at this time for the purpose of asking the Minister of National Defence if he has any knowledge of a statement contained in the *Financial Post* of November 18, 1944. If this statement is correct it is a serious accusation against certain people in Canada responsible for the management of military affairs; if it is not accurate it should be denied. This statement deals specifically with the reinforcement situation; it is written by Kenneth R. Wilson, and I am going to read that part which is germane to this discussion:

> It appears that the start of the crisis was a telegram from England to Canada early in August. This telegram expressed alarm at the shortage of infantry and urged that further steps be taken to increase the flow of trained infantry reinforcements to the European

theatre. Early in 1943 and again in the spring of 1944 increases had been made in the proportion of infantry troops to total army manpower. Instead of being acted upon apparently the telegram was pigeon-holed. Not only was no action taken by the military, but what is now considered much more serious, the situation was not brought to the attention of the minister or the war cabinet. Presumably the cabinet staff officers were figuring on an early end to the war and ignored the overseas request. Only when Colonel Ralston arrived overseas in October did he learn about the matter. By that time nearly two and a half months had passed. Had the matter been dealt with in early August and a large number of men diverted into the infantry pool at that time the present crisis might never have arisen.

I should like to know if the minister has any knowledge of the truth or otherwise of that statement.

Mr. RALSTON: I do not imagine the minister would have any knowledge of it. That would have to do with my own administration. I know of no telegram that was sent from overseas with regard to a matter of that kind which was not brought to the attention of the minister. Any important wire on a matter of that kind would be brought to the attention of the minister. The real situation is that it was found that infantry casualties were "very much higher" —we have always used those words, although I could give the percentages—than had been anticipated, and that goes not only for the Canadian forces but for our allies as well. The over-all casualties were practically the same, but the infantry casualties were a much higher proportion of the total than had been estimated on the very best information available. The result was that the infantry pool became exhausted. Immediately vigorous steps were taken by Canadian military headquarters over there to remuster men from other arms and train them for infantry. I was going to tell the house at some time or another if it does not invade security—I do not think it does—that at one time our units were down by something like 3,000 in the aggregate. I think that happened about the middle of August, if I am not mistaken. By a very effective remustering programme they had built the units up to strength about a month later, and had a small margin. It was expected that the pool would build up through the remustering that was taking place, and that what had occurred was more or less a splurge in activities and that the pool would build up again. That expectation was not realized. The rate of casualties continued in view of the kind of warfare we were undertaking. The result was the losses continued, putting us in the position where we are—I am not going to anticipate what the general is going to say about the expected position at the end of November—in a situation where it seemed to me, after having gone over the situation in the battle areas both in Italy and in France and also in the United Kingdom, that we had to provide a very substantial lump sum number of additional trained infantry in order to reestablish the pool which was so depleted as to be almost exhausted at that time.

Mr. GILLIS: I am trying to get information because this story had been circulated in a paper as influential as the one I have mentioned. It is a very serious accusation.

Mr. RALSTON: I had not seen it or heard it.

Mr. GILLIS: It is a very serious accusation against a responsible military official in Canada and should be cleared up. I asked the question to get an official answer. I am very glad that the former Minister of National Defence has cleared it up.

There is one other point that I am interested in. I can understand the remustering of men who have had considerable military training in other branches of the service and are hardened up. I am concerned about the syllabus of training for service personnel coming in. Take a boy eighteen and a half years of age as an example. He is a young lad just out of school and is very soft. He is taken into the basic training centre. From there he goes to the advanced training centre. As I understand it, the syllabus of training is twelve weeks. I do not think twelve weeks are sufficient.

Mr. McNAUGHTON: Sixteen.

Mr. GILLIS: I was at a basic training centre within the last couple of weeks. In talking this matter over with some of those responsible for training, I was informed that the syllabus had been changed and that it was now twelve weeks. I thought at that time it was rather unfair to take a young boy eighteen and a half years of age who is very soft and to run him through basic training and advanced training and consider him then fit for active combat service in an infantry unit with that amount of hardening, to say nothing about the knowledge of the weapons he has to use. I consider it totally inadequate. It might serve the purpose in transferring the men from one unit to another where there was some training and where the personnel were hardened up. Some consideration should be given to this young fellow coming in before he is put into combat service. The amount of training given is something

that should be checked. Within the last three months quite a few young boys have gone to the trenches in the Belgian theatre of war too soon. I am not going to give any specific examples, but I have had examples given to me of men who have been killed in Belgium four months from the time they enlisted in Canada as general personnel. Of course that can happen in many ways. It could be an isolated case. There might be half a dozen isolated cases of boys being slipped into the reinforcement stream because they volunteered. They may have been asked because the ranks had to be filled. One can understand that it may happen in one or two cases, but it does not excuse the reinforcement officer who permits it to happen.

Mr. RALSTON: Did my hon. friend say only four months?

Mr. GILLIS: Yes.

Mr. RALSTON: Would the general permit me to say this? Would the hon. member give the name to the Minister of National Defence and I am sure he would look it up.

Mr. McNAUGHTON: I think it is most unlikely unless the soldier had some military training beforehand.

Mr. GILLIS: No.

Mr. McNAUGHTON: We have the training record down to individuals. If we had the name the history of the matter could be traced and we could give you the specific information. No harm can come to the man by his name being given.

Mr. GILLIS: Certainly not.

Mr. McNAUGHTON: I think Colonel Ralston and myself are most interested in having that information. If there is anything wrong we can check and audit on the stream.

Mr. GILLIS: Yes. I have no hesitation in saying that it may be an isolated case. I would say that the individual I refer to slipped into the reinforcement stream by volunteering. I can give you many others who were wounded. I have had many people come to me within the last couple of months and ask me: Is this possible, or is it reasonable, or is this the system? I know that in my end of the country these boys are put through too quickly. I can give names.

Mr. RALSTON: May I say this in the presence of the general? I had referred to me by a mother what I thought was a very bad case, just before I went overseas. She claimed that the boy had enlisted in January and had been wounded in July I think, and further that he was under age. I was very much concerned about it. I said that I would see the boy when I was overseas. I did. I had him come up from the hospital to see me. I had thought it was a case of pressure—short-cut training, to put it bluntly. I went over his training with him myself first and asked what he was given, particularly his weapons training. It sounded as though he had had apparently good training both in Canada and in England. Then I sent for his papers. His record of training was such as would make any director of training proud. The record showed his basic training in Canada, the hours that he had spent on each particular subject, then his advanced training, his Bren gun, mortar, tommy gun and all other weapon training, with good reports as well on the rest of the syllabus. It gave the number of hours of training, the number of rounds fired with the different weapons and so on. It also gave the refresher training in England. It was as complete a record as I ever saw. This was a report of his training and I was very much gratified with it. I then asked the boy how old he was. He said he was eighteen and a half years. That was in July. I said: "What did you say your age was when you enlisted?" He said: "I told them I was nineteen." I said: "Did your mother say anything about your enlisting?" He said: "No. I went home on embarkation leave and she was sorry but she did not make any objection." He had been wounded at eighteen and a half. He will not be nineteen until December, and of course I gave instructions that he was not to return to his unit before that time. But that was a clean case. I just happened to get the name; I got the boy; I got the age and I got all the documents, and it was a perfect situation, except for one thing that people would say that fellow was pretty young to go in six months after he enlisted. That is all that could be said about that case. I know there are other cases. I have investigated quite a number. Generally if you look up the individual record you will find that the training has met the standards, and from the point of view of the requirements of the training regulations and the procedure which is laid down everything has been regularly observed. I wish to know if there are any cases where a man has been trained for four months only. I should like that for my own information. Can I have the figures on that?

Mr. GILLIS: I should like to be sure about the syllabus of training for the new personnel coming in; is it sixteen weeks?

Mr. McNAUGHTON: The basic training is eight weeks, and the corps training runs from eight weeks in the infantry to sixteen weeks in the armoured corps.

Mr. ROSS (Souris): Are Canadian forces being reinforced by nationals other than Canadians?

Mr. McNAUGHTON: No, and they never have been.

Mr. ROSS (Souris): These are matters the public are concerned about, and I think they should be cleared up.

Mr. McNAUGHTON: If the hon. member would like me to give some further explanation I shall be glad to do so. The Canadian army overseas, which is now commanded by General Crerar, is made up of a Canadian corps and a number of Canadian divisions. In that army there is one British corps and possibly more, and they have their own British divisions. Then there are Polish divisions as well as other divisions which go to make up that first army. That army is made up of units and formations from other commonwealths in addition to our own units. Each of those commonwealths has its own reinforcement stream to replace its own casualties. Canada reinforces her own and always has.

Mr. ROSS (Souris): The Canadian units are reinforced entirely by our own men?

Mr. McNAUGHTON: Absolutely, and always have been.

Mr. ROSS (Souris): There has been a lot of discussion about that point.

Mr. McNAUGHTON: I was so much concerned about this the other day that I asked our public relations officer to issue a press statement which would be generally descriptive of what was going on and which would be purely for public information.

Mr. ROSS (Souris): You have been referred to by the Prime Minister as the builder and the first commander of the Canadian army.

Mr. McNAUGHTON: I was the first commander of the first Canadian army.

Mr. ROSS (Souris): You never had any doubt at any time that the army was overexpanded and that there would be any difficulty in reinforcing it?

Mr. McNAUGHTON: The army was designed on the basis of enduring in a war of long duration.

Mr. ROSS (Souris): There has been considerable discussion to-day about reinforcement pools overseas. I would have judged from past experience that one of the best methods of reinforcement would have been to use what might be termed ad hoc troops, for instance, pioneer troops, forestry troops, and so on. Can you give us the percentage of reinforcements overseas that would be composed of those troops?

Mr. McNAUGHTON: Again I must say that I am not skilful in deciding what figures should be given out and what should not be given out. Would it be possible for me to give that information when I give the other figures?

Mr. ROSS (Souris): That will be satisfactory, although you might be able to give it approximately. If those pioneer troops were remustered, how long would it take to train them properly as infantry ready to go into action?

Mr. McNAUGHTON: They would never be up to the infantry level because they are in the pioneers owing to their being low in certain pulhems figures.

Mr. ROSS (Souris): What about the forestry?

Mr. McNAUGHTON: In the early part of the war the Canadian forestry corps included a great many who were eventually transferred to the infantry.

Mr. ROSS (Souris): Are there any there now?

Mr. McNAUGHTON: Only a comparatively small number. Most of the Scottish woods have been cut down. There are some forestry people with the expeditionary force on the continent.

Mr. ROSS (Souris): How long would it take to train those men?

Mr. McNAUGHTON: As a matter of fact the forestry corps in Scotland formed an important part of the defence of Britain in the early days when we had not an adequate number of troops. General Thorne, the G.O.C., Scottish command, had a high regard for our forestry people. He helped tremendously in giving them a skilled training and they were really very well trained as infantry. They were a fine body of troops.

Mr. ROSS (Souris): There has been considerable discussion to-day about the 16,000 men who will be called up under the new conscription policy which has been announced. In choosing those men or any proportion of them, will it be done on a per capita basis in the military districts across Canada from which they originally enlisted?

Mr. McNAUGHTON: No; they will just be taken from any part of Canada.

Mr. MACKENZIE KING: May I have the privilege of asking the minister a question in order to clear up more precisely what is meant when we talk about men being taken from the N.R.M.A. to be sent overseas. Let me put it to the house in a simple way. Assume that to-day, November 23, there are a thousand N.R.M.A. men in a certain camp. Then take the situation as it may exist a week from to-day with those same men. Assume that none of those men have volunteered in the meantime. The result will be that they will remain N.R.M.A. men just as they are to-day. But if in the period of that week the thousand men volunteer, they then are no longer classed as N.R.M.A. men, they become general service men—I am asking if I am right in this—if these general service men in a week from to-day were sent overseas the public might assume that they are other than the N.R.M.A. men of to-day. But they would not be, they would be exactly the same men. The only difference would be that they would be going as general service men instead of being N.R.M.A. personnel sent under compulsion and not thought of as general service in the sense in which most persons use that term to-day. Am I right in that?

Mr. McNAUGHTON: That is correct.

Mr. MACKENZIE KING: Here is something that is bound to cause confusion in the minds of many. I know there was confusion in my own mind in some instances cited of general service other than N.R.M.A. personnel going overseas. When we begin to consider whether these N.R.M.A. men are going over as general service men—

Mr. CRUICKSHANK: Let us send them all over.

Mr. MACKENZIE KING: Supposing all the men in the camp volunteered before the commanding officer detailed them—they have that privilege—they would then go as general service men, they would be volunteers but they would all be the N.R.M.A. men of to-day many of whom have been in camp for years. It is important to have that perfectly clear in our minds. As I understand it, any N.R.M.A. man in a camp is free to volunteer up to the moment his commanding officer details him to go; is that right?

Mr. McNAUGHTON: That is correct.

Mr. MACKENZIE KING: Up to the present time something like 42,000 N.R.M.A. men have become general service men through voluntary enlistment. Those men had been in the camps for some time and most of them were highly trained.

Mr. ADAMSON: If those thousand men refused to volunteer and were called up under the order in council, they would then become general service men.

Mr. MACKENZIE KING: Certainly.

Mr. ADAMSON: It is exactly the same thing; once they go up for active service they are general service men whether they are called up or whether they volunteer. There is no difference.

Mr. MACKENZIE KING: The difference is that the one is a volunteer and the other is not; that is the distinction.

Mr. HARRIS (Danforth): I should like to ask the minister one or two questions. First as to general service personnel who have been in the army for some time but have had practically no infantry training, are they being sent overseas to reinforce units that require trained infantry men?

Mr. McNAUGHTON: On occasion that may well happen. They would have to have the physical characteristics laid down for the infantry and be within the age limits. They would be selected for remustering and put through courses of training.

Mr. HARRIS (Danforth): Put through courses of training in Canada?

Mr. McNAUGHTON: If they were here it would probably be done in Canada. On occasion we have sent certain personnel for remustering across to England to take advantage of the training facilities there. It would be either one or the other.

Mr. HARRIS (Danforth): What training will they receive? Will it be eight or ten or twelve weeks?

Mr. McNAUGHTON: If they have already done the full basic training of their own arm, they will get six weeks' training. Otherwise it would be longer.

Mr. HARRIS (Danforth): Will general service men fitted for their present service but not fitted for infantry service have an opportunity to appear again before a medical officer to make certain they are fit for infantry service?

Mr. McNAUGHTON: Yes, that is so.

Mr. HARRIS (Danforth): Will it be necessary for the individual general service man to request this, or will it be done as part of the routine of the service before these men are dispatched overseas?

Mr. McNAUGHTON: Part of the routine.

Mr. HARRIS (Danforth): My next question is somewhat different. We note that some 450 men who have given long service overseas are to be returned for a thirty-day leave; will they be permitted to bring back to Canada with them the families they have acquired while they have been serving overseas?

Mr. McNAUGHTON: If they have families I would think that the men would be keen to spend the leave with their families.

Mr. HARRIS (Danforth): A man may have married while overseas and his parents may be in Canada. Will he be permitted to spend his leave in Canada and bring his wife with him?

Mr. McNAUGHTON: I would say, no, because the whole limit on the business is the amount of transportation available.

Mr. HARRIS (Danforth): There is one point that was not made clear. I think the minister said, in correcting a statement made by one hon. member, that the training necessary before an infantry man was ready for the line occupied twelve weeks, and that was corrected to sixteen weeks. Which is the correct figure?

Mr. McNAUGHTON: In the infantry he would get eight weeks basic training and eight weeks in advanced corps training. That would make sixteen weeks in Canada normally. Then he would have refresher training, which would take at least two weeks.

Mr. HANSON (York-Sunbury): Was it not twenty-three weeks at one time?

Mr. McNAUGHTON: No.

Mr. HANSON (York-Sunbury): I understood that it was twenty-three weeks.

Mr. McNAUGHTON: Have you in mind trade training?

Mr. HANSON (York-Sunbury): That may be.

Mr. HARRIS (Danforth): What age must a boy be before he is permitted to go into the front line?

Mr. McNAUGHTON: The age is nineteen, and there we always get into certain trouble because many boys who want to go forward exaggerate their age. That is constantly occurring.

Mr. HARRIS (Danforth): The minister asked that any cases which came to our notice of boys who had not reached the minimum age should be handed over to him. I should like to hand this letter over to the minister.

Mr. WHITE: This afternoon when the general was giving certain answers to the hon. member for Lake Centre (Mr. Diefenbaker) I understood him to say that on the first occasion when he interviewed the Prime Minister, namely, on October 31, 1944, he did not have full information or full figures, or representations to that effect. Would the general please explain just what information he did have before him on that occasion when he advised the Prime Minister, as stated in the letter of November 3 from the Prime Minister to Colonel J. L. Ralston, in which the Prime Minister says:

> I felt it necessary to ascertain the views of General McNaughton. This I did, and ascertained that General McNaughton was not satisfied that compulsory service was necessary to provide full support for the army overseas.

Will the general please tell the house what information he had before him as to the military situation on that occasion, bearing in mind what he has already said to the hon. member for Lake Centre?

Mr. McNAUGHTON: I think that is a question I am not required to answer.

Mr. WHITE: I think you have answered it by telling the hon. member for Lake Centre that you did not have all the information before you. Is that correct?

Mr. McNAUGHTON: I had sufficient information to form my opinion, and it was on my opinion that I took action.

Mr. WHITE: Am I correct in assuming that the answer you gave to the member for Lake Centre was correct when you stated that you did not have full information before you?

Mr. McNAUGHTON: I have stated again and again that I gave my opinion. There was never a time when anybody had all the information before him; that is impossible.

Mr. WHITE: But am I correct in assuming that on October 31 in your interview with the Prime Minister you did have the information as to the required number of reinforcements going through the reinforcement stream each month, that you had knowledge of these required 16,000 that are to be sent over in December, January and the next three months? Did you have knowledge of these requirements on that occasion?

Mr. McNAUGHTON: I had sufficient general information to form the opinion which I expressed.

Mr. WHITE: That is not my question. I am asking you if on October 31 in your interview with the Prime Minister you had

knowledge of the required monthly reinforcements necessary to go overseas, plus this additional 16,000 that now have to go in December, January and the following three months? I think that requires only a yes or no answer.

Mr. McNAUGHTON: The answer is that I had sufficient general information to satisfy myself in the opinions I expressed.

Mr. WHITE: And the opinion you expressed I assume is contained in this letter which I mentioned from the Prime Minister to Colonel J. L. Ralston. Will you now please tell the house what information you received since October 31, when you gave this advice to the Prime Minister, that changed your mind so that you recommended to the Prime Minister or to the war cabinet action which resulted in the order in council that has just been passed?

Mr. McNAUGHTON: I think that in the address which I was privileged to give to the house to-day I gave my reasons *in extenso*.

Mr. WHITE: Will the minister state them now very briefly?

Mr. MACKENZIE KING: Does my hon. friend realize that the minister was up until five this morning preparing his statement in order to give it to the house to-day, that he has been on his feet in the house here during the entire afternoon and evening, and that during the last couple of weeks he has had one of the most difficult tasks any man could possibly assume and has been giving his whole time to it? To ask him now to repeat something he has given to the house a couple of times already to-day is I think an unreasonable request. I wish to say this, and I say it in deep earnestness. All of us on this side of the house have been under very great strain, and are carrying very great responsibility. I am debating in my mind at the moment whether, after having had to sit here to-day and go through all that I have had to give attention to to-day, I shall not ask the house to allow me to wait until Monday before I address it. With the responsibility I have at the present time I have the right to take that step. I do not intend to assume the further responsibility I have in addressing the house, when I am tired out; nor, I think, would any man who has gone through what I have gone through during the past month in seeking to keep this country in unity. When hon. gentlemen speak of not having any confidence in myself I hope they will consider very carefully what alternative government they have to put in office if I resign this post within the next two weeks.

Mr. HOMUTH: Just try it.

Mr. HANSON (York-Sunbury): Does the right hon. gentleman think he is indispensable to the Canadian confederation?

Mr. MACKENZIE KING: No, I do not.

Mr. HANSON (York-Sunbury): If he does, he never made a greater mistake in his life. There is not any man among us who is wholly indispensable; and I venture to say that the Canadian people are to-day in a temper that—

Mr. MACKENZIE (Vancouver Centre): You said the same thing about the New Brunswick election.

Mr. HANSON (York-Sunbury): Never mind about the New Brunswick election.

Mr. MACKENZIE (Vancouver Centre): You said there would not be a Liberal elected in New Brunswick; and they swept the province.

Mr. HANSON (York-Sunbury): Will the hon. member for Vancouver Centre be good enough to keep quiet? I resent being lectured by the Prime Minister as to what our duty is in the circumstances. I admit very frankly that he has gone through a very trying time, but I tell him that it is of his own making and if he had followed the command of the people of Canada as evidenced by the vote on the plebiscite this thing would have been over long ago.

Mr. MACKENZIE KING: Mr. Speaker—

Mr. HANSON (York-Sunbury): I have the floor. I have not been taking up much of the time of this session since we reconvened here. I want to tell my right hon. friend very frankly that there is a great and rising volume of public opinion in this country that will be very glad to dispense with him and with his government. I tell him very frankly that as far as I am personally concerned I have no ambitions at all, but what I would like to have in this country is a government which would be representative of all the patriotic elements in the country, that would wage total war, once and for all, and achieve victory, irrespective of party concerns. I quite agree that General McNaughton has been subject to a very severe time, especially, as has been stated by the Prime Minister, in that he is not a man who has been through such a siege or a condition as we have had to-day. As far as I am concerned, General McNaughton knows that in the days gone by I have had nothing but the friendliest feelings toward him, and I have to-night. I certainly think he has put himself in an impossible position before

the Canadian public; but that is his responsibility, and he is man enough, I am sure, to assume it.

Mr. MARTIN: And he is doing it very well.

Mr. HANSON (York-Sunbury): That is a matter of opinion, and one about which we could agree to disagree.

Before I conclude may I say, without wishing to worry General McNaughton because I know he must be weary, that there is one point which is still not clear to me, and that is this. No matter how many men you get from general service, no matter how many men you get from the young men who are coming of age, the eighteen years and eighteen and one-half years, are the 16,000 trained men in the N.R.M.A. to go overseas whether they volunteer or not?

Mr. McNAUGHTON: The answer is, yes.

Mr. HANSON (York-Sunbury): That is what you said in your statement this afternoon, but from your answers to the former Minister of National Defence here to-night there is an inconsistency there, and I put myself on the judgment of this house.

Mr. SLAGHT: You are wrong.

Mr. HANSON (York-Sunbury): Well, I may be wrong. I have never been so sure of myself as some other people are. I am not quite so sure of myself as the hon. member for Parry Sound (Mr. Slaght) seems to be of himself. But there is great confusion in the minds of the membership of this house.

Mr. SLAGHT: Being out of order, the hon. gentleman must be entitled to have somebody tell him that he is wrong. When he makes a misstatement of fact—inadvertently, perhaps—it is none the less a misstatement.

Mr. FRASER (Peterborough West): Who are you to judge?

Mr. HANSON (York-Sunbury): Thanks for the lecture. That is all I have to say. It is quite clear that the 16,000 well-trained troops are to be sent overseas irrespective of who else may be sent or what other commitments there are? That is what I want to be assured of.

Mr. McNAUGHTON: In round numbers.

Mr. HANSON (York-Sunbury): Well, in round numbers. I am not going to quibble over one or two. Thank you very much.

Mr. McNAUGHTON: May I just express my deep appreciation to the hon. member for York-Sunbury for his kind words.

[Mr. R. B. Hanson.]

Mr. MACKENZIE KING: The house may wish to discuss one or two matters before eleven o'clock, and I would suggest that the further questioning of General McNaughton should stand over for another time. What I would like to suggest to the house is this. The Minister of National Defence has been dealing with these matters to-day, and there is some information he has not been able to give on account of not having the records with him, but he will be in a position to have the records looked up immediately. Unless we are to have all this ground gone over again and again, it would I believe be best to conclude with the questioning of General McNaughton before entering on the next order of business. In other words, if the house wishes to question General McNaughton still further it should I think have the privilege of doing so to-morrow. If there is to be a secret session—it has been expressed that some would desire it, after the general was asked to-day certain questions to which he replied that he could answer only in secret session—if, I say, the house may feel that it wishes to have further information in secret session, I think any such session ought to follow immediately on this discussion to-day, and not be left over until other things have been dealt with in the interval.

When the debate begins on the motion which I have placed on the order paper it will continue to the end; and at the end of the debate, if the resolution is not carried, of course the government will immediately make way for those who are responsible for its defeat. It will be their obligation to form at once an administration to carry on Canada's war effort. But I think there should be no intermission during the debate itself to get information in secret session. It should not be necessary to bring General McNaughton back again, because the debate ought to conclude matters; and while my hon. friend the leader of the opposition (Mr. Graydon) said he would like to have it a condition before General McNaughton was admitted that the government would proceed to-morrow with the motion which is in my name, I feel I ought to ask him to-night, that, if there is any desire on the part of hon. members to question General McNaughton further, either in public or in secret session, that should have precedence to-morrow. Generally, when we have met after a long absence, we have made it a rule not to sit on a Friday evening. In view of the seriousness of the whole problem, and to give everyone an opportunity to reflect upon the information that has thus far been given, it would be advisable I believe to conclude with the questioning of General McNaughton to-morrow and to begin the

debate on Monday. I have brought this matter up at the moment because there is still time to consider it before eleven o'clock, and for more reasons than one, I hope that this may be arranged.

Mr. GRAYDON: I was not in the house when this discussion began, but I was rather afraid that there would be some further alteration in the arrangement that was made when we consented to the coming of General McNaughton to this chamber. I am told that there is very little further questioning, and from what I can gather, I think we ought to be able to finish to-night. Further than that, I think it should be possible for General McNaughton to file or table such answers as are confidential because, despite what has been said, nothing has been abused here which in my opinion would call for a secret session. If we had adopted the original suggestion that the session should be secret we would have had a lot of information denied the public which has been given. Perhaps we might go on past eleven o'clock.

Mr. MACKENZIE KING: No, indeed; we will not go on after eleven, when some of us have been up night after night, on towards dawn, in order that the house might get the fullest information at the earliest possible moment. There may have been a reason in the minds of some hon. members for seeking to rush this session rapidly when they felt that there was inadequate provision for reinforcements; but the order in council which has been tabled to-day completely removes any possible concern in the mind of anyone with regard to the reinforcements which our men overseas will have.

Some hon. MEMBERS: No.

Mr. MACKENZIE KING: Well, it does so far as the minds of most are concerned.

An hon. MEMBER: It does not mean anything.

Mr. MACKENZIE KING: I am not surprised that it does not to the hon. member. May I say this, however. I take strongly the position that any government, at a time of war, is entitled to consideration. It is not expected to be badgered at every stage, and, as I have observed Mr. Churchill's actions in the British house, he spends so many hours in the house in the course of a week and the rest of his time is given to urgent matters relating to the war itself. What we have to consider here may be relatively small, but the principles at stake are the same, and there is like necessity for the Prime Minister and his colleagues to take up matters that are pressing in relation to the war. As far as I am concerned, if I can prevent it, and having regard to the responsibility I have to the Canadian people, I shall not allow hon. gentlemen opposite to break down myself or other members of the administration by forcing us at a pace which is absolutely unreasonable in the light of the circumstances of to-day and the responsibilities devolving on the members of the government.

Mr. HANSON (York-Sunbury): May I ask one question? The Prime Minister spoke of consideration being extended to the administration. May I ask him, in all seriousness, whether during the sessions of 1940, 1941, 1942 and since, there has not been extended to him and his administration, every consideration having regard to the circumstances which have surrounded us? At any rate, that was my aim throughout that time, and the same is true to-day.

Mr. MACKENZIE KING: I will leave it to every hon. member and every citizen of the country to judge for himself how much cooperation this government has had from hon. gentlemen opposite during this past year and how much we are having at the present time. How much have they cooperated with us in this effort? In my public appeal I expressed the hope that men of all parties—and my hon. friend belongs to one—would play their part in supporting us in that regard. I cannot quite distinguish the words of the hon. member opposite. I hope he will excuse me, but there is so much noise in the house that I cannot catch what he is saying.

Mr. HOMUTH: I am telling the Prime Minister, do not let the little man from Vancouver, sitting behind, interrupt the proceedings.

Mr. MACKENZIE KING: I think, Mr. Chairman, it is a fortunate thing that we have a certain amount of humour in the midst of our discussions. I do not think any of us could live long without a certain amount of that, but there are times and places for all things, and I do say that this particular session calls for the consideration of the most serious situation that Canada has been faced with, and there is something besides levity that should govern the house at this time. If the house is of the opinion that there should not be further questioning of General McNaughton, and if to-morrow I find it is inadvisable for me, with the responsibilities I have, to go on with the debate, I shall ask that the house adjourn until Monday. On the other hand, if it is desired that General McNaughton be further questioned by hon. members, then I would say, let us continue with that to-morrow.

Mr. JEAN-FRANCOIS POULIOT (Temiscouata): Mr. Speaker, might I have the ear of the house for a few moments on this twenty-third day of November, 1944? I have been most appreciative of the kindness extended to me by members on all sides of the house. Sometimes discussion has been heated on both sides but no rancor has been left. Since I have been in politics I have been a Liberal and have been a true supporter of the present Prime Minister. I remember having stood alone in fighting the social legislation of Mr. Bennett. I carried on a campaign with Mr. Hepburn and with some of the present cabinet ministers in thirty-five counties of Ontario, and I spoke at the nomination of another minister and took part in the campaign. I did all that for the Liberal party because I believed in the Liberal party as led by the Prime Minister

I have been brought up in the respect and love of Liberal principles and traditions, and when I was young I learned English in the speeches made by great Liberal leaders of Ontario. Those speeches were translated into French as brain food in times of election. Since the beginning of the war I have done my best for the soldiers of my constituency and for some others even in this city of Ottawa. I have looked after the welfare of soldiers who, in virtue of the law, had the right to ask for postponement. Then I tried, and I succeeded, in having amendments to the national war service regulations and so on.

I regret that this session has been called to give major importance to a minor quantity. At the same time I congratulate the present Minister of National Defence upon his successful day. He has answered questions very well.

I regret very much that now it is impossible for me to agree with the policies of the government, for several reasons which I will give in due course. I have the most pleasant recollections of my dealings with the Prime Minister and most of his present colleagues, and I wish them the best of health and success in life. But when I have to make a choice between my constituents and the present government, I cannot hesitate; I stand by the people of my constituency, and this is my last word. Therefore, sir, I regret very much to have to cross the floor of the house right now.

Mr. COLDWELL: Before we adjourn, a few moments ago the leader of the opposition said that perhaps after all we had not got very much out of to-day's questions and answers, and I think that is not wholly untrue. Many or at least several of the questions which have a vital bearing on these matters have remained unanswered, because the minister stated, and I think quite properly, that he could not give that information in public session. I believe that every scrap of information we can get should be obtained in public session, but where the information is of such a nature that it might give some aid or comfort to the enemy I think it is the duty of members of this house, as representing the citizens of this country and as patriotic citizens themselves, to bow to the decision of the Minister of National Defence. I am strongly of the opinion that we should have this information, for without it we do not know what will be the condition of the reinforcement pools overseas from time to time, and we do not know actually what the situation is with regard to expected casualties. Therefore we cannot judge whether this order in council gives sufficient power to the minister to do all that is necessary in order to protect the men overseas. Therefore I suggest, Mr. Speaker, that we ought to try to get all the information that will guide us, and since the minister could not give the information that was desired to-day in public, in some particulars, and stated that he was ready to give that information in private session, that the suggestion of the Prime Minister should be followed and that to-morrow we should get that information in confidence.

Mr. GRAYDON: It is after eleven o'clock, Mr. Speaker, and I do not want to say very much at this time, but I should like to say a word with respect to what the Prime Minister said a few moments ago. Since the beginning of this session I have made a valiant effort to keep our position on the highest possible plane, and I think most hon. members will say that I have succeeded. I am sorry that the Prime Minister took the time of the house to make charges in regard to lack of cooperation and so on, because it seems to me that at this time we should not get down to that sort of thing.

Mr. MACKENZIE KING: It was my hon. friend who raised the question.

Mr. GRAYDON: If at this stage the Prime Minister will just try to follow my example I think we shall all get along very much better. I do not wish to have these charges stand as though they were of the kind that I should not or could not answer. I only want to leave that thought with the house, because I believe we should do our utmost to keep this discussion on a very high plane.

With respect to the question of a secret session to-morrow, I do not know why the leader of the Cooperative Commonwealth Federation party and the government are so

anxious to get us into a secret session. If we adopt that suggestion people will say, "Well, you must have some queer motive in taking that position." We do not want to sit in secret at all this session. See what would have happened to-day if we had carried on as was suggested in the beginning. I do not desire to be harsh with General McNaughton, but of course he did suggest a great many things that he could tell us if we were meeting in secret. I think, however, we have had the whole thing to-day, and scarcely any of it has centred around a single matter of security. I believe that justifies the stand I took in this connection.

I should like to say to the Prime Minister that I want to reserve my judgment with respect to the sitting to-morrow. We consented to General McNaughton coming in to-day under a very definite arrangement, as we thought. It is not our desire to prevent discussion or in any way to hinder the giving of information, but now it is suggested that we should meet to-morrow with the press excluded and the galleries cleared, and have a lot of talk about which the country will never know. I do not think we should have a discussion of that kind. It seems to me we can get in this house enough information that will not provide comfort to the enemy to enable us to determine the course of action we should take. I am very honest and sincere in my plea on that score, so that I would suggest that the Prime Minister adopt this course. I believe we are through with General McNaughton at the moment; I do not think there is anything more we need to elicit from him. I am prepared to have the answers to those questions that remain unanswered for reasons of security tabled in the house in a secret way. That will take care of the whole matter; General McNaughton will leave the house to-night and the job will be done. I offer that suggestion to the Prime Minister.

Mr. MACKENZIE KING: May I say to my hon. friend that he speaks always as though he and his party were the only ones to be considered in the matter of getting information. I have not been pressing for a secret session, nor has General McNaughton. He has repeatedly said that there is information he would be glad to give but that he cannot give it except in a secret session of the house. And may I add that our discussion on the matter of the secret session I think took place before General McNaughton came into the chamber at all, so that I do not believe he was aware of the fact that there had been any discussion about a secret session. But my hon. friends of the C.C.F. would have the strongest reason in the world to complain about myself and the government if we refused to allow their group to get all the information they felt it was essential to have in arriving at a decision. The same thing would apply to my hon. friend the leader of the Social Credit party. He and the members of his party are entitled to the information which they may wish to have, and if I am not mistaken he also expressed a desire to get full information, some of which cannot be given in public.

Mr. BLACKMORE: If he Prime Minister would permit a question, is there any reason why the leaders of the groups or parties should not approach General McNaughton in his office and obtain any information they deem necessary for their guidance.

Mr. ROSS (Moose Jaw): What good would that do the rest of us?

Mr. BLACKMORE: My question was addressed to the Prime Minister.

Mr. ROSS (Moose Jaw): All right, but after he answers I will ask a question.

Mr. MACKENZIE KING: My answer is that every member of this House of Commons is entitled to information that is of general interest and concern. My hon. friend and myself have no rights over other hon. members in that regard. As leaders we have additional responsibilities, but our rights are not any greater than those of members of the house generally.

Mr. BLACKMORE: Then it seems to me, Mr. Speaker, that this eliminates the reason for a secret session. The members of this house, through their leaders or in groups, can obtain the information they need for their guidance by going to the minister himself. If that is not so, we may need a secret session, but my understanding is that this can be done.

Mr. MACKENZIE KING: I do not think anyone has the right to assume that he has the privilege of getting information for himself or his group, which information is not available at the same time and in the same way to everybody. That is I think a sound position. There may be occasions where the leaders will have to confer together as to a course that may be most advisable, and when it comes to the giving of information that relates to war there may be some things that as Prime Minister it will be my duty to communicate to the other leaders which in a certain situation I think would help in the procedure of the house and in the guiding of the house in the matter of the way in which debate should be conducted.

Mr. BLACKMORE: Then there would be no way in which the members of the house could obtain that information except through a secret session. Is that right?

Mr. HOMUTH: What about the public of Canada?

Mr. BLACKMORE: I am asking a question.

Mr. MACKENZIE KING: I would say this: In the British parliament they have had something like 120 secret sessions during this war. These secret sessions were held in order that hon. members of the House of Commons at Westminster might get information which was of importance to them, but which could not be imparted to them in public. They have not thought in Britain, which is the home of freedom if there ever was a home of freedom, that the public were being denied something they were entitled to possess, because their representatives in parliament were being given very secret information which would help them and help the country at a time of war. There is nothing that I can see that is inimical in a secret session. I am not going to demand a secret session, but I will as leader of this house, if a large proportion of hon. members of the house wish anything of the kind, not impede them. I would leave it to the house to say whether or not we should have a secret session.

Mr. GRAYDON: Did the Prime Minister say that it was the intention of the government to sit only in the afternoon to-morrow?

Mr. MACKENZIE KING: What I said was this, that having the responsibility that I have had and have at the present time, if after sitting up after midnight to-night and for a good many nights I feel that to-morrow I should not make a statement in this house which would begin a most important debate, a debate which will determine whether this government is to continue in office or be replaced by another, I would not wish to start that debate to-morrow afternoon. I may feel very differently in the morning. I may decide it is not necessary to say more than a few words; but if my hon. friend insists on my proceeding when the house meets, with opening the debate, and I feel that I cannot do justice to the government or to myself and to the responsibility I have, I will ask the house to allow me to adjourn the debate until the following week. What I would suggest as an alternative and what I think would be preferable in every way would be that General McNaughton's examination or questioning might be continued to-morrow afternoon in open session, because some have not received all the desired information, and if the members wish to have a period of secret session then a part of to-morrow could be taken up in a secret session and we could adjourn at six o'clock and begin the debate on Monday.

Mr. GRAYDON: That is such a reasonable suggestion I do not think anybody would want to object to it. We are anxious that this should not be turned into a lengthy debate and that General McNaughton not be kept here for any great length of time. The Prime Minister will understand that. I think there can be no objection to the suggestion except that the Prime Minister had better be on the lookout for another suggestion with respect to secret sessions because I am afraid it will be opposed strenuously over here.

Mr. MACKENZIE KING: That is all right. It is understood that to-morrow we shall continue with General McNaughton's answers to further questions. He will be ready to make further answers. If the house decides to do so, some information may be given in a secret session but in any event we shall sit only until six o'clock.

Mr. GRAYDON: It is definitely understood that the debate with respect to the motion the Prime Minister has on the *Votes and Proceedings* will go on at three o'clock on Monday regardless of what happens to-morrow.

Mr. MACKENZIE KING: On Monday, yes. May I thank my hon. friend for his accommodation.

May I, before we close, clear up one point about correspondence that was raised. I have asked the Clerk with reference to what the hon. member for York South (Mr. Noseworthy) said as to his having tabled a communication and of its having been sent back to him the next day by the Clerk. I asked the Clerk as to the circumstances, and he has given me the following statement which I think will be of interest to all hon. members:

> The well-known rule is that when a private member quotes a private letter dealing with a public matter he is bound to lay it on the table; and when debate is over the clerk returns the letter because it is not a parliamentary paper.

The Clerk informs me that he returned the hon. member's letter because the debate was finished. He has also directed my attention to Bourinot's Parliamentary Procedure which has the following paragraph at page 245:

> Papers are frequently referred to in debate which the rules of debate require should be laid on the table or which a minister of the crown or some member of the house desires should be

laid upon the table for general information. Such papers form no part of the records of the house but are retained in the custody of the Clerk of the house for the purposes indicated and returned to the proper authorities afterwards.

I think that may clear up the point raised.

There is just one other matter to which I wish to refer. It is regarding my motion for Monday. In the printing of the *Votes and Proceedings* of to-day there was a misprint as they were issued in the first instance. The motion appeared:

The Prime Minister—On Friday next—That this house will aid the government in its policy of maintaining a vigorous war.

Through some error the word "effort" was not printed in the first copies. I am afraid these copies were distributed and were used by the press. The omission was corrected in a subsequent issue. The *Votes and Proceedings* as I have them here and as they were reprinted when the error was discovered makes it clear that the resolution is:

That this house will aid the government in its policy of maintaining a vigorous war effort.

Mr. GRAYDON: The Clerk was good enough to correct it for me.

Mr. MACKENZIE KING: And then there is the resolution about sitting on Saturday.

Mr. COLDWELL: On the point of order raised by the Prime Minister, may I say that we find it sometimes very difficult to follow these rules. If I turn to the second edition of Beauchesne's Parliamentary Rules and Forms at page 104 and I read a citation from May 316 I find the following:

It has been admitted that a document which has been cited ought to be laid upon the table of the house, if it can be done without injury to the public interest. The same rule, however, cannot be held to apply to private letters or memoranda. On the 18th May, 1865, the attorney-general, on being asked by Mr. Ferrard if he would lay upon the table a written statement and a letter to which he had referred on a previous day, in assuming a question relative to the Leeds Bankruptcy Court, replied that he had made a statement to the House upon his own responsibility, and that the documents he had referred to being private, he could not lay them upon the table. Lord Robert Cecil contended that the papers, having been cited, should be produced; but the Speaker declared that this rule applied to public documents only.

This was a private document to which my hon. friend referred. Apparently in the books you can find citations to prove anything.

On motion of Mr. Mackenzie King the house adjourned at 11.20 p.m.

Friday, November 24, 1944

The house met at three o'clock.

PRIVILEGE—MR. POULIOT

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, from one of the last seats in the last row I rise to a question of privilege. I have been described by the press as an independent. An independent I have been during my whole political career. Saturday of next week will mark the twentieth anniversary of my election to the House of Commons for the county of Témiscouata, which I still represent. Sir, I have not changed. I am still a Liberal, as I have always been.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I wish the hon. member would come to his question of privilege. My understanding was that yesterday he explained his position. Now he is repeating it. I would ask the hon. member to state his question of privilege.

Mr. POULIOT: Yes. But yesterday I only expressed my regret at leaving my seat. Now I am saying why I am here.

Some hon. MEMBERS: No, no.

Mr. MACKENZIE KING: There is no question of privilege in that.

Mr. SPEAKER: I am afraid that is hardly a question of privilege.

Mr. POULIOT: Then if you will permit me, sir, I will go further and cite a precedent; it was when the hon. member for Gaspé (Mr. Roy) was permitted to give his reasons for leaving the Conservative party some years ago. On that occasion he was listened to by the Chair. Now, sir, my point is that my Liberalism is a very definite doctrine, which may be entirely different from so-called Liberal policies.

Mr. SPEAKER: Order. The hon. member is himself a student of parliamentary procedure, and he knows that what he now states, while it may be a matter for explanation to the house on another occasion, is not a question of privilege.

Mr. POULIOT: Then I will give it to the press, if they will take it.

PRIVILEGE—Mr. LaCROIX

Mr. WILFRID LaCROIX (Quebec-Montmorency) (Translation): I desire to state before this house that I am leaving the government side, where I have always sat while

preserving my independence of judgment and action to take a seat on the opposition side where I will continue to maintain the same attitude.

An hon. MEMBER: Any more?

BUSINESS OF THE HOUSE

MOTION FOR RESCISSION OF ORDER PASSED ON JULY 24, 1944, FOR SATURDAY SITTINGS

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the order passed on July 24, 1944, under which the house was allowed to sit on Saturday until the end of the present session, be rescinded, and that when the house rises on Friday, November 24, and every Friday thereafter, until the end of the session, it shall stand adjourned until the following Monday in accordance with standing order No. 2.

Motion agreed to.

THE MINISTRY

REPORTED RESIGNATION OF HON. C. G. POWER—STATEMENT OF PRIME MINISTER

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to mention just one matter to the house by way of information. Some hon. members have asked me if the report in the press that the Minister of National Defence for Air (Mr. Power) has tendered his resignation is correct and if the resignation has been accepted. I may say that the minister has tendered to me his resignation, but thus far I have not advised His Excellency that I think the resignation should be accepted. I wish further to consider the matter carefully.

Mr. GORDON GRAYDON (Leader of the Opposition): May I ask the Prime Minister if there has been any correspondence between the minister he mentions and himself in connection with this matter and, if so, will it be tabled in the house?

Mr. MACKENZIE KING: It all depends upon what is meant by "correspondence". There should be two letters to have correspondence, and so far there has been only one. Should there be correspondence to table I shall see that it is tabled.

Mr. GRAYDON: I would not like to see the Prime Minister limited. If he thinks the letter he has received from the minister should be tabled, we shall be glad to receive it even before he makes his reply.

Mr. MACKENZIE KING: My hon. friend speaks about a letter that should be tabled. I have no letter that should be tabled because I have not as yet advised His Excellency the Governor General that the resignation of the minister should be accepted.

CANADIAN FORCES

PETITIONS WITH RESPECT TO APPLICATION OF N.R.M.A. ACT

Mr. J. H. HARRIS (Danforth): Mr. Speaker, I beg leave to present to the House of Commons and parliament assembled a petition, the prayer of which humbly requests that the draftee forces shall be at once dispatched overseas to the aid of our men now fighting at the front. This is signed by H. C. Baillie and many others.

Mr. R. W. GRAY (Lambton West): I wish to lay on the table a petition signed by Neil McLeod of Sarnia and several hundred others praying that full effect be given to what is commonly known as bill No. 80.

Mr. DOUGLAS G. ROSS (St. Paul's): I have a similar petition signed by several hundred persons requesting that bill No. 80 be implemented at once in order that the lives of our men overseas may be saved and reinforcements given to our troops.

Mr. H. R. JACKMAN (Rosedale): I have a similar petition from the constituency of Rosedale signed by approximately two hundred persons, and another from the constituency of Spadina bearing approximately sixty names.

METHOD OF RAISING MEN FOR SERVICE OVERSEAS—REFERENCE TO PRIME MINISTER'S STATEMENT ON JULY 22, 1942

On the orders of the day:

Hon. R. B. HANSON (York-Sunbury): When the Prime Minister speaks on his substantive motion on Monday next, notice of which is now on the order paper, I should like him to make clear a matter which is troubling me. At the risk of taking some time to explain the position I would direct his attention to page 4564 of the House of Commons *Hansard* of July 22, 1942. At that time the mobilization bill was under discussion—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I wonder if the hon. member could give me some idea as to the relevancy of the statement he intends to make?

Mr. HANSON (York-Sunbury): I have to lay the foundation. This is not intended in the slightest degree to embarrass the Prime Minister or anyone else.

An hon. MEMBER: Oh, no.

Mr. HANSON (York-Sunbury): No, it is not, and I give my word of honour on that. On that day, in answer to a question asked by the then hon. member for Weyburn, Mr. Douglas, the Prime Minister said:

When the government decides that it is necessary and advisable to resort to conscription as a method of raising men for service overseas, an order in council will be passed dealing with members of the forces as a whole.

I am sure my right hon. friend will remember that.

It will not be a matter of passing a series of orders in council—

Some hon. MEMBERS: Order.

Mr. HANSON (York-Sunbury): Have I permission to go on?

Mr. SPEAKER: I am listening.

Mr. HANSON (York-Sunbury): I continue:

—but one order in council will cover the entire force.

That is the basis of my question. In studying order in council 8891 which was laid on the table of parliament yesterday—

Some hon. MEMBERS: Order.

Mr. SPEAKER: As I understand what the hon. member is now saying, he is really anticipating a speech which the Prime Minister may make and of which he is suggesting a text.

Mr. HANSON (York-Sunbury): Quite the contrary, Your Honour. What I desire to know in brief is if there is to be only that order in council passed in order to give effect to what the Prime Minister said on July 22, 1942, or will it be necessary to pass subsequent orders in council having regard to the fact that the number ordered to be mobilized under this order in council is limited to 16,000.

Upon the passing of this order in council will these men be general service men from now on, or are they still to be home army men, and when will the transition period be passed? I think we should have some clarification of this position, because it is not clear in the order in council. I believe I am making a reasonable request. I think I have carried out my undertaking that there would be nothing controversial about this question. I am simply asking for an interpretation which the country wants to have.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I thank my hon. friend for giving me notice to-day of the question which he would like me to answer on Monday next. I shall read carefully in *Hansard* what he has said and will make as precise an answer as it is possible for me to make.

Mr. HANSON (York-Sunbury): That is all I ask.

REINFORCEMENTS—QUESTIONING OF MINISTER OF NATIONAL DEFENCE

(Hon. A. G. L. McNaughton, Minister of National Defence, having again appeared before the house):

Mr. POULIOT: Mr. Speaker, I do not want General McNaughton to believe that I am lacking in respect for him in any way. I would recall that on February 24, 1943, I was the one who suggested his promotion to full generalship. I did that for one reason, because of what had been said by the Prime Minister on November 14, 1941. I quote from page 4430 of *Hansard* of November 14, 1941, where the Prime Minister is reported as follows:

The general's last words to me were that I could depend upon it that he would take care to see that lives were not needlessly sacrificed. I remember those words very distinctly, that he as commander of the Canadian forces would take great care to see that lives were not needlessly sacrificed.

That is the action of a great man, that a commander in the field should not want to waste human lives. He knows the value of human life.

There is another thing that I would ask the general, and it is this, not to mention national unity in connection with conscription. I will qualify what I have said. It has been repeated over and over again that if conscription was not imposed in this country it was precisely to preserve national unity. What was meant by national unity? What was meant was that the province of Quebec was against conscription for overseas, and therefore conscription for overseas service should not be enforced?

In the first place, Mr. Speaker, I regret very much that we did not have from the very beginning of the war a well-balanced conscription, but a one-sided conscription. I regret very much the action of the Department of National Defence which has given emblems for service only to those who have volunteered, thereby indicating that all the others who were contributing to the war effort in other ways were slackers just because they had not enlisted in the army. That is a great mistake which was made at first.

Another mistake was to be afraid of the word "conscription". I prepared an article telling the draftees who were working in industries essential to the war effort what they had to do. That article was based on the regulations. But what did the director of

mobilization say to me? He said: "The article is all right except that you call the draftees conscripts. They are not conscripts; they are mobilized." I have never played with words, sir, and I can never agree to that.

What I mean with regard to the disastrous effect of what has been said throughout Canada regarding conscription and national unity is this: The province of Quebec is not at all opposed to a well-balanced conscription where the value of the services of every man who is working in essential industry is recognized as a help to the war effort.

Mr. SPEAKER: As I understand the procedure that is to be followed to-day, questions are to be asked of General McNaughton. So far the hon. member for Temiscouata is making a speech which in my judgment would be more relevant when the motion standing in the name of the Prime Minister is being discussed on Monday. The procedure that has been adopted for yesterday and to-day was to enable members who desired information to question General McNaughton. Questions and answers are in order.

Mr. POULIOT: Mr. Speaker, I shall come in just a few minutes to the conclusion of what I have to say. When on the one hand conscription is described as a good thing, and on the other hand the province of Quebec is described as opposed to conscription, and when what is described as a good thing is not imposed in this country on account of the opposition in Quebec, that is a great mistake which results in the province of Quebec being misjudged throughout the world. I hope that in the future there will be no politics mixed up with this question. I ask the general also not to play politics, and I know that he will not, because as a soldier he has gained a very high reputation indeed. I hope with all my heart that politics will be left entirely aside, and I would also ask the general to do something in his own department. The Canadian Army has been divided into three, following the suggestions made by the brass hats, who at one time I was not even allowed to refer to as pompous. I would ask the general to start a reform in the Department of National Defence to separate the chaff from the good wheat, which will be to the great benefit of this country. I would ask him to make a reform in his department, particularly in the medical corps, so that men who are unfit will not be kept in the army just to make the number greater. That is a great mistake. These men may be able to do very useful service, more useful service outside of the army than in it, and I hope that a free hand will be given in that matter.

[Mr. Pouliot.]

Now I want to make a request of the government. While I do not agree with their conscription policy, which was changed between four o'clock the day before yesterday and three o'clock yesterday, although no special danger during that short interval was indicated to us to account for the change, I hope, sir, that the present Minister of National Defence will be given a free hand to make in his department, in a spirit of justice, the reforms which have been so urgently needed since his predecessor took charge of the department, and in that he can rely on my full support.

Mr. MAYHEW: I would like to direct a question to General McNaughton. In this morning's Ottawa *Journal* the head line is "Volunteers to be Sent First—Use Zombies only to meet reinforcement deficiency." Yesterday when the hon. member for York-Sunbury (Mr. Hanson) was questioning the general he said, at page 6560 of *Hansard:*

> Before I conclude may I say, without wishing to worry General McNaughton, because I know he must be weary, that there is one point which is still not clear to me, and that is this. No matter how many men you get from general service, no matter how many men you get from the young men who are coming of age, eighteen years and eighteen and one-half years, are the 16,000 trained men in the N.R.M.A. to go overseas whether they volunteer or not?

The answer was definite: "The answer is, yes." There is a difference of opinion apparently between the head line in this paper and the answer that was given here. My question is this. Regardless of how many men you get from general service or how many volunteer, do you still intend to send over 5,000 in December, 5,000 in January and 2,000 each month thereafter until the full complement of 16,000 shall have been sent? In other words, are these from the N.R.M.A. to be extra to those that you recruit in the ordinary way?

Mr. McNAUGHTON: I thank the hon. member for bringing that point to attention. Not only was it obscured in the press accounts, but there were certain other obscurities, for which I take full responsibility. Through my inexperience in parliamentary procedure I did not always convey what I intended. I should like, therefore, Mr. Speaker, to have the privilege of reading a short statement which I have made up following an analysis of the press reports. In reports which have appeared in the press there appears to be some confusion about one or two points which arose in a discussion yesterday, and I should like to make a brief statement to clear up those points.

I expressed a strong preference for our traditional voluntary system, and also my hope

that it might not be necessary to use to the full extent the powers given to the Minister of National Defence in the order in council tabled yesterday. In some quarters my remarks have been interpreted as an intention on my part to scrape up men and use our general service men and to use them first even if they are not as well trained as N.R.M.A. men. That is not so. What I desired to convey was that I hoped trained N.R.M.A. men would volunteer for general service soon enough and in large enough numbers that it would not be necessary to send them overseas by compulsion. What I wish to make clear is that if adequately trained men do not volunteer in sufficient numbers the required numbers will be made up from the best-trained men we have. These will be detailed for service overseas under the order in council.

While the order in council extends the locality of service of all N.R.M.A. personnel, the maximum number the Minister of National Defence is authorized by the present order to dispatch overseas is 16,000. This power will be used to the extent that adequately trained men, whether now in the N.R.M.A. or not, do not come forward as volunteers sufficiently rapidly to meet the numbers required. The maximum was fixed at 16,000 in order to provide adequate reserves. In addition to giving the reserves required by the time they are required, these numbers will also enable increased periods of rest for individuals and will provide the increased number needed to compensate for the men given leave to Canada as these proposals develop.

I can now give the house the composition generally of the first 10,000 of the additional reinforcements being dispatched in December and January to which I referred yesterday: 7,500 are fully trained infantry; 2,500 are well advanced in infantry training, and this training will be completed on arrival in the United Kingdom.

Mr. MacNICOL: Mr. Speaker, the minister has not answered the question of the hon. member for Victoria, B.C. (Mr. Mayhew); and I, too, am in the dark as to just what is to be the procedure. A straight answer to the question of that hon. member would relieve the minds of many of us.

Mr. MAYHEW: I think we have come to the time when questions should be answered so that we can really understand. That question has not been answered. The point is, there is authorization for 16,000 to go over. Is that the total number of men who will be sent over between now and May? I think we should know whether it is or not. If it is, I for one would not be satisfied.

Mr. McNAUGHTON: The 16,000 referred to are in addition to the presently-planned movements which are now being carried out.

Mr. MacNICOL: I am not yet clear, Mr. Minister.

Some hon. MEMBERS: Oh, oh.

Mr. MacNICOL: Hon. members may laugh if they like. We are not all as smart as some of the other fellows are. What I should like to know is what was asked by the hon. member for Victoria, B.C.: are the 16,000 to be sent now?

Mr. McNAUGHTON: We have a very considerable movement which was arranged and in full swing before yesterday. Since yesterday another planned movement of a total of 16,000 has been added to these movements. The planned movement—that is, the additional planned movement—comprises 5,000 in the month of December, 5,000 in the month of January, and 2,000 in each of the three succeeding months.

Mr. MacNICOL: The 16,000 who are to go in December, January and the succeeding three months are to be taken out of the N.R.M.A.?

Mr. McNAUGHTON: That is right, sir. There will be included a few other personnel, naturally, because the officers are not in that category. There are officers and non-commissioned officers who are general service and must go with them.

Mr. CLEAVER: Is General McNaughton at liberty to disclose in public session the total number of reinforcements which will be added to the reinforcement pool between now and the end of next March?

Mr. McNAUGHTON: That information is something which I cannot give in open session.

Mr. JOHNSTON: (Bow River): I understand now that the 16,000 will be called up under this special order in council from N.R.M.A. personnel. I can quite see, if there were to be total conscription of all N.R.M.A. men, where officers would be authorized to pick certain individuals for the draft; but I am at a loss to know, and I should like the general to explain, what method is to be used to get these 16,000 from the N.R.M.A. It is general knowledge that in the past some of the methods used to get N.R.M.A. recruits to volunteer were not as they should have been. I was against any coercion or compulsion in that regard, and I am against that method now; I want to know how the general proposes to get these 16,000 out of the N.R.M.A. without conscripting "the whole works."

Mr. McNAUGHTON: The units to comprise the first 10,000 of the N.R.M.A. for dispatch, as I indicated earlier, were selected this morning. Those units will shortly be in process of moving to concentration areas in eastern Canada. The men who wish to volunteer will be given every opportunity to do so. The others, the whole units including those men, will be dispatched on the dates which at the present time are being arranged.

Mr. JOHNSTON (Bow River): That does not answer my question, if the general will pardon me for saying so. I wish to know the method used in making that selection. It makes a lot of difference.

Mr. McNAUGHTON: The first consideration, the thing that stood uppermost in the minds of myself and the staff who were assisting me in the matter, is that we should get men who were as fully trained in infantry as possible. We have taken the best infantry soldiers we could get in the time available between now and the date of the sailing of the ships.

Mr. JOHNSTON (Bow River): Would that depend, then, on the officer in command of that certain section? He can choose any man he desires. There may be two who are equally trained and he may desire to take one and leave the other. That would be a fair conclusion to come to. Would that be the situation?

Mr. McNAUGHTON: If, in the opinion of the officer in charge, a man were not up to the standard of training which we have laid down that man would be struck off strength of the draft, naturally.

Mr. JOHNSTON (Bow River): That was not my point. Here are two men equally trained under the same officer. Only one is needed. What decision will be made in the choice of that one out of these two men?

Mr. McNAUGHTON: These movements are in essence based on the sending of the best trained personnel we can dispatch up to the numbers for whom we can get transportation. Therefore I do not think there is any invidious discrimination in the choice of individuals.

Mr. JOHNSTON (Bow River): In my opinion, the method which I believe will be carried out in the selecting of the 16,000 men is not the proper one. It seems to me that there will be more coercion and mistreatment in the choice of the 16,000 than there has been in the past in trying to get national defence men to volunteer. I am against that type of coercion and I can see plainly a great deal of disunity arising from such action. Let me give a vivid illustration. Suppose you have one man in Quebec and another in some other province. No matter which of them is chosen there will be discontent. It is time for us to quit fooling around with the subject. All other parties have the blackest of war records in this regard, and I am proud to say that the Social Credit party is the only one than can stand with its head high.

Mr. COLDWELL: I wish to be clear on this point. There are 5,000 men going overseas in December, 5,000 in January and 6,000 later.

Mr. McNAUGHTON: That is right.

Mr. COLDWELL: Are these men to be volunteers or are they men who will be taken out of N.R.M.A.? As from yesterday, when this order in council went into effect, will the voluntary system be continued, or will there still be N.R.M.A. men shifted to the concentration point ready for overseas? If we are sending over 16,000 under the conditions indicated, 8,000 fully trained, we are told, and 8,000 partly trained at the present time, and who will be fully trained in due course, is it not a fairly good bet that they will all volunteer before they go over? In other words, what you are doing in forcing the voluntary system on men who are actually called for compulsory service. That means, it seems to me, some coercion, the coercion being that they will proceed overseas either as conscripts or as volunteers, and they have the choice right up to the moment they leave as to which they will be. This is a strange way of going about the obtaining of the 16,000 men. I do not know where this is landing the house or the government, and if we are to have compulsion in the sending of men overseas I cannot understand why the government does not go the whole way. Where you have 16,000 who know they are going overseas and who are told that they may still become volunteers, you coerce them into being volunteers. I am not yet clear as to whether the 16,000 who are going are to be men in the numbers of whom are included those who have already been told that they are going from general service. I am not clear on that point, and I believe some other members are in the same position. With regard to the other point, it strikes me as quite evident that men are going to be coerced into volunteering, and that is wrong. Let us be clear about what we are doing.

Mr. McNAUGHTON: May I answer first the hon. gentleman's second question in which he asks whether the 16,000 are included in those now going over, or are additional. This

16,000 which is engaging the attention of the house is in addition to the previous planned movements which include the general service personnel. The 16,000 is a new movement, on top of all other movements, which was initiated yesterday afternoon. The other point I can answer only by saying that under the authority of the order in council, and in order to provide the army in the field with the additional trained infantry reinforcements which are required in support of their operations, we are taking the 16,000 from trained infantry in this country and dispatching them. That personnel may, if they wish, convert to general service, that is, volunteer before they go.

Mr. HANSON (York-Sunbury): Are they not told that if they do not volunteer they will get no rehabilitation grant, and is not each commanding officer instructed to tell them that individually?

Mr. McNAUGHTON: No, sir.

Mr. HANSON (York-Sunbury): That is the information I have, that orders went out from your department to the D.O.C. of every district, that the commanding officer of every unit shall interview each individual personally, not through N.C.O.'s or otherwise, and tell them among other things that if they do not volunteer there will be no rehabilitation grant. That is the information I have from my part of the country.

Mr. MACKENZIE (Vancouver Centre): Mr. Speaker—

Mr. HANSON (York-Sunbury): I do not want an answer from the hon. member for Vancouver Centre but from General McNaughton.

Mr. MACKENZIE (Vancouver Centre): That story is a complete untruth.

Mr. HANSON (York-Sunbury): Call it what you like, but I asked General McNaughton a question and I do not want an answer from a flannel-mouth like the hon. member for Vancouver Centre.

Mr. ROSS (Moose Jaw): On a point of order, the hon. gentleman has no right to call any minister a flannel-mouth.

Mr. HANSON (York-Sunbury): I will substitute another designation; I will substitute the word "bluffer."

Mr. MACKENZIE (Vancouver Centre): I am going to ignore the observations of the hon. member, but I would say—

Mr. HANSON (York-Sunbury): I rise to a point of order. We are questioning General McNaughton here and my question is directed to him. I want an answer from him.

Mr. MACKENZIE (Vancouver Centre): I have been responsible for the preparation of the rehabilitation legislation for the last five years. I am conversant with it and I should have the right to answer any question directed to the subject of rehabilitation.

Mr. HANSON (York-Sunbury): I stand by my point of order. I asked General McNaughton a question with respect to directions given through the Department of National Defence to officers commanding, and irrespective of what the legislation is, or of any minister in charge of it, I want to know whether the information I have is correct. I believe it is.

Mr. MACKENZIE (Vancouver Centre): It is not correct.

Mr. HANSON (York-Sunbury): It is being stated in the province of New Brunswick that these men are to be interviewed by the officer commanding in every unit and he is to tell them that if they do not volunteer they will not get any rehabilitation. I will not be howled down by any flannel-mouths or by anybody else.

Mr. SPEAKER: On the point of order, the hon. member for York-Sunbury (Mr. Hanson) asked a question of General McNaughton and the Minister of Veterans' Affairs (Mr. Mackenzie) proposes to answer. In the course of this whole discussion yesterday and to-day there have been questions asked of General McNaughton with which naturally he was not conversant and they have been answered by the Prime Minister and others. I see no objection to an answer being given to satisfy the questioner with the true facts of the case if they lie within the office of the department of the minister who now proposes to answer.

Mr. HANSON (York-Sunbury): With great respect, Mr. Speaker, General McNaughton has not said that he is not in a position to answer. If he says he is not in a position to answer, or if he says that the instructions were not sent out, that is a complete answer to my question. I want the information; I want it from General McNaughton because it is pertinent to officers of his department, not to the rehabilitation department. I am told that the D.O.C. office in Saint John has sent out instructions to commanding officers of every unit in New Brunswick that they are to interview these men personally, ask them to go voluntarily, and if they do not go voluntarily the officers are to tell them that they are not to get any rehabilitation grants. Surely that is within the purview of General McNaughton

as Minister of National Defence. I leave myself in the judgment of the country. The country wants to know about this.

Mr. SPEAKER: The hon. member has raised a question with regard to the rights of any member in this house to answer questions. Yesterday questions were asked which the former Minister of National Defence (Mr. Ralston) undertook to reply to because he was conversant with them. I could not deny the right of any hon. member of the house to reply to any question. If General McNaughton wishes to reply he may do so; but if any other hon. member who has an answer to the question wishes to give the answer he may do so.

Mr. HANSON (York-Sunbury): How could any minister other than the Minister of National Defence answer with respect—

Mr. SPEAKER: I do not know how.

Mr. HANSON (York-Sunbury): How can he answer a question when the officers are not in his department? It is not suggested that any instructions have been given by him. According to the information I have they were given by the Department of National Defence. What knowledge could the Minister of Veterans' Affairs have of those instructions?

Mr. SPEAKER: Order. If the Minister of Veterans' Affairs proposes to answer the question that the hon. member has asked, and does not satisfactorily answer it, the hon. member for York-Sunbury would then have the right to ask for an answer to his question; meanwhile I cannot deprive anyone of the right to answer.

Mr. MACKENZIE KING: May I suggest that there are really two questions involved in what the hon. member for York-Sunbury has just said. The first question is one which pertains directly to the Department of National Defence; and as he said, the Minister of National Defence, Mr. McNaughton, should and will, I believe, answer in the name of the department. But to say "yes" or "no" to a statement as to what is correct or not does not meet the other question which will be in the minds of hon. members of the house and others as to whether the existing legislation would make possible any such instructions by an officer. The Minister of Veterans' Affairs is more familiar with that legislation, I should think, than anyone else, and he should be permitted to make a supplementary statement.

Mr. HANSON (York-Sunbury): With your permission, sir, I am glad that the Prime Minister has clarified the position with respect to the first portion of the question. Certainly only the Minister of National Defence could answer that part of the question with respect to the proposal that I suggest has been made. I never asserted that that was the law or that they were within their rights in doing it. What I am asserting is this, that the information which reaches me is that those commanding officers have been instructed by national defence to interview these men and tell them this. Whether it is true or not is another matter, but I will emphasize the fact that this is a form of cruel duress to make these men volunteer.

Mr. McNAUGHTON: I would say to the hon. member he can be quite certain that no instructions of that sort would ever have been issued.

Mr. HANSON (York-Sunbury): "Would ever have been issued."

Mr. McNAUGHTON: Or has ever been issued. If he is aware of such an order being issued I should like it brought to my attention.

Mr. HANSON (York-Sunbury): I will tell the minister that a high ranking officer, and I am not going to name him—

An hon. MEMBER: No?

Mr. HANSON (York-Sunbury): No, I am not going to name him because he would be crucified by this government; make no mistake about that. I want the minister to understand this, that any man who talks to me talks at great peril to his personal position. Make no mistake about that. They are afraid to talk to me, General McNaughton, to give me factual information because they do not know what the gestapo might retaliate upon them. That is the situation in this country to-day. Private members of the forces are afraid to give me information. I hold in my hand information from an airman. He is in the gallery this afternoon. I do not know whether to produce it here or not, or to ask the question. I know that if I gave the name of the officer who gave me this information and told me that he had it from headquarters, he would be crucified by this government. He would be driven out of the service. That is the type of government we have in national defence under present conditions.

Mr. MacKINNON (Edmonton West): It has been denied.

Mr. HANSON (York-Sunbury): It has not been denied. He said it had not been authorized and I accept his word.

Mr. MACKENZIE (Vancouver Centre): May I add a supplementary word to the answer given by the Minister of National Defence? The suggestion advanced by the hon. member for York-Sunbury is an entirely impossible one, because this parliament has placed legislation upon the statute books of Canada and every hon. member, even the hon. member for York-Sunbury, should be aware of the nature of that legislation. The legislation provides that all rehabilitation benefits which we have made possible by order in council or by statute apply to those who have been called up as well as to the men who have volunteered, with one exception, the rates of benefits under the War Services Grant Act passed during the present session. Under that act the rates of benefits of men overseas is more extensive than for those doing service at home. There will not be the slightest discrimination against any member of the N.R.M.A. who goes overseas, whether by compulsion or by voluntary effort, in regard to any single benefit provided by this parliament.

Mr. ROSS (Souris): On this same point, I hold in my hand a speech broadcast by the Prime Minister recently. It dealt with this matter. He stated as follows:

> We shall make every effort to have all the draftees told individually of the need for their services. We shall also make every effort to have each draftee told individually the practical benefits to his own future of becoming a volunteer and enjoying full opportunities for successful reestablishment in civil life. In this we shall follow the principle set forth by General McNaughton.

I think this must convey the impression that they are going to have—

Mr. CLEAVER: I yielded the floor to my hon. friend as I thought he had a question to ask of General McNaughton.

Mr. ROSS (Souris): May I finish my point, Mr. Speaker?

Mr. CLEAVER: I do not yield the floor under such circumstances. Are you at liberty, General McNaughton, to disclose in public session the authorized numerical strength of the Canadian army overseas?

Mr. McNAUGHTON: I say to the hon. member that is information I could not possibly give in open session.

Mr. CLEAVER: Would you care to disclose the percentage of infantry of the authorized overseas army?

Mr. ROWE: It looks like a request for a secret session.

Mr. CLEAVER: If you do not want any information I do. I know what some hon. members will say when the present session is over.

Mr. SPEAKER: Order.

Mr. McNAUGHTON: I would have to give the hon. member information which I do not think is really very satisfactory. I will state that the infantry as compared with the total is, in round numbers, one-fifth.

Mr. CLEAVER: General McNaughton, I understood distinctly from your remarks yesterday, that the only part of the army in respect of which reinforcements have been found inadequate is the infantry; is that correct?

Mr. McNAUGHTON: That is absolutely correct.

Mr. CLEAVER: Are you free to disclose in public session the percentage by which the actual casualties have exceeded the projected or forecast casualties, in regard to infantry?

Mr. McNAUGHTON: I would not feel it right to give that information.

Mr. CLEAVER: Are the casualties for the other branches of the army—and I am referring to all branches of the army—greater or fewer than those forecast?

Mr. McNAUGHTON: I think I had better summarize the whole situation. In our experience in operations in Italy and in northwest Europe since D-day the total casualties which have occurred are substantially the same numbers as were estimated. That covers all arms and all services. In the infantry the casualties were substantially in excess of the estimates in the forecast which was given. In all other arms of the services they were very materially less.

Mr. CLEAVER: Taking into consideration the percentage which the infantry bears to the total strength, and taking into consideration the other two points you have just mentioned, what do you say as to the present over-all strength of the reinforcement pool overseas? Is it equal to or greater than that forecast?

Mr. McNAUGHTON: I must confess I am somewhat confused with the length of that question.

Mr. CLEAVER: Then I shall put one other question: Have your present forecasts as to casualties taken into full consideration the errors which have occurred in the past, in regard to underestimation of infantry casualties?

Mr. McNAUGHTON: The revised wastage rates on which we are working have taken

full account of the experience in Italy and in northwestern Europe since D-day. Our forecasts are projected on the basis of the higher rates which we found from experience unfortunately to be necessary with the infantry, and the lower rates for all other arms of the services.

Mr. CLEAVER: A final question—and perhaps an unnecessary one—but in view of the great misunderstanding which some parts of our Canadian press are creating in the public mind I am going to ask it anyway. In the light of all the facts will the order in council passed yesterday assure reinforcements—adequate reinforcements—and if so, for what period of time?

Mr. McNAUGHTON: I should like to say to the house again that with the addition of the dispatch of the 16,000 trained infantry personnel, which was arranged, commencing yesterday, we have met the requests of our military advisers in the field—and with a slight margin over—in order to do those things which I mentioned in the statement I read to the house. That is, we shall be able to provide some additional periods of rest for individuals, and also to compensate for those men who are hoping to be able to withdraw, in order to give them leave in Canada.

Mr. CLEAVER: And for what period of time?

Mr. McNAUGHTON: The present figures are forecast to May; and the 16,000 we have brings us up to the full scale considered necessary, as determined by our own officers in the field, and countersigned by the theatre commander.

Mr. CLEAVER: And do you agree in their report?

Mr. McNAUGHTON: The officers in question are experienced and thoroughly reliable, or they would not be in the positions they hold. I can say this, that I know personally the officers who have signed this report, and I have every confidence in their judgment.

Mr. ROSS (Souris): In view of the statement just given by the Minister of Veterans' Affairs (Mr. Mackenzie), I should like to ask the Prime Minister what he meant in his speech of November 8 when, as set out at page 10 of the pamphlet, he is reported to have said:

> We shall also make every effort to have each draftee told individually of the practical benefits to his own future of becoming a volunteer and enjoying the full opportunities for successful reestablishment in civil life. In this we shall follow the principle set forth by General McNaughton.

[Mr. McNaughton.]

There is to me confusion there as between the two statements.

Mr. MACKENZIE KING: I would say I meant exactly what I said.

Mr. ROSS (Souris): What does that include? The minister said it does not make any difference at all. He says there is no difference between that received by the man who remains under the N.R.M.A., and that received by the other man under certain circumstances.

Mr. MACKENZIE KING: The statement is that the men will be told exactly what benefits they will be receiving, the same as anyone else.

Mr. ROSS (Souris): What advantages?

Mr. MACKENZIE KING: We are taking a particular course of action. He might wish to know just what result that course of action would have in relation to his future, and he would be entitled to be told. That is all the statement I made means. There is no difference between that and any other statement made in this house.

Mr. ROSS (Souris): If he does not receive special rehabilitation privileges, why that statement by the Prime Minister?

Mr. MACKENZIE KING: Why should he not be told? Does my hon. friend say that the man should not be told what advantages he will get if he becomes a volunteer?

Mr. ROSS (Souris): No, but I am asking what those advantages are. The Minister of Veterans' Affairs led us to believe that under certain circumstances there was not any difference. I am asking the Prime Minister if there is a difference in the two types of service.

Mr. MACKENZIE KING: I believe the minister made it plain that there were certain advantages for the volunteer which did not exist in respect of those under the N.R.M.A. who do not go overseas.

Mr. ROSS (Souris): I am just trying to find out; I am not objecting to it. But the Minister of Veterans' Affairs did not leave that impression with the house.

Mr. MACKENZIE KING: If my hon. friend has any doubt as to who is right or wrong, he may take what I have said, and can count on it.

Mr. PERLEY: I should like to ask a question with respect to the point raised by the hon. member for Rosetown-Biggar. I refer to the methods employed to obtain volunteers from the reserve army. May I

preface my question by saying that when coming to Ottawa by train I happened to be in a Pullman which had been set apart as a special car for service men. There were only two civilians in it. In it were men from British Columbia and Alberta, some of whom were officers. Some were connected with the reserve army.

Hon. members will appreciate, I am sure, what the discussion was about. During that discussion one of the officers stated that only recently a questionnaire had been sent out to the officers, with the instruction that it was to be presented to the men in the reserve army. The discussion indicated that these men were called before their officers and presented with the questionnaire, on which appeared several questions. I was told what those questions were. My question is this: has that questionnaire been sent out to men in the reserve forces? If so, what were the questions asked and what have been the results?

Mr. McNAUGHTON: We have a large reserve army which is quite distinct from the personnel of the N.R.M.A. Was the questionnaire to which the hon. member refers directed to the reserve army or to the N.R.M.A.?

Mr. PERLEY: The home army.

Mr. McNAUGHTON: The home army is in two parts.

Mr. PERLEY: The N.R.M.A.

Mr. McNAUGHTON: With the information before me I cannot say whether a questionnaire of that kind has been issued, but I will have inquiries made at our headquarters and the headquarters of the district which might have issued a questionnaire of that sort.

Mr. LOCKHART: I have one or two brief questions to ask arising out of what has been said by the hon. member for Rosetown-Biggar, the hon. member for Davenport and others. Yesterday the general said, "I am doing everything I can to persuade these men to go active." I hesitate to bring signed statements before the house, but I should like to direct the minister's attention to some questions that have been asked these men which are similar to those which were apparently in the mind of the hon. member for Rosetown-Biggar and perhaps others. These questions have been directed to men who have been called up by selective service, and to my mind they are of a most serious nature. Apparently the officers were lined up in the selective service office room by room. If the first officer could not break down the man, perhaps the next one could. The words which I give are not my own, they are those of a man who has been subjected to this treatment. He said: "I was asked why in h—— I had not enlisted before."

Mr. MACKENZIE KING: If the hon. member is going to make a statement based upon a signed document which he has, he is obliged to present that document to the house so that we may know—

An hon. MEMBER: Oh, no.

Mr. MACKENZIE KING: This house has the right to know upon what authority statements are made if some authority is mentioned. If my hon. friend makes a statement on his own responsibility, we are obliged to receive it, but when he says that he has certain signed documents upon which he is going to base his question, when he says that he is going to refer to assertions made in the documents, then he must let this house know whether the person who signed that document is one in whom we could have confidence.

Mr. ROWE: On a point of order, only yesterday the Prime Minister said that unless a member did give the name, he must take full responsibility for the statement he was making. If the hon. member takes full responsibility he does not have to give the name.

Mr. MACKENZIE KING: But he is not assuming full responsibility.

Mr. LOCKHART: I will take full responsibility for everything I am saying. I say that I am told definitely—

Mr. MACKENZIE KING: That is not taking responsibility.

Mr. LOCKHART: I believe that the questions I am going to repeat to General McNaughton have been asked of this man. He was asked why in h—— he had not joined up before. Then he was asked what was wrong, was he afraid of the dark? was he yellow? This man told me in my office that he was prepared to sign an affidavit substantiating those statements if I thought it was necessary. If this thing has been happening in the selective services offices, I want to ask the minister if he will condone such questions being asked of men who are being coerced to go active as has been suggested by the hon. member for Rosetown-Biggar.

Mr. McNAUGHTON: The definite instructions which have been issued are to the effect that the matter is to be the subject of considerate explanation to the men. We take the view most strongly that if the duty to the state is properly explained to the men we may rely on getting an affirmative answer that they will volunteer.

Mr. LOCKHART: May I have the minister's assurance that these tactics which have been outlined to me in good faith will not be used in an attempt to get N.R.M.A. men to go active?

Mr. McNAUGHTON: I am sure that as soon as the orders are issued they will be carried out, and those orders will be to make this explanation from the point of view I have indicated.

Mr. LOCKHART: I should like to have a more explicit explanation of what is proposed to be done when these men are interviewed. Is there to be any limitation, or is it to be just a pleasant interview?

Mr. McNAUGHTON: I can assure the hon. member that nothing of the kind he has indicated would be condoned by any of my officers. If he has specific instances I should like him to let me know of them. However, he must give me the names if I am to get to the bottom of them. If there is any substance in that man's complaint he will receive every justice and rectification. We are the people who want to know about these things.

Mr. BRYCE: Is it the intention of the Department of National Defence under the new regulations to call up men from the farms who have been granted postponements because they are essential to agriculture?

Mr. McNAUGHTON: The hon. member will recall that yesterday I stated that we were establishing a reserve list under the N.R.M.A. of persons who might be posted and placed on leave in order to take part in industrial, farm or other activities. It is intended to review the cases of those men individually.

Mr. BRYCE: What is the policy of the Department of National Defence regarding the men in the N.R.M.A. who have been granted spring and fall agricultural leave in order to maintain food production? Will that leave be continued?

Mr. MITCHELL: Mr. Speaker—

Mr. HOMUTH: You were not asked the question. I rise to a point of order. The hon. member asked the Minister of National Defence a question and he will expect an answer from the Minister of National Defence and not from the Minister of Labour.

Mr. McLARTY: It is not in his department.

Mr. HOMUTH: The Minister of Labour and his deputy know nothing about it either. I rise to a point of order, Mr. Speaker. The question was asked of General McNaughton, and not of the Minister of Labour. The Minister of Labour can rise when he is asked to do so.

Mr. SPEAKER: I understood the question related to the time before the minister was in charge of his department.

Mr. COLDWELL: I think the hon. member is asking about the granting of farm leave to men who are in uniform, which is a departmental matter.

Mr. McNAUGHTON: I take it that the hon. member's question is related to leave for farm employment to help in food production.

Mr. BRYCE: In the spring and fall.

Mr. McNAUGHTON: Two types of situation may arise. The case of the individual who might be wanted back on his own farm or on some other farm will be dealt with on its merits, subject to the condition that the man in question can be spared from his military duties. In other cases a considerable number of men may be required to help in some particular operation, such as the getting in of the tobacco crop this fall, when if the personnel of the army had not been used the harvest would have been lost. We would deal with such cases through our employment companies which are now being set up.

Mr. BRYCE: If N.R.M.A. men who are unfit for overseas service are made available to agriculture, what is the basis on which they will be allowed to return to agriculture?

Mr. McNAUGHTON: That is a question on which I would take advice from the Minister of Labour.

Mr. BRYCE: The Minister of Labour got up to reply a moment ago, and I want to tell him now that N.R.M.A. men who are essential to agriculture are being recalled from the farm.

Mr. MITCHELL: In replying to the question I will adopt a more dignified attitude than that of the hon. member for Waterloo South.

Mr. HOMUTH: I rise to a point of order, Mr. Speaker.

Mr. SPEAKER: With the constant talk in the chamber it is impossible for me to hear what the Minister of Labour said or what the hon. member for Waterloo South said. Perhaps I may be told what the Minister of Labour said.

Mr. MITCHELL: I will say it again.

Mr. HOMUTH: Mr. Speaker, the Minister of Labour, who knows so little about his own

department, has just said that he is going to get up and handle this matter in a much more dignified manner than I would do. I do not think I have been particularly undignified in this house at any time, and I ask the hon. member to withdraw that remark. I myself would be one of the judges of what is dignified, and the Minister of Labour would be a poor one.

Mr. SPEAKER: It seems to be a matter of tit-for-tat, and I hope I shall not be asked to decide on their aptness.

Mr. MITCHELL: I think I know something about the dignity of British institutions, and if I remember, last night my hon. friend told an hon. member of this house to go to hell—and got away with it.

Mr. HOMUTH: I rise to a point of order, Mr. Speaker. I did not last night tell any member of this house to go to hell, even though I might have thought such a thing. What I did say last night in the house, when somebody interjected "Where were you in the last war?" was: Where the hell were you? I ask the Minister of Labour to withdraw his statement that I said any such thing in regard to any member of the house, because I did not say it.

Mr. SPEAKER: I do not think the tone of the debate is being raised. If the Minister of Labour wishes to reply to the question asked by the hon. member for Selkirk he may do so.

Mr. MACKENZIE (Vancouver Centre): Might I take a second? I understand from some of my colleagues that there was some uncertainty with reference to the explanation I gave of benefits to members of the N.R.M.A. It is well known to everyone who has studied the legislation that they are not entitled to war service gratuity if they remain in Canada, but if they go on general service either voluntarily or by compulsion they receive the same rates as the volunteers. I want to make that very clear.

Mr. HANSON (York-Sunbury): I am obliged to the minister for that information. My terminology was not exact. Then the N.R.M.A. are being told by their officers that if they do not volunteer there will be no war gratuity.

Mr. MACKENZIE (Vancouver Centre): No, they are not being told that, but that there will be no war gratuity if they do not go on general service.

Mr. MacINNIS: I would like to ask a few questions of the Minister of National Defence in regard to a point he made yesterday concerning the Canadian employment companies that are to be formed. First I would like to know whether these companies are to be formed of men now enrolled in the N.R.M.A. My understanding at the moment is that they are, but I am not quite clear on that. The minister was speaking of the N.R.M.A. when he mentioned these employment companies. Second, can the minister tell the house how many men will be included in these companies? Third, what will be the nature of the work that these men will be doing?

Mr. McNAUGHTON: The hon. member asked me three questions, so far as I could hear them. First, whether these employment companies will be made up of men now in the N.R.M.A.; second, what would be the approximate number, and third, what would be the nature of the work. These employment companies are being set up in order to provide an establishment to take in from the N.R.M.A. personnel in the lower categories, below the categories which can be posted to units of the combatant arms. The number is as yet uncertain, until we have more information as to the analysis of the physical categories of the men in question. About fifteen companies, each of a strength of approximately four hundred, are now being set up. That four hundred is an establishment; the strength will be very much less. As regards the work, I explained in the formal statement I made to the house that it would be these employment companies which we would use to fulfil requests for work to be done which was of national importance, and I indicated, and I think I should repeat, two important safeguards in that matter. The first is that for works outside the Department of National Defence I am in no position to say whether they are of national importance, so that we will look to the Minister of Reconstruction to tell us whether the work in question is something which we should undertake in order to help Canada's effort in the war. Second, I am very much concerned that no labour from our employment companies should be used which competes in any way with workmen who might get work at prevailing rates constituting remunerative employment, and so before we undertake any work we shall ask the Minister of Labour to assure us on that point.

Further, if additional labour should become available in the localities, we will look to the

Minister of Labour to tell us so, so that we can withdraw our men and get out of the road. Does that answer the question?

Mr. MacINNIS: Yes. I was going to ask another question but I believe the minister has answered it. I wanted to know whether these employment companies would be used if other workers were available; that is, particularly on work outside the Department of National Defence itself.

Mr. McNAUGHTON: No. I assure the hon. member that that is absolutely not so; and as I say, since I am not as Minister of National Defence in any position to keep track of the labour market, I am looking to the Minister of Labour to safeguard us fully on that point, and, if we start work and additional labour becomes available, to warn us so that we can get out of the road.

Mr. MacINNIS: There is another matter which follows the minister's reference to the point I raised a moment ago. He said that there were a considerable number of men in the N.R.M.A. who were held in the army "in order to ensure"—I am quoting from *Hansard,* page 6523 "that men returning from overseas shall have first claim on remunerative employment." Can the minister tell the house how many men are in this position or in this category, and are they held in N.R.M.A. solely in order that, when demobilization takes place, they will not be competing with men who are now in the overseas army, upon their return?

Mr. McNAUGHTON: In the statement which I made, fair play on remunerative employment has been promised to the men who are overseas. They should have a preference on employment; they have earned that right, I think the hon. member will agree. They certainly have a prior claim to remunerative jobs over people who have rested in an organization in Canada and have not done the duty to the state which our men overseas have so gallantly performed. It is to implement that proper regard for our men overseas that I made the statement which the hon. member has quoted.

Mr. MacINNIS: I asked if the minister could indicate the number of men who were in this category. According to the figures given by the Prime Minister, there are in the N.R.M.A. at the present time some 68,000, and these have been split up into various categories. The holding of these men referred to in the service for the purpose for which they are held would not, I suppose, be of very much importance, although probably the principle is quite right. But there is another factor which perhaps this is not the time to mention. My understanding is that we are fighting for freedom from fear and freedom from want, and that means freedom of employment, or adequate maintenance whether the employment is there or not. These men, it is expected, are coming back to the same conditions which many of them left. But there is another point which I wished to raise. The minister stated further that the men who have been referred to are those who have been held in N.R.M.A. in order to ensure that men returning fom overseas shall have the first claim on remunerative employment; that they would be put at certain employment, and that the pay would be pay and allowances provided in military regulations. I should like to know if these men are working for private companies who will get the advantage of the additional pay, or where this additional pay will go?

Mr. McNAUGHTON: The answer is that if there should be any difference of pay it will go to the credit of the public exchequer.

Mr. MacINNIS: I have one other question for the minister. If my memory serves me aright, when the minister was speaking yesterday he said that the men in the N.R.M.A. were willing to serve overseas but not willing to enlist voluntarily. Has the minister ascertained the reason or reasons for this attitude? Is there any information on that? He mentioned a moment ago that officers were told to explain to these men their duty to the state. Were the officers instructed also to explain to these men the state's duty to them?

Mr. McNAUGHTON: It is the responsibility of our officers so to do.

Mr. QUELCH: Is any distinction to be made between men who enlist voluntarily from the N.R.M.A. and those who are sent overseas without volunteering?

Mr. McNAUGHTON: I would say no. The situation is that in Canada, as soon as a man volunteers, he is given a G.S. badge to wear on his sleeve, the "G.S." standing for "general service". That badge is not worn in Canada by N.R.M.A. personnel who have not volunteered. Overseas we do not wear any badges, and I see no reason for making any distinction once the man is overseas; in fact, I would be most averse to the institution of any distinction, because when a man goes on service we want him to become in all respects a member of the unit to which he is posted. I do not favour any distinction whatever.

Mr. ADAMSON: I was going to ask the minister that.

Mr. QUELCH: What about the individual who returns—?

Mr. HANSON (York-Sunbury): I think I have the floor for the moment.

Mr. BLACKMORE: The hon. member for York-Sunbury has been on his feet a good many times.

Mr. HANSON (York-Sunbury): I believe I have Mr. Speaker's permission, and I want to ask a question.

Mr. QUELCH: I wish to ask another question.

Mr. SPEAKER: The hon. member for Acadia has the floor. He wishes to ask a question.

Mr. QUELCH: Will General McNaughton explain what will be the standing on his return of a man who was sent overseas without enlisting. Will he be allowed to wear the general service badge on his return?

Mr. McNAUGHTON: We are looking some distance ahead. One hopes that the N.R.M.A. business will be out of the road and liquidated. Frankly, however, I have not considered that point.

Mr. QUELCH: Where you take a man from N.R.M.A. and send him overseas and he is wounded, surely he should be entitled to the general service badge on his return, although he did not enlist for overseas service.

Mr. McNAUGHTON: The hon. member has posed me a conundrum. I will look into it.

Mr. QUELCH: Will General McNaughton also give us a break-down of the 68,000 in the N.R.M.A., showing the dates on which these men were drafted, the numbers of those who were drafted in 1941, 1942, 1943 and 1944, so that we may get an idea of the core of resistance that is in there.

Mr. BROOKS: May I ask that they be given by military districts?

Mr. McNAUGHTON: I have not by me figures compiled in that form. I must answer the hon. gentleman's question by referring to the totals for all Canada. In 1941 there were 31,500 enrolments. Owing to conversions to general service, transfers to other services and discharges of men, the 31,500 has decreased since then by 15,000, leaving still on N.R.M.A. strength, of enrolments of 1941, a total of 16,500. I must apologize to the house. I was giving the wrong figures, the figures at the end of the year, rather than the figure that now remains. May I give them again for the purpose of greater clarity. In 1941 there were 31,500 enrolments and during the year total losses of 15,000. The strength at the end of the year was 16,500.

In 1942 there were 69,500 enrolments, with a wastage of 27,500, so that the situation at the end of 1942 was that, up until that time, that is, the 1941 and 1942 figures brought together, there were 101,000 enrolments and 42,500 struck off the strength, leaving at the end of the year a strength of 58,500.

During 1943 there were 34,000 enrolments and 17,800 struck off strength, so that the situation at the end of 1943 showed that the totals were: enrolments to that date, 135,000; struck off strength to that date, 60,300, with a net remaining strength at the end of the year 74,700.

I have the figures for 1944 up to September 27. The numbers taken on strength were approximately 15,000; the numbers struck off strength were 21,200, so that the totals to September 27, 1944, were in round numbers: enrolments 150,000; conversions to general service, 42,000; to other services, 6,000; discharges, 33,500; or total decreases of 81,500, leaving a net strength, as of September 27, 1944, of 68,500.

Of that 68,500, which represented the net strength on September 27, 1944, there were 8,500 on extended leave from duty from the depots, which left the net effective strength on the payrolls at 60,000. If I can combine the two questions, perhaps the hon. member would like me to cross-analyse by districts. I shall be glad to do that.

Mr. BROOKS: Thank you; I should like to have that.

Mr. McNAUGHTON: I am analysing the figure of 60,000 net strength as of September 27, and I am going to give the figures for Ontario, Quebec, the maritimes, the prairie provinces and British Columbia, by the years in which the men entered the camps.

First of all, regarding the men who entered camps in 1941, there were in that 60,000 to which I have referred, as of September 27, 6,200 men remaining. Of these men, 900 came from military districts 1, 2 and 3, that is to say, practically the province of Ontario; 2,900 were from military districts 4 and 5; 400 from military districts 6 and 7; 1,700 from military districts 10, 12 and 13, that is to say the prairie provinces; 300 from British Columbia. These figures should add up to 6,200, being the number of men who entered N.R.M.A. in 1941 and were still on strength as of September 27 last.

For 1942, there are 6,800 men from Ontario, 8,800 from Quebec, 1,800 from the maritimes, 6,200 from the prairies, 1,800 from British Columbia, or a total of 25,400.

Regarding the men who entered N.R.M.A. in 1943 the figures are: Ontario 4,900, Quebec 6,100, the maritimes 1,500, the prairies 4,200, British Columbia, 1,200, totalling 17,900.

For 1944, Ontario 2,400; Quebec, 5,000; the maritimes, 600; the prairies, 1,700; British Columbia, 800, making a total of 10,500. Therefore, if you cross-analyse your figure of 60,000 you will find that 6,200 of these men entered the N.R.M.A. in 1941, 25,400 in 1942, 17,900 in 1943 and 10,500 in 1944. I do not know whether the hon. member would like me to give these totals with respect to the provinces also.

Mr. QUELCH: Yes.

Mr. McNAUGHTON: Cross-analysing the figure of 60,000 in the other way you have Ontario providing 15,000 of the men; Quebec, 22,800; the maritimes, 4,300; the prairies, 13,800, and British Columbia, 4,100. May I say to hon. members that these are figures which I released to the press of Canada a few days ago in order that the public might have information in connection with this N.R.M.A. problem.

Mr. QUELCH: In view of the fact that in recent months our casualties have been considerably greater than we had anticipated and apparently that rate of casualties is now considered normal, and in view of the fact that over a million men have already gone into the forces, has any consideration been given to the advisability of breaking up the first division as reinforcements?

Mr. McNAUGHTON: I would say to the hon. member that no such project has been entertained.

Mr. HANSON (York-Sunbury): Consideration has been given to the problem; it has been under consideration, surely. That was one of the alternatives. General McNaughton, as I understand it, to the course that is now being pursued.

Mr. McNAUGHTON: No.

Mr. QUELCH: That was done in the last war, was it not? If the casualties continue to increase, to what extent are we to go in draining the manhood from this nation in providing reinforcements? Can the general visualize a time when the drain will become so great that we shall have to break up the fifth division or be prepared to drain every last man from this country in order to maintain reinforcements for an army that perhaps is greater than we should provide for? Have we bitten off more than we can chew? I think that is a question which is of vital importance to the people of Canada to-day. I am not suggesting that this should be done; I am wondering what the pros and cons of the situation are.

Mr. McNAUGHTON: I say to the hon. member it is an extraordinarily difficult question for any individual to stand on the floor of the house and answer. It is a matter that must be decided by the government in the full light of the circumstances as they develop. To use our man-power for carrying this war to a conclusion must be decided by the government as a whole from time to time in the light of every consideration.

Mr. QUELCH: On a statistical basis do you know approximately what the rate of casualties is? They are considered normal, are they not? How long do you consider you can maintain the army at that rate? Can you carry on to the middle of next year if the war should go on for another year, or would you have to break up the fifth division?

Mr. McNAUGHTON: Again that is a matter of developing policy in the light of circumstances when they come into existence, the progress of the war and so on. I would remind my hon. friend that the wastage figures which I gave were estimates and projections. It is true they are based on past experience which we obtained up to date, but there is no certainty about any of them. In fact I would say there is no certainty in anything related to war. It is a matter which those who are in charge must be guided by from moment to moment in order to bring about the result which the nation seeks, the defeat of the enemy who are threatening our civilization.

Mr. ADAMSON: May I ask an ancillary question to the one asked by the hon. member for Acadia with regard to N.R.M.A. personnel who are drafted and sent overseas? There is to be no distinction between the benefits they get and those the volunteers get so far as rehabilitation is concerned. That is correct? I agree with it. Then there is to be no distinction with regard to their uniforms. I entirely agree with that, because anybody who serves his country by fighting outside it deserves the highest credit, no matter how he is called. Will there be any changes in such things as regimental numbers, so that under no circumstances would there be any distinction whatsoever between the man who has volunteered, once he is fighting in any theatre

of operation, once he goes overseas, and the N.R.M.A. men? As the minister knows, the N.R.M.A. men have boxcar numbers.

Mr. McNAUGHTON: Yes. I have just learned one fact that I did not know before. I was under the impression that we gave the N.R.M.A. men when they came in a number to which they adhered. I am now informed that actually the numbers have been changed for those who volunteered. I agree with everything that the hon. member has said. Once a man goes overseas there must be no invidious distinction against him, and I will ask the officers to go into this matter and change these numbers immediately if that is an invidious distinction, so that anybody who may be sent overseas will have a number which is indistinguishable from anybody else's number.

Mr. HANSON (York-Sunbury): With regard to those draftees who have been called up over a period of time since the National Resources Mobilization Act was brought into effect in 1940, there have been, of necessity, thousands upon thousands of medical examinations. Is it correct that, since the shortage of man-power has become acknowledged and apparent, those who are in the lower categories immediately below those who are considered satisfactory medically are now to be reboarded and are at this moment actually being reboarded medically, with the idea that many of them may be raised to a higher category medically? That is going on to-day. I am not objecting to it. I think it ought to be done. I wish to know if it is true.

The other question in my mind was whether the standard of medical fitness might not, in the early stages and perhaps during the years 1941, 1942 and 1943, have been too high. I know of one or two men being categorized as C something—I am not familiar with the designations—and they looked A-1 to me. They might have had some minor defect that was not noticeable. That is being done, is it not?

Mr. McNAUGHTON: They are being reviewed. People are being reboarded with a view to seeing that their categories are suitable for the employment we have for them.

Mr. HANSON (York-Sunbury): Reboarded into the various grades?

Mr. McNAUGHTON: Yes, because a man's medical category changes.

Mr. HANSON (York-Sunbury): Yes, quite so.

Mr. McNAUGHTON: And we want to have them adjusted to the realities.

Mr. HANSON (York-Sunbury): Some may go up and some may go down.

Mr. McNAUGHTON: Quite so.

Mr. HANSON (York-Sunbury): They are all being reboarded—those who have not actually gone into the army?

Mr. McNAUGHTON: Well, actually it is just a medical examination; it is not a boarding.

Mr. HANSON (York-Sunbury): Perhaps I have not used the correct term. However, the fact is that they are being medically re-examined?

Mr. McNAUGHTON: Yes, that is correct.

Mr. HANSON (York-Sunbury): There is one further question I should like to ask, one which it seems to me is of importance. Certain young airmen have been in the Royal Canadian Air Force. The British commonwealth air training scheme, which is now about to be disbanded, constituted a very large force. There are about to be released, and in fact are now being released daily, very large numbers of young men, some of whom have gone overseas and some who have not. These are men in A-1 physical category; and yet they are being discharged, we will say, this day. Let us say that many of them will be twenty-one years of age, and in that category from which they would be callable. Are those men now automatically to be called up for draft into the army?

Mr. McNAUGHTON: Men discharged from the British commonwealth air training plan, so far as the Department of National Defence is concerned, become members of the general public.

Mr. HANSON (York-Sunbury): Yes.

Mr. McNAUGHTON: And unless they wish to come forward voluntarily, and enlist as other members of the general public do—and if so, they will be welcomed—

Mr. HANSON (York-Sunbury): Certainly.

Mr. McNAUGHTON: —they are not under our jurisdiction in any way, until they have been brought before us through selective service.

Mr. HANSON (York-Sunbury): Then I shall ask this question of the Minister of Labour (Mr. Mitchell) if he is here: are these men who are discharged from the R.C.A.F. immediately callable for draft into

the N.R.M.A. army, in the event of their being medically fit? If the minister is not here, then perhaps his parliamentary assistant would answer—because I am sure he knows the answer.

Then, even if they are not medically fit, are they to be recalled and reboarded or re-examined medically, with a view to pushing them into the army? These young men were volunteers, and they are greatly exercised over the fact that they are not going to be permitted to function as airmen. To a degree their morale is shattered. They are suffering from chagrin—and I am not placing any responsibility. I am simply trying as best I can to state a fact and a position.

I have every sympathy with these young men. They are high-spirited and patriotic individuals. They voluntarily enlisted to enter the armed services of Canada, and enlisted in that branch of the service in which they wished to serve, and to which they wanted to belong. Now, through no fault of their own, physically, mentally or otherwise, they are being discharged. They now find that they are being discharged from that service and placed back in private life. They do not want to go into the army; they want to go into the air force. What is their position to-day? To my mind it is a tragedy that these young men after two years' service, or twelve months' service, or whatever the case may be, some of whom have been overseas, are now brought back to Canada on the theory that there are too many of them for employment in the service for which they volunteered. That is a tragedy, and I have the greatest sympathy for those young men.

I am wondering if the position is as represented to me, namely, that they are now subject to the draft for the army, and to be placed in with those men whom, in days gone by, they spurned to join.

Mr. SINCLAIR: I can answer that question.

Mr. HANSON (York-Sunbury): With all due respect, let me point out that I am asking the Minister of Labour.

Mr. MARTIN: That point has been discussed this afternoon. However, the minister will be back in the house in only a few minutes. I am not aware of the discussion which took place in the last few conferences and, in view of the importance of the point raised, and the further fact that it involves a matter of policy, I should prefer to have the minister reply.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): And I am quite agreeable.

Mr. MARTIN: The minister will be in the chamber in only a few minutes.

Mr. HANSON (York-Sunbury): Then at that time I shall take the opportunity to restate my question.

I now turn to the subject of remustering, to which the Minister of National Defence referred yesterday, when he illustrated the basic training of an artilleryman, among others. I now call the minister's attention to the situation with respect to the volunteer who joined the forestry service, and who has been overseas in Scotland doing, I hope, useful work in the army. These men were trained woodsmen. They have been ordered to go into the infantry, and have been redrafted. Not one of those men ever had a day's basic training; they went directly into the forestry corps. How much training are they to have before they are put into the front line of infantry, and what is the position in respect of them? Perhaps the minister would tell me the whole story.

Mr. McNAUGHTON: The situation in respect of the forestry corps was that we had a considerable corps, as the hon. member knows, who were sent overseas, and were largely employed in Scotland.

Mr. HANSON (York-Sunbury): Yes, I believe that is so.

Mr. McNAUGHTON: The corps was developed quite early in the war—1940 and 1941. I echo the sentiments expressed by the hon. member in respect of the wonderful work performed by that corps in providing lumber and wood for all needs in the United Kingdom. We have had the highest compliments from all sides in respect of our forestry corps. It is an effort of which Canada may well be proud. Not only were those foresters, but those thousands of them in Scotland during the critical period of 1940 and early 1941 became an important part of the defence of that country.

Mr. HANSON (York-Sunbury): I dare say.

Mr. McNAUGHTON: And while those men did not have basic training in accordance with the syllabi laid out, they were given every help and assistance by the Scottish command, under General Sir Andrew Thorne, who commanded them. They were given instructors, practice in the use of the rifle, and so on, and were given every inducement to make themselves thoroughly efficient for defence. In fact at one time they formed the only reserve force

in the whole of the Scottish command. So that they had a very considerable training in infantry.

Mr. HANSON (York-Sunbury): They had some, at all events.

Mr. McNAUGHTON: Yes, some, at all events. We knew that the work of the members of the forestry corps overseas, that of cutting down trees, would in due course come to an end, because they had made a pretty big hole in the woods of Scotland. So that they were always regarded as eventually coming into the reinforcement stream for the Canadian Army—some into the infantry, others into the army service corps, and others into the technical arms of the service.

When the time came when they could be released from forestry work they came down to the south of England, and into the depots. Their standard of training was checked, and the decision was taken as to where they should be remustered. Proper training schedules were arranged. I have no doubt that all this was effectively done.

Mr. HANSON (York-Sunbury): The minister is giving me the assurance—and that is all I want—that before these men are put into the front line of infantry, in a branch of the service for which they did not enlist—although I presume that under the terms of their enlistment they were liable—they will have ample training in the use of the weapons they will have to use? If the minister gives me that statement I shall be content on the point. I do not wish to see anybody put into the front line unless he knows something about the implements of war he has to use—outside his knowledge of the use of an axe. Of necessity, the physical standards of those men must be very high because of the work they have carried on in Scotland. They should make good men.

Mr. McNAUGHTON: I can assure the hon. member that we are taking every safeguard to ensure the adequacy of training of our reinforcements.

Mr. HANSON (York-Sunbury): That is fair enough.

Mr. McNAUGHTON: It will be our constant endeavour to see that there is no break in those safeguards.

Mr. HANSON (York-Sunbury): I should like to ask a question of the Minister of Labour who has come into the chamber. A number of gallant young men, the very flower of our country—I say this without any disrespect to those who volunteered for service with the navy or the army—volunteered for service with the R.C.A.F. under the British empire training scheme. The announcement has just been made that this scheme is to be brought to an end and these men are being discharged daily, some having been brought back to Canada for that purpose. They are A-1 men, but they are discouraged by the fact that they are not to be permitted to serve in the service for which they volunteered. Their morale is down because of that. Once these men become ordinary citizens are they to be drafted into N.R.M.A.?

Mr. MITCHELL: I get clearly the import of my hon. friend's question. As a matter of fact, discussions took place to-day with regard to the policy to be pursued. If they are brought to a finality next week I shall be glad to make an announcement in the House of Commons.

Mr. HANSON (York-Sunbury): The minister is telling me that the matter is under consideration but has not yet been decided. I want to express the hope that consideration will be given to these young men. I trust that the government will take these men back into the R.C.A.F. should the opportunity arise. There is another matter I should like to inquire into in connection with the personnel of the R.C.A.F. but I do not know whether the minister can give me this information. It probably comes under the Department of National Defence for Air, but I do not see any spokesman for that department in the chamber, not even the minister's parliamentary assistant.

It has been reported to me that subsequent to the arrival of some R.C.A.F. in Lincolnshire, England, they received what was termed commando training. This consisted of a course in the use of the Enfield rifle, the Sten gun and the Browning machine gun, as well as training with ack-ack or anti-aircraft guns. But it is reported to me that this training lasted for only ten days, when they were told by some one in authority that they would have to go to fight the Germans as guards around captured airports.

I want to know whether any men were put in the position of having to fight the Germans with only ten days training in the use of the weapons they would have to use in that capacity? I think I can produce creditable witnesses to the fact that those men were ordered into positions of danger without sufficient training. If that is so, I want to know if the government is going to correct the situation.

It may be that the minister had nothing to do with this, and I doubt if he had. I would think it would come under the Department of National Defence for Air or it may be mixed

up with the R.A.F. I am making what is more or less a summary of the whole situation. If the facts are as they have been represented to me then all I can say is that it is cruel to send men into positions of danger who have had only ten days instructions in the use of the weapons they would have to use in case they came into conflict with the enemy. If the minister does not know about this perhaps he will have some one else look into it and give me an answer.

Mr. McNAUGHTON: I am not aware of the circumstances.

Mr. HATFIELD: Have instructions gone out in the last three weeks to the different officers commanding the military districts to cancel all leaves, including farm leave?

Mr. McNAUGHTON: No.

Mr. HATFIELD: How many of our Canadian boys have been loaned to the British army?

Mr. McNAUGHTON: There are really two schemes. There are 673 young officers on loan to the British army at the present time. Then there would be an additional number which would be variable and which we would not know of in Canada. These are individuals who are loaned to British staffs to help out from time to time in the various theatres. If the hon. member would like me to get the figure for any particular day I shall be glad to do so.

Mr. HATFIELD: I am more interested in knowing whether those young officers can get back into the Canadian army by making application. They are serving under most trying circumstances at the present time.

Mr. McNAUGHTON: Those officers were never off the strength of the Canadian army. They were posted for minimum periods of three to four months but they would be eligible to come back to the Canadian army on the expiration of the tour of duty which had been arranged for them.

Mr. HATFIELD: I have a boy who has made application two or three times to get back to the Canadian army. He has been wounded twice since D day and he wants to get back to the Canadian army because he has not received any mail or parcels from Canada. Although we have sent him over fifty parcels, the only one he received was one sent from the United States. Letters have been returned but the parcels have never been returned. Other boys in that pool are in the same position.

[Mr. R. B. Hanson.]

Mr. McNAUGHTON: Would the hon. member give me the particulars in order that I may investigate the circumstances?

Mr. HATFIELD: I will.

Mr. McNAUGHTON: It is only by having specific instances and carrying out thorough investigations that we can check on the system, particularly when our young men are away from our own formations.

Mr. HATFIELD: When he came out of the hospital a few days ago he went down to the orderly room and they told him he was neither in the Canadian army nor in the British army. They said they had just sent twelve letters back home which had been received that morning.

Mr. FRASER (Peterborough West): Page the Postmaster General.

Mr. HATFIELD: Can the Postmaster General give me any information?

Mr. RALSTON: Was my hon. friend referring the case to me?

Mr. HATFIELD: No, I was referring to the Postmaster General. Letters and parcels are not getting through to these young officers who have been loaned to the British army. We have sent our boy over fifty parcels and he has received only one, and that was sent from the United States. He has never received one from Canada, and over one hundred letters have been returned.

Mr. MULOCK: We shall be only too pleased to look into this matter at once, but may I say to the hon. member that we do not handle mail for officers attached to the British army after it arrives in England or other destined country. The army postal corps and the Royal Canadian Air Force postal corps look after the mail for our troops, but if men are posted to other armies the hon. member will understand that the services of the army to which they are attached must be utilized.

Mr. HATFIELD: That is the reason why this boy wants to get back into the Canadian Army. I would ask General McNaughton what procedure he must go through to get back into the Canadian Army if there is any chance for him to do so.

Mr. McNAUGHTON: Would the hon. member give me his full name and the unit in which he is now serving?

Mr. HATFIELD: I should also like to ask the Minister of Labour a question. He told us last session that farm boys were not being

called up. Actually farm boys are being called up all over this country, so far as I can learn; I know they are from my own constituency. Furthermore when they make application to selective service or to the registrar when they are called up, even in the case of a family where three sons are serving and only one boy is left on the farm, no answer is received from the registrar until after the date to report. Then the boys have to go into the army and they are not released from the army. The general has told us that no order has gone out to cancel farm leaves, but all farm leaves in my constituency have been cancelled in the last three weeks and they have never been renewed. These boys have all been called up and have been granted no exemption.

Mr. MITCHELL: I endeavoured to answer that in reply to a question put by the hon. member for Selkirk, but the hon. member for Waterloo South apparently did not want me to answer it. Let me say without qualification that we have the most liberal policy with respect to agricultural workers of any of the united nations. My hon. friend may have received complaints. I often get complaints from the industrial side. A man might say, "I am a machinist," and he may be the only man in the world who would say that he was a machinist. But if my hon. friend has any case in mind where he thinks that a real farmer is being called up, I would like to know the details.

Mr. RALSTON: There are two or three questions I have been trying to ask. One was in reference to a remark made by General McNaughton with regard to the order in council when he first spoke. I thought I understood him to say that the order in council covered all the men in the N.R.M.A. I do not think he was putting a legal interpretation on the order in council, and I just wondered what led him to make that statement and just what he had in mind. Did I misunderstand him?

Mr. McNAUGHTON: The answer is yes, to the best of my legal knowledge, although I do not claim to be an expert.

Mr. RALSTON: I want to understand just what the situation is, because, as I understand the order in council, it covers only N.R.M.A. to the numbers approved by the governor in council. It covers only such members of the N.R.M.A. as are specified and approved by the governor in council. It does not cover all the N.R.M.A. There is no action with regard to any of the N.R.M.A. except the 16,000, as I understand it. It does say that if further number of the N.R.M.A. are specified by the governor in council and approved by them, then the minister may require them to serve. But there is no action taken with regard to the N.R.M.A. beyond the 16,000 mentioned in this order in council.

Mr. MACKENZIE KING: Is not the point this? The order in council is broad enough to cover all N.R.M.A., and the minister is now given by the order in council the right to deal with the numbers mentioned there and to deal with further numbers subject to the approval of the governor in council.

Mr. RALSTON: I say that that power always existed under the act. You did not need an order in council to authorize the governor in council to approve the numbers. That power has always been there. The only action which was taken in the order in council is the approval by the governor in council of N.R.M.A. personnel to the number of 16,000 who may from time to time hereafter be required for training, service or duty within the United Kingdom or in European or Mediterranean operational theatres. That is all that the order in council does, as I understand it. I do not want to argue a legal question, but I thought from a remark made by General McNaughton that he was misapprehending the terms of the order, or that there was something in it perhaps that I had missed.

Just one thing more. The suggestion was made I think from the other side of the house that all rehabilitation benefits should be extended to the men called up under this order as are extended to general service personnel. I wonder if that is quite right, when the men under this order are required to serve only in the United Kingdom and European and Mediterranean operational theatres whereas general service personnel have to serve the world over.

Mr. MACKENZIE (Vancouver Centre): My hon. friend is quite correct. "Service" under section 2 of the War Service Grants Act, 1944, is defined as follows:

> "service" means time served on active service in the forces while enlisted or obligated to serve without territorial limitation, or time served on active service in the Aleutian islands.

That might have to be amended in the light of the statement made by the hon. member.

Mr. RALSTON: The point is that these N.R.M.A. men get no war service gratuity whatever under the order in council at the present time. The second is that if they enlist for general service they will get full war service gratuity. That brings me to my

next question. Do I understand that the procedure is that, let us say, the Elgin battalion—I do not think there is such a battalion but we will take that name—is selected by you as one of the battalions which is to be included in the 16,000, and a notice goes from headquarters to the district and from the district to the battalion that the battalion and all the personnel therein are hereby required to serve? That goes. Then do I understand that after I, who happen to be a rear rank private in that battalion, receive notice that I am required to serve, and compulsorily, overseas, and am being dispatched overseas under this order in council, may then come in and volunteer? Do you think that is very much like "volunteering"? I did not see what the point was about it; that was all. I thought they were going to be given an opportunity to volunteer before they were told that they were conscripted. Can they now volunteer right up to the time they go into the line overseas?

You see what I mean? I want to see when the privilege of becoming a volunteer ceases. He is conscripted; he is dispatched overseas under this order; he is put on a boat and sent over there; he is still required to compulsorily serve; but somebody says, "Oh, but you have the right to volunteer". When does that right to volunteer end? Does it ever end? Can he volunteer after he is wounded and back in hospital; can he then be turned into a volunteer?

Mr. McNAUGHTON: I must say the hon. member is posing a legal conundrum that I would want some legal advice on.

Mr. RALSTON: No, it is not a legal point.

Mr. McNAUGHTON: I would think the actual extension of the man's service, which is what this is, to a new area, would take effect from when he went on board ship.

Mr. RALSTON: No, extension of service surely takes effect the minute he receives this requirement from the department, from the district: he has then become liable to serve since he is a person "to be dispatched" under the terms of the order. Do you intend, then, shall I say—I am not posing any legal question—that at some stage the right to volunteer should cease?

Mr. McNAUGHTON: Well, I would think the actual extension of service would take place when the man went on board ship. He was beginning to go out of the territorial limits of Canada, and I would envisage that he had the full right to volunteer up to that time.

[Mr. Ralston.]

Mr. RALSTON: I do not see why there is a "full right" any time, as far as that goes. I do not know that it is any right at all. You have to stop it some time, surely. I must say that I never thought until the general spoke that there was any thought that after I had had my service extended and had become liable to and ordered overseas, then after that that I could be "converted"—that is the word they use—from N.R.M.A. to general service. I could hardly be said to be a very genuine "convert." I take it that there is no time at which that cannot be done? You have not decided on that?

Mr. McNAUGHTON: No; I think that in a matter like that, which is one of precise definition, I must get the law officers of the crown and the department to advise me. I am not skilled on that matter.

Mr. RALSTON: But it did seem to me it was quite inconsistent that a man who had actually been ordered overseas under the order-in-council could then become a "volunteer". It is like a man after being arrested by the sheriff saying, "I will go voluntarily", because the sheriff is right with him.

Mr. MACKENZIE (Vancouver Centre): May I say, with regard to the question dealing with gratuities, that if there is any doubt with regard to the statute—drafted by the Department of National Defence and not by the Department of Pensions and National Health—immediate action would be taken to ensure that these men would be entitled to gratuity.

Mr. RALSTON: The statute was drafted by the officers of both departments in collaboration. What I want to know is, even if immediate action were taken, is it right that men who are made liable by order in council for service only in the United Kingdom, Italy and northwestern Europe shall have exactly the same service gratuity as the men who voluntarily pledge themselves for service the world over? I do not know that it is right that it should be the same.

Mr. MITCHELL: He is risking his life, is he not?

Mr. RALSTON: He is risking his life, but in half the theatres. The volunteer who is now in Italy could be ordered to Japan or anywhere else. I suggest that my hon. friend consider it.

Mr. MacNICOL: We ought to have an answer to that. That is very important.

Mr. RALSTON: General McNaughton, as I understand, you are training the additional 26,000; that is to say, there are the 42,000 who were mentioned by the Prime Minister and of these there are the 16,000 we are talking of here to-day who are infantrymen practically ready, and others who will soon be ready, for combat.

Mr. McNAUGHTON: Very close to it.

Mr. RALSTON: That leaves 26,000 who are in the medical category for infantry and could be trained as such. Are those being trained?

Mr. McNAUGHTON: We are going ahead with those, with all the training we can.

Mr. RALSTON: In order to provide for any possible contingency; is that right?

Mr. McNAUGHTON: Absolutely right.

Mr. RALSTON: When you mentioned that this estimate was up until May, that was simply a planning date?

Mr. McNAUGHTON: That is the planning date, yes.

Mr. RALSTON: Just a planning date. And the planning dates—

Mr. McNAUGHTON: It is as far ahead as we need to make provision at the moment, because as the plans become available we have plenty of time to affect the situation.

Mr. RALSTON: Planning dates are generally advanced or extended as the developments occur?

Mr. McNAUGHTON: Quite so.

Mr. RALSTON: That is, you may probably review the situation in January?

Mr. McNAUGHTON: Absolutely.

Mr. RALSTON: You spoke last night of the pools for May; I do not know whether it is the end of May. I wonder if you would look at your figures, because you mentioned that those pools for the United Kingdom, for Italy and for northwest Europe would be substantial pools at the end of May. I have in mind figures which I know about when I happened to be in this thing, and I do not think the figures could have changed very much. I understand there is some difference in respect of casualties. But is there really any substantial pool at the end of May? I mean, there may be a few thousand men, but that is all. I am not asking you to give the figures, but I want you to check on that word "substantial" when you are referring to three different pools.

Mr. McNAUGHTON: These, of course, are figures which, as the hon. member knows, I cannot give in open session.

Mr. RALSTON: I did not ask it.

Mr. McNAUGHTON: The table has been re-set since I took over the department, and the figures differ in several respects from the ones previously in effect. As the hon. member knows, we have been able to substitute actuals for forecasts, and we are thankful that the actuals were less than the forecasts in several respects. Then there are those additional dispatches we are talking about; the 16,000 comes in on the beneficial side of the ledger. What I would say to the hon. member is this, that the staffs are satisfied that the figures are sufficient. On top of the recommendations of the staff, small additions have been provided in order to free our hands in the matter of leave to Canada, and, if they wish to use them, for additional rest periods for individuals where there might, I think quite rightly, have been some doubt as to whether we were able to keep people out of the line for a sufficiently long time. I cannot say that was the case, that they were being sent back too soon, because I am assured it is not so; but I wanted to be abundantly certain that men were not under any conditions being rushed back into the lines too quickly.

Mr. RALSTON: I come back to my question which was with reference to the use of the word "substantial" when you assented to my question yesterday as to whether or not the pools in Italy, in northwest Europe and in the United Kingdom were substantial at the end of May. By the pools I mean what is over and above the number necessary to bring the units up to strength. Does the word "substantial" apply to all three pools?

Mr. McNAUGHTON: Of course, as regards the distribution of the reinforcement reserves overseas in May, that is farther ahead than the break-down figures have been projected for. I am dealing with them here as a total overseas.

Mr. RALSTON: Total overseas, having regard to the possibilities. Suppose you had to provide a pool for one month's intense activity in Italy, two or three weeks' intense activity in northwest Europe, and for activities in the United Kingdom for six weeks, would you have anything like that at the end of May after bringing all units up to strength?

Mr. McNAUGHTON: We are getting pretty close to things which it would be dangerous to discuss except under security.

Mr. RALSTON: I am considering the word "substantial". You are looking at the figures. I cannot see them, but I have an idea what they are, if they are anything like the figures I have seen, and I must say that I questioned whether, when you looked at the figures, you would think that the word "substantial" really applied to them.

Mr. McNAUGHTON: The hon. member will take it from me that the figures are in accordance with the recommendations of the military advisers of the government. I have taken their recommendation absolutely without any influence by myself.

Mr. RALSTON: With the idea of the war ending in May?

Mr. McNAUGHTON: No, sir.

Mr. RALSTON: With the idea of carrying on?

Mr. McNAUGHTON: If it is required, and with the idea that in those periods, so far ahead as May, if in accordance with the developments of the situation we have kept at each stage a sufficient flexibility to bring the situation into balance should there be any indication of its going out of balance.

Mr. RALSTON: What do you mean by flexibility?

Mr. McNAUGHTON: Flexibility in the posting of reserves as among the three places where we must maintain reserves, namely, behind the forces in Italy, behind the forces in northwest Europe, and reserves in the United Kingdom; as well as, in the fourth place, the men who are being trained in Canada for dispatch forward.

Mr. RALSTON: When you spoke of something being countersigned by officers in the field, did you mean the rates of activity, the periods of activity?

Mr. McNAUGHTON: What I meant there was the expected wastage, in that case the periods of activity, to ensure absolutely that there was no doubt as between what was in the minds of our commanders as to what they were expected to do, and what the theatre commanders from whom they received orders had in mind, so that we would be quite sure that full provision should be made. That was an arrangement entered into by the minister in his regime and I was very glad to see it in effect. I had therefore double assurance.

Mr. RALSTON: It had nothing to do with numbers; it had to do with the projection by the commanders in the field of the number of months or weeks of probable intense activity, the number of months of normal, and the number of months of quiet.

Mr. McNAUGHTON: It was to ensure that we who have to make provision in Canada to meet calls for reinforcements without any possibility of doubt knew what was in the mind of the man who had to order those operations.

Mr. RALSTON: And the request of the military advisers is practically the same as the request made by the chief of staff, Canadian military headquarters. His request was for 15,000 and you provide for 16,000.

Mr. McNAUGHTON: I have not analysed recently the particular request to which the hon. member refers, because we have been dealing with the actual situation as it has developed, but I understand the figures are the same. Ours is a somewhat higher provision, about a thousand additional.

Mr. RALSTON: You have started making arrangements for shipping the five thousand, have you?

Mr. McNAUGHTON: I would like to say this, and I think the hon. member who is speaking can take it as great credit to the organization which he set up. I called the staff in the department together yesterday morning before I came up to make this announcement here. It was in the strictest confidence, naturally, and I outlined what was the intention, namely, that there should be added to the troops dispatched from Canada some 16,000 infantry, 5,000 to go in December, 5,000 to go in January, and 2,000 in each of the months thereafter. The highest priority was to be given to those who were fully trained and the next to those whose training could be completed as infantry in the shortest possible period in our establishments in the United Kingdom. I met those officers this morning and the proposition was completely worked out as regards the selection and dispatch of the first 10,000, namely, those to go in December and January. Knowing, as the hon. member does, the tremendous amount of detail which is required in working out a movement of that sort, it creates a wonderful feeling of confidence on the part of the minister who, after giving a general order of the kind, can go back the following morning and find that the thing is complete and is placed before him so that he has merely to say, "Yes, that is satisfactory."

Mr. RALSTON: That is what some people call "military red tape".

Mr. McNAUGHTON: It is an amazing tribute to the organization you left me, Colonel Ralston.

Mr. RALSTON: I can say that I have had just the same experience of their excellent staff work, general. In this time table—I am not talking about sailing dates—what time do you expect it will take, beginning with medical boarding until the men are ready at the transit camp? What do they give you as the time table?

Mr. McNAUGHTON: The movement must start at once.

Mr. RALSTON: What is the time table? How long will it take—all the preliminaries?

Mr. McNAUGHTON: About a month, and that enables us to provide embarkation leave and the usual privileges. There is no hysteria at all in the movement. That was what I was anxious to determine when I looked over the plan this morning. It is quite orderly.

Mr. RALSTON: Did you find that it had been organized for some time?

Mr. McNAUGHTON: I suspect that is true.

Mr. RALSTON: I think you will find they had all their plans made for three weeks. You mentioned in your statement yesterday a possible prospective shortage of fully trained infantry which may go late in January or February next. I take it that means at that time, whenever the acute period comes, there will not be in the aggregate sufficient trained infantry immediately available to bring the units all fully up to strength.

Mr. McNAUGHTON: No. The references as to the prospective shortages which I have made were references to the situation as it was forecast before we could count on this additional 16,000 to which I have referred.

Mr. RALSTON: I know that. Do not let us get the two things mixed up. I am talking about your reference as to the need. I am saying the shortage which you foresaw was a shortage indicated by the fact that without the 16,000 men that you would need in January or February, or whatever time it was, you would not have sufficient fully trained infantry available to keep the units up to strength.

Mr. McNAUGHTON: That is right.

Mr. RALSTON: And the same thing applies in respect of the situation which you predicted later in the spring or early summer.

Mr. McNAUGHTON: That is right.

Mr. RALSTON: You said there was another period when the infantry reserve behind the troops may become low, meaning they would not be sufficient to bring the units up to strength.

Mr. McNAUGHTON: That is right. The anxiety regarding that situation has been relieved. Our minds are relieved of the anxiety by reason of this additional dispatch.

Mr. RALSTON: I was trying to get the same thing exactly. I had the same anxiety that you had.

Mr. FRASER (Peterborough West): Do you think, General McNaughton, it is wise to send men back into the front line after they have been wounded three times? I know you will say that you have a rule in connection with that which reads something like this, that a man may apply for leave if he has been wounded three times but not trivially. A man may be wounded a half a dozen times or more and I have noticed in the casualty lists boys in my own riding some of whom have been wounded more than three times. I do not think it is good for them. Many of them have written me and said: "For God's sake, get us out of the line; we have had enough."

Mr. McNAUGHTON: I share the view that the hon. member has expressed, and I shall make it my business to go into that scheme so that people who have been wounded the number of times he indicates will not be sent forward. They undoubtedly have played their part in this conflict. You will find some of them that you cannot hold back. They are wanting to go forward again.

Mr. FRASER (Peterborough West): Has there been any definition of the word "trivially"? I understand that "trivially" may mean one or two toes off or a few fingers off. Is there any definition of the word?

Mr. McNAUGHTON: I am not aware of the definition, but I shall have it checked up right away and let the hon. member know.

Mr. FRASER (Peterborough West): Is it not true that these pools of reserves or support overseas that you say are sufficient include men who are in hospital? You count them as your reserves and support.

Mr. McNAUGHTON: No, sir. Let me say very definitely to the hon. member that the numbers on which we are working and to which I have referred as adequate reserves are people who are immediately available to go into the units in replacement or people who would be able to come in in the early part of the following month. There is a pool. We are breaking it down now for purposes of calculation into blocks of a month's length, setting

the casualties not day by day but month by month, and therefore we have to put on the available side a double figure; that is, those who are available at the beginning of the month and those who are becoming available. Therefore the two come together. The staffs are satisfied as to the adequacy of those figures. That is, the units can be kept fully up to strength.

Mr. FRASER (Peterborough West): The reason I asked the question is that two or three letters have come to me which I believe I have on my desk. In those letters the boys have mentioned that they have to go back into the front line within the next week. They say they know they are not ready for the front line. They say they have the jitters and their wounds are not healed, but they are classed as men who must go into the front line. Is that right?

Mr. McNAUGHTON: There may well have been some doubt on that subject. The statement has been that the periods have not been too short. I am putting in some extra figures on these numbers. There is provision for both periods of rest and recuperation being extended for those. I wish to thank the hon. member for bringing up that point, because we must be abundantly careful to see that these men are not asked to take up the load again until they are fully fit so to do.

Mr. RALSTON: May I ask one more question as to the need, without giving figures at all? You described the position of prospective shortage late in January or February, and then further down late in the spring or early summer. In between, as I remember it, the position was gradually worsening, was it not?

Mr. McNAUGHTON: Yes.

Mr. RALSTON: You described it as being deep in the red when you got to May.

Mr. McNAUGHTON: Yes.

Mr. HANSON (York-Sunbury): I should like to ask a question of the Minister of Labour. Is there not already in respect of young airmen a policy to the effect that those who have been in the service less than two years are automatically placed under the Department of National Defence and are callable?

Mr. MITCHELL: This afternoon I forwarded to the Minister of National Defence a communication referring to the point raised by the hon. member. It is still a subject of discussion between him and me. It will be appreciated that under present circumstances it is very difficult for him and me to get together. He is of course busily engaged in this chamber in connection with the matter now before us.

Mr. HANSON (York-Sunbury): The position is that there is a policy in effect under which young men who have not had two years in the service are automatically notified by national selective service that they are draftable by National Defence. It is my understanding that that position is being reviewed. Is that correct?

Mr. MITCHELL: Yes.

Mr. COLDWELL: When are we to have answers to the questions which the minister stated he could not answer in public session? It seems to me, particularly after the examination by the former minister of the present Minister of National Defence, and the replies to the questions asked, that we are leaving this house without getting all the information we ought to have. I know there has been objection. But I notice this, that on the part of those who objected to a secret session there has been no attempt to press for replies. I do not know why this is; but the fact is that there has been no pressure by the official opposition for replies in connection with vital information. I have asked on a number of occasions that we be given an opportunity to get that information. Of course there has been opposition to it. However if we are to rise at six o'clock, until Monday afternoon we shall enter upon the debate on the motion of the Prime Minister without having the vital information which the former minister of national defence and the present one have together indicated we should have.

Mr. GRAYDON: Before the Prime Minister rises may I remove what is obviously a misconstruction of the whole situation in the mind of the leader of the C.C.F. One of the reasons we did not want a secret session was the very reason he has suggested. He says he wants to use the information in debate, but he must know he cannot use it.

Mr. MARTIN: He did not say that.

Mr. COLDWELL: I said no such thing. The leader of the opposition knows very well that information gained by a member in a secret session can guide him in what he says subsequently, without his divulging what that information is. He knows that as well as I do.

Mr. RALSTON: I have not the information possessed by General McNaughton. There are certain statements of which I have copies, which were made while I held his position. All those statements have been somewhat revised, and I have been examining General

McNaughton to ascertain what change had been made in the situation, having regard to new figures and new adjustments.

Mr. COLDWELL: And you did not get those figures, either?

Mr. RALSTON: No; and I should like very much to have them.

Mr. GRAYDON: May I ask the hon. member for Prince if it is secret information, and if it is information which he desires to have divulged at this time?

Mr. RALSTON: I was thinking only of one thing—and the general knows about it; so does the government. I had in mind a table which has been made showing the situation month by month, and setting out the situation both before and after. Perhaps I should say that it sets out the situation as it was and as it should be. I take it from what the general has said that a new table has been made, showing what the situation will be after the adjustment or distribution of these 16,000 men.

Mr. ROWE: But you have not asked for a secret session?

Mr. RALSTON: No, I have not.

Mr. COLDWELL: And the minister refused to give it, except in secret session.

Mr. ROWE: The man who knows the most about it is not asking for a secret session.

An hon. MEMBER: Oh, yes; he is.

On motion of Mr. Mackenzie King the house adjourned at 6.10 p.m.

Monday, November 27, 1944

The house met at three o'clock.

THE MINISTRY

RESIGNATION OF HON. C. G. POWER AS MINISTER OF NATIONAL DEFENCE FOR AIR

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, hon. members will recall that on Friday last I mentioned that a report which had appeared in the press to the effect that the Minister of National Defence for Air (Mr. Power) had tendered his resignation was correct. I also intimated that I was very carefully considering the communication which I had received from the minister before taking any action upon it. My hope was that in the course of the week-end I might find it possible to persuade my colleague to reconsider his decision to tender his resignation, having regard to the exceptionally valuable service which as a member of the government he was in a position to render at this time of war. Unhappily I have not been able to persuade him to withdraw his letter of resignation, and in the circumstances I have had no alternative but to ask His Excellency to assent to its acceptance. I ask the house to grant me permission to read the letters which passed between the hon. member and myself with respect to his resignation and to table these communications at the end of the reading, and, also, to table copies of the order in council which has been passed to-day with respect to the minister's resignation. I quote:

Canada
Minister of National Defence for Air

Ottawa,
23rd November, 1944.

Rt. Honourable W. L. Mackenzie King,
Prime Minister of Canada,
Ottawa, Ont.

My dear Prime Minister:

It is with the deepest regret that I ask you to accept my resignation as a member of your cabinet.

I am unable to accept the policy which the government has now adopted with respect to the National Resources Mobilization Act. I do not believe such a policy to be necessary at this time, nor will it save one single Canadian casualty.

I parted company with Colonel Ralston after the most mature consideration largely on the grounds that the number of troops which he reported as being required was comparatively so small, the means to remedy the situation without placing undue strain on the men at the front so readily available, and the end of the war so imminent that weighing everything in the balance we were not justified in provoking a national scission.

I cannot accept now from a new minister General McNaughton a recommendation which I reluctantly felt obliged to reject when made by an old comrade and tried associate Layton Ralston.

May I add that the task which you confided to me in May 1940 of organizing the British commonwealth joint air training plan has now been completed and the plan is being wound up. The Royal Canadian Air Force overseas has reached the peak of its expansion.

I shall always treasure the years of association with you and my colleagues and I thank you and them for all the kindness and consideration they have shown.

Yours sincerely,

Charles G. Power.

To that communication I replied this morning as follows:

Office of the Prime Minister
Canada

Ottawa,
November 27, 1944.

The Honourable C. G. Power, K.C., M.P.,
157 Daly Avenue,
Ottawa, Ontario.

My dear Power:

I duly received, on the 23rd instant, your letter of that day tendering your resignation as a member of the government.

Since its receipt, I have, as you know, hoped that you might find it possible to reconsider your decision. I have felt that the importance of the service which, as a member of the government, you might have continued to render Canada's war effort would have outweighed the other considerations on which you felt it necessary to resign. As, however, you have come to the conclusion that you must adhere to your original decision, I have most reluctantly been obliged to advise the Governor General that your resignation should be accepted; to this advice His Excellency has given his consent.

I need not say how great is my regret that so trusted a colleague and so close a friend should leave the ministry at this time. This regret will, I know, be shared by all members of the government.

On my own behalf and on theirs, I would like warmly to reciprocate the feelings you have expressed as to what the years of our association have meant to all of us personally; also to express appreciation of what your services in the ministry at a time of war have meant to our country and to the cause of freedom.

Yours sincerely,
W. L. Mackenzie King.

Hon. C. G. POWER (Quebec South): Mr. Speaker, as I understand it, it is a well known and clearly established custom for a retiring member of the ministry, if he so desires, to crave the indulgence of the Speaker and of the house to say a few words in clarification of the attitude which he has taken and I do now ask that the house permit me to make a few brief remarks on the subject matter which has been brought before it.

I thank the Prime Minister for his kindness and consideration. It is consistent with his character and tradition, and with the relationship which has existed between us for a period of over twenty-five years. I part with him in sorrow, not in anger. I shall never forget and never regret the long years of our association.

With respect to my colleagues—my ex-colleagues, I should say—in the ministry, we have been bound together by ties of amity and of friendship and I know that no difference of opinion on political matters will break or bend those ties of friendship. With respect to the officers, N.C.O.'s and airmen of the Department of National Defence for Air and the civilian employees of that department as well as my own personal staff, I leave them also with regret but with thanks for the kindly cooperation which they have always extended to me. It has been a privilege to serve with them in the accomplishment of a great task, a privilege that I shall always hold dear.

In 1940 the tragic death of Norman Rogers would have been an irreparable loss to Canada's war effort if we had not had Colonel Ralston to replace him.

No two men could have worked more closely together than he and I did. Our fortuitous association was cemented into a close and intimate friendship by days of intense labour and white nights of anxiety. I am convinced that the course which my ex-colleague took was embarked upon after the most serious consideration and charted by the compass of honest, conscientious conviction.

When his recommendation was made it became the duty of the cabinet as a whole to deal with it as they deal with any matter brought forward by any minister in the interests of the department which he represents. The cabinet must take into consideration not only the departmental viewpoint but the effect of the recommendations made by the minister on the country as a whole.

It is in order that the divergent views and diversified interests inevitable in a country of the size and composition of Canada may find expression in the councils of the nation that all prime ministers endeavour to have as members of their cabinets representatives of every class and of every section.

It is clear that cabinet did give serious consideration to the recommendations of the minister. Discussion was continuous and lasted during many days. On November 2 the Prime Minister announced that Colonel Ralston had been replaced by General McNaughton as Minister of National Defence.

The former minister could not accommodate himself to the views of his colleagues and as an honourable man, and in pursuance of the doctrine of cabinet solidarity, took the only course which was open to him.

The decision of cabinet has now been changed. I, for opposite reasons to Colonel Ralston, but following his example, am leaving the cabinet also.

I do not propose to discuss the number of available reinforcements, nor the times and places where and when they will be required, nor at any length the method of raising them.

The strategy of General Eisenhower, the Supreme Commander of the allied forces, publicly proclaimed, is to strike the enemy again

and again, and to give him no rest and no respite. We are informed that in order to carry out this Eisenhower plan of war, reinforcements must be available and at hand to refill battalions and units within twenty-four hours after the casualties occur.

I think I should draw to the attention of the house, and of the thousands of mothers, wives, sweethearts and dependents of those now in the front line, that this repeated return to battle, instead of making for fewer casualties among their loved ones, might very easily make for more. No commander will take his experienced men out of the unit and undertake an engagement with only the newly-arrived, however well trained they may be.

It seems to me that the logical thing, the reasonable thing, is to take the men out of the line temporarily to refit, to reequip, to rest, to recuperate and to refill the gaps in their ranks.

By all reports, the number required even of infantry, in which arm alone there is said to be a threatened deficiency, is comparatively small. The lowering of the rate of casualties by periods of comparative or total inactivity would wipe out the margin of deficit, if any exists, and restore the balance.

Neither ultimate victory nor national honour requires that Canadian troops should be in action every hour or every day, or even take part in every battle necessary to bring about final victory, especially when thousands of Europeans, fresh freed from the tyranny and the unspeakable terror of nazi occupation, are panting for vengeance on the oppressor.

It might be feared that the course I have suggested would lower the prestige and glory of Canada. In my opinion that glory and prestige has been for ever established by the deeds of our fighting men in every branch of the service. I cannot believe that this suggestion could be regarded as anything but common humanity and common sense having regard to all the circumstances.

It has been stated that casualties amongst the troops of some of our allies are greater than ours. Surely this war is something more than a competition in casualties amongst the allied nations.

I too have at heart the interests of the men at the front.

I shall not refer to my relations with the veterans of the last war. The records of this House of Commons during the past twenty-seven years are there for all to see.

With regard to my attitude towards the overseas forces in this war, the story is in the records of the Department of National Defence for Air. It is in the files of the British Air Ministry. It is in the instructions given by me to the commanding officers of the R.C.A.F. overseas; and it deals largely with leave from the front, repatriation to Canada, and with representations for relief from the undue risk involved in lengthened or repeated tours of duty of the R.C.A.F. aircrew, whether serving in our own Canadian squadrons or attached to R.A.F. This attitude with respect to the R.C.A.F. is consistent with the views I hold with regard to the army.

If the course of systematic recuperation were taken, then the voluntary system which we have been following, which yielded more men last year than was ever estimated or even anticipated, and which in the words of the present Minister of National Defence (Mr. McNaughton) has not failed, would have sufficed at this stage of the war when by the most authoritative accounts victory is certain.

I gave to Colonel Ralston's report my most sincere and conscientious consideration.

I remained with the government and held firm to the policy to which I clearly understood it to be unreservedly committed. It was the policy on Wednesday morning last. It was the policy until Wednesday night. I could not change my matured consideration in a matter of minutes.

Conscription may be justified in moments of national crisis and in defence of one's country; and in the discussion of Bill 80 of 1942 I said so. It might have been justified at certain periods and phases of this war when we were on the brink of almost certain defeat. It might have been justified if D-day had been a smashing catastrophe instead of a brilliant success. But these days are now past. We have no right to tear this country asunder at this stage, and in this state of the war.

A word as to the consequences of this controversy. Millions of honest, decent people in all parts of Canada and of all shades of opinion are in the process of hating and reviling one another. Reason and sincere conviction have given way to hysteria on both sides. Cleavage between classes and between races has been driven deeper and deeper. The most tragic thing of all is the weakening of faith and confidence in public men—not only by the people of one province, but in all provinces; not only amongst those who hold one view, but in men and women of all sides of this unfortunate debate.

As to the cleavages to which I refer, I cherish and hold fast to the ideas of the chieftain under whose aegis I entered this house, Sir Wilfrid Laurier. He could not and would not believe that as a Canadian he could belong to a party of one province only. With him, I cannot and will not subscribe to a purely isolationist provincial standpoint.

It may be that for some time to come the day has gone when men of similar ideas and principles can meet and join in common action across the Ottawa river.

My hope, my prayer is that there will be no such outcome, and that with the advent of external victory and peace, peace and understanding may come within our own country.

DEFENCE OF CANADA REGULATIONS

REPORT UNDER PARAGRAPH 3 OF SECTION 21

Hon. L. S. ST. LAURENT (Minister of Justice): Mr. Speaker, I lay on the table the report I am required to make pursuant to the provisions of paragraph 3 of regulation 21 of the defence of Canada regulations. Number of persons detained during the period from August 11 to November 22, 1944, under any order made pursuant to this regulation: none. Number of cases in which the Minister of Justice has declined to follow the advice of any advisory committee: none.

BUSINESS OF THE HOUSE

MOTION TO ADJOURN TO JANUARY 31, 1945, ON COMPLETION OF CURRENT BUSINESS

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That when this house adjourns, on completion of current business of the session, it stand adjourned until Wednesday, January 31, 1945, at 3 o'clock in the afternoon, provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with His Majesty's government, that the public interest requires that the house should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the house shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time.

Motion agreed to.

THE WAR

POLICY OF THE GOVERNMENT IN MAINTAINING VIGOROUS WAR EFFORT—MOTION, THE PRIME MINISTER

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That this house will aid the government in its policy of maintaining a vigorous war effort.

He said: Mr. Speaker, if anything were necessary to emphasize the gravity of the issue that has so suddenly arisen, it would most certainly be found in the words of my former colleague and all-time friend, the former minister of national defence for air (Mr. Power). He has given to the house, in a very few words, the real nature of the question which is before this House of Commons at the present time. In a word, the issue of conscription has, once again, come to the fore, and it has brought to the fore once again the most serious kind of controversy which this parliament, has had, at different times, to face. The minister has drawn attention to the fact that he has resigned from the government for a reason diametrically opposed to that of the former minister of defence who resigned a short time before. I hope that this will make clear to the house, perhaps clearer than hon. members have realized thus far, the nature of the position in which I, as Prime Minister of Canada at this time, have been placed in seeking to carry out what has been, above all else, the purpose of my work in public life. the maintenance of unity as far as that might be possible in the government of this country and in the Dominion of Canada itself.

Perhaps, owing to the fact that the question before us is of such great gravity, hon. gentlemen in different parts of the house will allow me to proceed with my remarks without interruption. If I should make a misstatement, I should, of course, wish to be instantly corrected, but, otherwise, I hope that hon. members will allow me to answer such questions as they may wish to ask at the conclusion of my remarks rather than in the course of them.

As the issue is one which is related almost exclusively to the question of the adoption of a measure of conscription at this time, it might be well, for an understanding of the reasons why some members of the government have taken different views, were I to review very briefly the development of this question since the beginning of the war. Here may I say that, from the outset, I have been conscious that what has been a source of division in the cabinet was but a reflection of what was certain to be a source of division in this House of Commons, and that—again—this House of Commons would be reflecting a source of division in all parts of this country. That is what has made and still makes the present question the most serious one with which this parliament, I believe, has been faced at any time.

Hon. members will recall that, before Canada entered the war, there had been much consideration of the attitude that should be taken by any government that might be in office should war come. It was anticipated that war might break out suddenly, and members of the government, and members of parliament other than those in the government, had to consider very carefully what attitude they would take in that event.

When the moment came, in September, 1939, and the house was brought together, it became my great and grave responsibility to ask members of this house unitedly to enter the war. I gave my reasons at the time why I believed it was a war that threatened human freedom and Christian civilization. I said that, in my opinion, it was a war which might spread to vast proportions and that nothing in history would be comparable to what we might be called upon to experience. When I asked this house to enter the war hon. members were all, I think, of one mind with respect to one of the conditions under which we would be prepared to take part in the conflict. It was that there should be no conscription for the sending of men overseas.

That was the position in September, 1939. Parliament met and had its discussions and the government was given and assumed the great task. But we had not been under way very long before we met with opposition from outside sources which, in my opinion, would have undermined any confidence which the public had in the administration. Realizing, therefore, that confidence was of the essence of the power of the government, I thought it advisable to seek that confidence from the source of our power, and to have parliament dissolved and an appeal made to the people.

When that appeal was made members of all parties appeared before the public and stated, I think, for the most part, what their position would be with regard to conscription. At any rate, members of the administration took the position that there should not be conscription for service overseas, and we took that position, not because of any statute, but because most of us, if indeed not all of us, had a moral obligation which we appreciated very deeply. We had given our word, no one more strongly than myself, speaking before the war broke out, that if war came the government would not resort to conscription for service overseas.

The government was returned by a very large majority. It had a mandate to carry on the war and to carry it on without resort to conscription. In the same year, early in the summer, the country received an appalling shock. France fell. And the world wakened up to the fact that the enemy we were fighting was an enemy whose power was vastly greater than the power required to dominate any one continent. It was a power which, unless it were overthrown, might dominate the world.

We, in Canada, were, at that time, supremely conscious of the fact that our own country might some day be invaded. Indeed, there was reason for the belief that, unless the might of Britain were able to protect us, we would most certainly be invaded. In those circumstances, this parliament deemed it necessary to enact what is known as the National Resources Mobilization Act. That act was based on the principle of conscription, but it was conscription for service within Canada. The principle of conscription was certainly settled at that time and in that way so far as service within Canada itself was concerned.

That measure having been passed and the country having accepted it, the government continued with its great responsibility, seeking to avoid even the consideration of adopting the principle of conscription for service overseas. However, agitation arose in the country, an agitation for conscription. It was being represented that the government would resort to conscription, except for the moral obligations which some of its members had assumed. That was being given as the reason why this government was not in a position to carry out the power which it had under the law of the land. There has never been a moment at which the government has not had the legal power, but there was, up to that moment, a very strong moral obligation. Now may I say that, as between legal obligation and moral obligation, if I find the two in conflict I shall, with God's help, maintain the moral obligation. Feeling very strongly that there might come a time, in the light of the developments of the war as they were then proceeding, when this moral obligation, so long as it lasted, might come to impede what was essential to the saving of this country and of human freedom throughout the world, I had my colleagues join me in proposing a plebiscite which would free us from any moral obligation that had existed up to that time. A plebiscite that would free our hands as individuals, a plebiscite that would free the hands of this parliament, as such. We sought to remove any question as to resorting or not resorting to conscription if that became necessary, because of some prior moral obligation.

The plebiscite was overwhelmingly carried. I have never been able to understand why any hon. members and newspapers should since have maintained, as some of them have maintained—not many but some—and great organizations throughout the country, even an organization as important as the Canadian Legion of the British Empire Service League, that there was as a result of the plebiscite, a mandate on the part of the country to the government to carry out conscription. That is an entire falsification, Mr. Speaker, of the interpretation of the plebiscite. Need I go farther at the moment than simply to quote a paragraph or two from a speech of my own to the people of Canada and one to this House of Commons

in regard to the matter? On April 7, 1942, I made a nation-wide broadcast on the subject of the issue of the plebiscite. In the course of that address, as will be found on page 7 of the publication issued by the director of public information, I made this statement. The heading is "Canada's war effort being placed in false light."

And that brings me to the last of the questions to which you are awaiting a reply: "Why, after two and a half years of war, has it become necessary to have the restriction removed?"

The restriction therein referred to was the restriction which was attached to the National Resources Mobilization Act, which was that its provisions would not apply to the sending of men overseas. The government was asking that that restriction should be removed so that if the occasion should arise where the government believed the time had come when it was necessary to send men overseas it would be free to do so, free from all moral obligations, and of anything that could be cited as a moral obligation. Speaking on that point I said:

And that brings me to the last of the questions to which you are awaiting a reply. "Why, after two and a half years, has it become necessary to have the restriction removed?" One answer is that this restriction is being represented as the bar to an all-out effort on Canada's part. It makes no difference whether conscription for service overseas would add to Canada's total effort or not, the fact that the government is not free to consider its adoption is made to appear as limiting Canada's war effort.

At that time we were being told from certain sources that we were not going fast enough, that our war effort was restricted and limited. The alleged limitation was attributed by those who were back of the agitation at the time to this moral obligation not to resort to conscription. I was anxious, certainly, that the country should see that, if there was any limitation, it was for other reasons, national reasons. I was anxious also that the country should see that we were achieving a total war effort just as rapidly as a total war effort could be brought into being.

The truth, of course, is that our army to-day is just as large as it would have been if conscription for overseas service had been adopted. The absence of conscription for overseas service has not limited our war effort. The lack of power to impose such conscription has, however, placed our war effort in a wholly false light before our own citizens, and, what is worse, before our allies. In other words, conscription has been made the symbol of a total effort regardless of all Canada is doing to help win the war.

Then another heading: "Issue not conscription—but powers of government":

The issue at present is not conscription;—

[Mr. Mackenzie King.]

This was said to the people of Canada before they cast their votes on the plebiscite.

The issue at present is not conscription; it is whether or not the government, subject to its responsibility to parliament, is to be free to decide that question itself in the light of all national considerations. The government is not asking you to say whether or not conscription should be adopted. That responsibility the government is asking you to leave to itself and to parliament, with entire freedom to decide the question on its merits.

The question of conscription, properly viewed, is a military question. The place to discuss it is in parliament. What the government now seeks for itself and for parliament is freedom to consider and debate and decide this question, like all other questions connected with the war, unrestricted by any pledge and in the light only of the needs of national security.

That was what was said to the people. I shall now quote what I said in this House of Commons in the presence of the then leaders of the different parties and of the members who were members of the House of Commons at that time. I shall cite only one or two paragraphs. When I was speaking on Wednesday, June 10, 1942, I said:

Let me now deal with the relationship of the plebiscite to conscription, and in particular as to whether a "yes" or "no" vote was a vote for or against conscription. On this point I should, first of all, remind hon. members of what was said in the course of the plebiscite campaign. Both in this house and throughout the country, it was made perfectly clear by myself as leader of the government, by the leader of the official opposition and by the leader of the Cooperative Commonwealth Federation, and by members of their respective parties, that an affirmative vote was not a vote for conscription. I am afraid I cannot tell the house what stand the leader of the Social Credit party took. I have, however, found nothing in any of his utterances which would enable it to be said that he regarded an affirmative vote as a vote for conscription for service overseas.

The question on the ballot is, however, the best answer as to whether or not the plebiscite was a vote for or against conscription.

The question on which the people of Canada were asked to express an opinion was:

Are you in favour of releasing the government from any obligation arising out of any past commitments restricting the methods of raising men for military service?

Clearly the plebiscite merely released the government from its obligation not to resort to conscription for service overseas. It did not commit the government to conscription for service overseas. The result of the plebiscite leaves no doubt as to the freedom of the government and of parliament to discuss the question of conscription for service overseas upon its merits. It equally leaves no doubt as to the freedom of the government and of parliament to decide, for or against conscription for service overseas, either conditionally or unconditionally.

I will not refer further to that subject, Mr. Speaker, but I should like to say, once and for all, that I do not think any good

purpose is served by having the result of the plebiscite referred to a couple of years later in terms other than those which were not contradicted in this house at the time I made the statement to which I have just referred.

I come now to the next step, which was the introduction and enactment of Bill 80. Bill 80 grew out of the discussions in this house following those that had taken place on the plebiscite. I should like to recall that Bill 80 was discussed in this house in June, 1942; that is, over two years ago. Bill 80 was introduced into the house in order to make it perfectly clear that the government would have thereafter the right to take such steps and actions with respect to conscription as it might be necessary to take, either conscription in whole or conscription to a limited extent. That bill recognized the principle of conscription. At the time this house debated the whole question of conscription. We had a lengthy debate, and it was made very clear then that we were discussing the question of conscription and its possible use should that become necessary at a later time.

Why did the house take that step? The house, I believe, took that step just as it has taken every other step since the beginning of this war, in the light of the changing conditions of the world under the impact of war. The situation in 1941 was very different from what it was in 1940. In 1942 it was much graver than in 1941. No government with a sense of the responsibility that it should have would have wished to be left in any doubt as to its powers, should the necessity arise, to take any steps which might be needed in order to prevent a worse condition arising in our own country and throughout the world. That is why that measure was enacted.

May I make it clear that, in the course of that debate, different views were expressed by hon. members as to what the particular situation would be which might make it necessary to take action under that measure. Some, and I think I myself was one, spoke particularly in reference to the winning of the war. That was broadly the view which, I believe, a large number of us on this side took, that it would relate to the winning of the war itself. But specific references were also made, references which I shall mention a little later on, relating immediately to the reinforcement of troops, our own Canadian troops who would be serving in actual theatres of war overseas. Any statement that related to the winning of the war would necessarily, thereafter, have to be considered in the light of the particular pledge given at that time. I think I can best express the policy of the government, under that measure, by saying that it represented not necessarily conscription but conscription if necessary; and may I add that in the minds of those who thought in terms of conscription if necessary, there was also the thought, "and to the extent that might be necessary."

I shall leave that, at this point, and pass on to what followed after the bill was passed. The year 1942 went by and no action was necessary under the measure. All of 1943 went by and no action was necessary. The first seven months of this year, 1944, went by and there was no suggestion that anything was necessary under that measure by way of sending troops overseas in accordance with its provisions.

Mr. HANSON (York-Sunbury): Would the Prime Minister permit me?

Mr. MACKENZIE KING: No, I prefer not.

Mr. HANSON (York-Sunbury): That is not a correct statement, because in this house I moved an amendment to the address in the session of 1942, calling for complete national selective service. I want to correct a misstatement.

Mr. MACKENZIE KING: Complete national selective service, as I understand it—

Mr. HANSON (York-Sunbury): For the army in any theatre of war, for agriculture and for industry. That is a matter of record.

Mr. MACKENZIE KING: Well, perhaps I may speak for myself and allow the hon. member to speak for himself.

Mr. HANSON (York-Sunbury): I say the record speaks for me.

Mr. MACKENZIE KING: I am speaking for what was understood, certainly on this side of the house, in reference to the matter to which I have referred, and by the government as to the possibility of there being need for reinforcements.

That brings me to the immediate situation that has arisen, and here I wish to give to the house the sequence of the discussions that took place. As far as the government is concerned, there was nothing before it at any time up to October of this year which suggested that there would be any need for conscription to provide further reinforcements overseas. Let me make this perfectly clear. Colonel Ralston, the former minister of national defence, for a long time has believed that it might become necessary to resort to conscription for service overseas to provide necessary reinforcements. At different times when we have been discussing this matter he has made it clear that while not pressing anything of the kind as a matter

of immediate need, he himself had a mental reservation as to the possibility of its becoming necessary to resort to conscription at some time. It is due to the former minister that this should be known; it is due to the government also that it should be known that at no time, up to the period of which I am speaking, did the minister bring forward any recommendation, express or implied, for the sending overseas of further reinforcements under conscription. There is one point I wish to make clear—and here let me say that I am not going to try to go over the ground covered in the communications between Colonel Ralston and myself. What is set forth therein can be read by hon. members and need not be repeated at this time. But I do wish to make this statement, with which I am sure the former minister of national defence will be the first to agree: that when this question did come up, he and I were determined that it should not become a King-Ralston conflict or battle, as I have seen it since described in the press. What has taken place in the discussions has been the consideration, the most careful and thoughtful consideration, of two opposing points of view, points of view that were opposed at the time of and have been opposed since the days of the South African war: whether men should go overseas under voluntary enlistment, or whether resort might have to be had to compulsion. In all the discussions that we have had, there has been nothing personal between the former minister of national defence and myself. To the extent that each has stood for a certain point of view we have been standing for points of view that we know are held in this country at the present time.

On August 7 of this year a recommendation was made to the government by the chief of staff that some seven hundred additional men should be made available for service in Italy. When that recommendation was made, I immediately asked if its acceptance would have any effect upon our man-power resources, whether it would result in any shortage of men in the event of some special demand coming for the reinforcing of men overseas. The government was given the most direct assurance at that time by the chief of staff, with the Minister of National Defence present, that there was no need for considering the question of additional reinforcements for overseas by compulsion.

Let me go a step farther. In September, from the tenth to the seventeenth, if I recall aright, a conference was held at Quebec between the Prime Minister of the United Kingdom and the President of the United States. During the period of that conference there were meetings held between our own chiefs of staff and the chiefs of staff of the United Kingdom. There was also a conference held of the members of the war committee, at which our own chiefs of staff were present and the Prime Minister of the United Kingdom, Mr. Churchill, along with the chiefs of the staff of the United Kingdom. That conference discussed questions related to the armed forces. It discussed matters related to the army, navy and air forces. The discussions were both particularly and generally mainly in reference to the war in the Pacific and what in that connection might be necessary.

One would have felt that, at a time when discussion was taking place on the reduction of the forces—because that obviously was one of the matters that was being carefully considered, if there had been a possible inadequacy in regard to needed reinforcement abroad for our army, that something would have been said of such a possible need. Nothing was said at that time which could give any member of the government of Canada reason to believe that we were nearing the time, or that we were fearing the time, when it might be necessary to resort to conscription to provide men for service overseas as reinforcements to our army.

I mention all this in order that the house may realize the impact of the shock that came upon the government a little later on, just as hon. members themselves must have felt the impact of the shock which has come to them in the last few days when they were told that they would have to face this question of sending men across the seas by conscription at this stage of the war.

After the Quebec conference there were persons in this country who began to make representations which were, to say the least, very distressing to the mothers, fathers and relatives of those who were fighting overseas and which must have been doubly distressing to the men who were serving in the armed forces. It was alleged that men in the army were not sufficiently trained and that, as a consequence, men were obliged to go into battle not adequately trained, or supported by men who were not adequately trained. I have always regretted that an immediate reply was not made to those statements, but it was not. I am inclined to believe that it was because the Minister of National Defence wished to be doubly sure before he made any reply. He had planned for some time to go overseas to visit the armies in

Italy and Europe to observe matters for himself. Hon. members will recall that the minister had not been long overseas before he sent back word that he did not think there was any justification for the statement that men insufficiently trained were being sent into battle.

There the matter stood until October 13. At that time I received a cable from the Minister of National Defence giving me reassurance about the training of the men and stating that he felt perfectly satisfied with regard to the adequacy of the training which they had had. He stated, however, that he had become greatly concerned about the possible need for reinforcements and asked that I should see him as soon as he got back and arrange to have the war committee meet to hear his representations. He arrived back on Wednesday, October 18. That afternoon we had a conference in my office at which the minister told me that he had come to the conclusion that unless men could be secured very quickly by the voluntary method it would be necessary to invoke the National Resources Mobilization Act to send men overseas under compulsion. The next morning the same statement was made by the minister to the members of the war committee, and in the afternoon it was made to the members of the cabinet.

That was the first time that the members of the cabinet as a whole had had any thought of there being a probable necessity of men having to be sent overseas under Bill No. 80 to supply needed reinforcements. That explains why it took some little time before the discussions could get far enough for a decision to be reached one way or the other.

I want to make clear that the minister assured us that, as far as the records showed, the probability was that a critical situation would not arise until the beginning of the new year, but that he thought it might become acute at that time. I want that to be clearly understood so that hon. members in the house and people throughout the country will realize that, while the government has been giving this matter all the mature consideration that its great importance and grave significance necessitate, we have been running no risk so far as our fighting men overseas are concerned. I hope that it will be a complete assurance to their friends and relatives at home, to know that the time devoted to the discussion, which has taken place thus far, has not in any way prejudiced the position and security of our men overseas.

May I point out, as the former minister of national defence for air reminded us this afternoon, that this discussion came after five years of war under the voluntary enlistment method, and that it came on what was believed at the time to be the very eve of victory, of what we are being told from all sources would be ultimate victory, and that we were coming nearer to it every day. Do hon. members wonder that there was a difference of view in the cabinet at the time as to what was the best course to adopt? Let me say this, that the cabinet was quite prepared, once the facts had been la'd before its members by the minister, to accept the view that there was need for additional reinforcements being sent across. The difference that arose was one of method, whether in order to supply the additional numbers of men to reinforce the armies overseas we should abandon the voluntary enlistment method and accept full conscription under Bill 80, or intensify the existing system of securing the necessary reinforcements by voluntary enlistment. The question was: which of the two methods was preferable, or was there some way of meeting the situation other than by resorting to one extreme or the other.

I need not say that members of the cabinet gave their most earnest thought to the consideration of that problem day after day, and may I say that we were all conscious, at the time, of what failure to find a solution might mean.

I ask this house if it can conceive of any obligation that a ministry ever had placed upon it which was more onerous than the obligation to find some solution of this problem which would not involve a break-up of the government itself in a time of war. As I speak, I want hon. members to realize this, that new situations were being created within Canada which were very unsettling. A degree of unrest was being organized the like of which has not been seen in the history of Canada before, not even in a political campaign. One may condemn this movement; the day will come when it will be exposed and will be fully condemned. But in a ministry, unfortunately, one cannot escape the responsibility that attaches to coping with every situation that may arise, and a wholly new condition of affairs has arisen in this country as a result of the organized propaganda for conscription in Canada. A new condition and a very serious condition had arisen and it was one with the possible consequences of which the government has had to deal.

I want hon. members, in judging the action of the administration, to keep clearly in their minds what it was that we had to take account of. In speaking of what we might have to do

if we had to act under bill 80, I used in this house the words that the government would act under that measure only when it deemed it was necessary and, I added, advisable so to do. Those two words carry great weight—necessary with regard to what was essential to the maintenance of our forces overseas, and advisable in the light of conditions not only in Europe but here in Canada and of what might be the consequences if we acted in any particular way. That brings me to what led to the resignation of the then minister of national defence.

May I pause to say this. It may appear to hon. members that I am disclosing matters that took place in cabinet council. I would not be going as far as I am this afternoon in these statements in disclosing what has taken place in cabinet council were it not for the fact that disclosures bearing on this matter have been made by the former minister of national defence, and were made known in a communication which was given to the press on the evening of Sunday, November 12. Up to that time, as hon. members will see by reading the correspondence between the minister and myself, I had felt that, following the constitutional practice with regard to the conditions under which matters in council could be disclosed, I would have had to advise His Excellency against permitting some of these matters to be made public. But once the disclosures were made in public my only decision could then be to ask His Excellency to permit the letters between the former minister of defence and myself to be published in their entirety. What I am saying to-day is based only on what has appeared in the publication of those letters and what had earlier been given to the public.

I might go at length into what was in the minds of the members of the cabinet in discussing this matter but it will be largely apparent to members what the arguments were. Naturally the members of the cabinet who felt that resort to conscription at this stage was not necessary supported that point of view by drawing attention to the five years of success that we have had under the voluntary system and to the fact that the war was obviously drawing near to a close. They called attention to statements that had been made by the Prime Minister of Britain that we were on the last lap of the war, and to statements made by other leaders as to what they believed would be the further duration of the war. I should perhaps make it clear that it was about this time that Mr. Churchill added to what he had previously said that the war might take very much longer to finish than was anticipated. That again had its bearing on the discussions. But what I think members of the cabinet felt in particular was that Canada after all, as the former minister for air has pointed out this afternoon, had played very fine and noble part in this war, that we had carried our just burden in the war very well, and that we had failed in nothing that was possible to make Canada's war effort a total war effort. What seemed hardest to understand was how, after all we had done and were doing to make Canada's effort a total effort, we should suddenly have either to accept or to reject this obligation of sending additional men overseas under conscription, with all that any decision was certain to mean. We felt very strongly that up to that time nothing had been denied the army from the beginning of the war which the minister of defence had requested as necessary for the fighting men overseas.

I can say this, and I am proud to say it. While I am not a military man I have relied with absolute confidence on the exceedingly able men of military experience whom I have had around me in the departments of defence. When they have come forward with recommendations, while I have asked time and again whether we might not be going a little too far, I have always, after the assurances had been given that we were running no risk in regard to the question of our army being too large or the man-power problem coming to be critical later on, sought to have the recommendations met. Along with the rest of my colleagues I have accepted these representations in the best of faith, just as, I believe, they were given in the best of faith. I have done all that any man in my position, I believe, could do to make our army as complete, and the position of every man in it as secure, as it was possible to make it. This government has not only done all that could possibly be done with reference to the army, but the same is true in reference to our great contribution in the air; the same is true of our great contribution on the sea; the same has been true in respect of our great contribution in the supply of munitions; the same has been true of what the people of this country have done in the matter of supplying food and other commodities that were necessary; the same is true in regard to the tremendous financial obligations we have assumed—obligations, may I say, much larger than most people have even begun to realize at this time. It is true with respect to what we have done in the matter of mutual aid to our allies, something which no other country has done in comparable measure; also of what we have done in the contribution to UNRRA to help to meet relief which is needed by those countries that have been under the heel of

the conqueror and the oppressor. In no particular relating to the war effort anywhere have we done other than seek to make it a total effort, a maximum effort. Having done all that, naturally the ministers of the crown asked themselves, why must we run the risk of dividing this country over the particular request which is being made now and which may have such serious consequences; and that, as I have said, on what we are being led to believe is the eve of certain victory?

There was another argument which was very carefully considered, and it was this: what is the position of the war in Europe to-day? My former colleague the minister for air has said what I have said repeatedly, that if at the moment of the invasion, when everyone contemplated the possibility of life being unavoidably sacrificed on a great scale, a scale which at the time none of us could bear to face even in thought, our men had suffered great loss, lives had been sacrificed on a large scale and there had obviously been before our men the prospect of fighting on in Europe with their ranks depleted to liberate the countries there, I would not have lost one hour in bringing this House of Commons together and asking hon. members to support the government in sending the needed reinforcements at once, and I believe those reinforcements would have been granted without any division in this house. But what is the situation? Since the landing, which relatively speaking was carried through with amazingly small loss, France has been freed, Belgium has been freed, part of Holland has been freed, a still larger part of Italy has been freed, Greece has been freed; in Yugoslavia the forces which were opposed to and fighting one another have been brought together and are working against the enemy; the satellite nations of Germany—Roumania and Bulgaria—instead of being at her side, have turned against her and are fighting against her to-day. Add to all that that Russia has driven the enemy off her soil and has invaded Germany and is fighting on German soil to-day. More than that, United States troops, British troops, Canadian troops, French troops, all of them to-day in some measure are fighting on German soil and conditions in Germany itself must be appalling. Do you wonder that some members of the cabinet found it difficult to appreciate why we should be asked to make this further contribution; and that particularly in the light of the experience of the introduction of conscription for overseas which we had in the last war? The adoption of conscription at that time was responsible for more disunity in this country than any other step which has been taken in the history of Canada since confederation. With that example before us, do you think it was easy for any of us to come to the point of view that it was necessary at this time to adopt even a limited measure of conscription?

That, I think, gives a fair idea of what were some of the thoughts in the minds of members of the cabinet.

May I say further what was particularly in my own mind. I think it was true in some measure of my colleagues generally, but it was particularly true of myself because I have had to look at these questions as they relate to our national problems and our international relations. I had to think of what effect the taking of a step such as we are proposing to take at this moment might have on the future condition of this country in relation to the solution of its own problems and as regards its relations with other parts of the British commonwealth and other countries, and with all parts of the world. We are facing post-war problems on a scale that no man's imagination in this house, I believe, thus far has been able to grasp. We have the problems of the world organization of peace after the war is over. I have had to ask myself the question, what is going to be the effect of resort to conscription for overseas service at this time on the efforts that are now being put forward by Prime Minister Churchill, by President Roosevelt, by Marshal Stalin, and those associated with them, the greater and the lesser powers, to bring about that form of world organization which will keep the peace of this world, if our country, Canada, which has played the great part that we have played in this war, becomes divided. Our voice is not going to be a voice that will carry with it the weight and the influence which it was hoped, until a very short time ago, it would almost certainly carry in the solution of some of these great questions. This matter had to be considered in its bearing upon international problems as well as upon the problems of Canadian unity.

Let me continue with the discussion itself. As I have said, the cabinet were convinced by the minister as to the need of sending more men overseas. The division has arisen not over the question of need but over the question of method, as to how the needed reinforcements could best be supplied. A number of members of the cabinet believed they could be supplied by an intensification of the voluntary method; others did not. I will not labour the matter by seeking to outline the discussion or to explain why it was we took time and

yet more time in consideration. Let me come to this. We had reached the point where we were agreed, at least, that we would make a further appeal by the voluntary method for men and see what response we would get to that appeal. But the point on which we could not get final agreement was whether, before we began the appeal, we should fix a date within which the numbers would have to be supplied, and make that date known, or keep it secret to ourselves.

May I say that any appeal that begins with a confession of doubt as to its success is never likely to succeed. If we had been obliged to advertise to those whom we were seeking to have come in of their own accord the fact that if they did not come within a certain time they would be conscripted, does anyone think that we would have obtained an adequate response as a result of such an appeal?

There are only two methods of obtaining results in matters that require governmental action; one is the voluntary method and the other is compulsion. When the Minister of Finance seeks to raise money for the country in order to carry on the war he takes advantage of both methods. He seeks to raise money in large sums by voluntary subscription, by voluntary loans; and if he does not succeed in getting money by voluntary loans then he has to raise it by taxation—compulsion. I have never heard an appeal being made under the victory loan campaigns—and we have had seven magnificent loans—which has been carried through by threat, the threat that unless the money was obtained by a certain date the people would have to bear extra taxes up to a certain amount at the end of that time. The same principle exactly was at stake in this matter. That was where, I think, we parted, where the minister and myself felt that we would have to part company. The minister repeatedly stated that he had not much faith, or any faith—I think I could go that far, that he had not faith, let me put it that way—in the voluntary method succeeding; and as day after day went by and we were still seeking to reach a course that would secure the needed reinforcements and keep us united, I was being told almost each day that unless we got a settlement the minister would have to resign, and would resign.

Now I come to the position in which I found myself as Prime Minister of Canada under those circumstances. Unfortunately, my good friend the Minister of National Defence for Air was suffering from an illness, followed later by an operation, and for the most part he was unable to be in the cabinet while these discussions were on. I missed him very much at my side throughout that period. I had to face the fact that if the resignation of the Minister of National Defence took place, the Associate Minister of National Defence would not have been here to take his place. But I had to face something more than that. I had to face this fact. All of us revered our colleague the Minister of National Defence, and may I say that many of us, including myself, personally loved him, and I had to face the fact that if he were to leave the cabinet his resignation would probably be followed by the resignations of other ministers. This is not something fanciful; this is something real, because the intimation was made very clearly that if Colonel Ralston went others would have to consider whether they would not have to go as well. I ask this House of Commons; I ask the people of Canada, where this country would be, at this time, if one minister after another, more particularly those who carried the greatest part of the responsibility of our war effort, had left the cabinet and I had been left thus handicapped with so great a load of responsibility for carrying on the war. The situation clearly was becoming one of utmost gravity so far as Canada's entire war effort was concerned.

May I say, Mr. Speaker, that until I knew that it was only a matter of hours, at the most one or two days possibly, though I believe it was more nearly a matter of hours, that the Minister of National Defence would tender his resignation because we had not been able to agree on the last point to which I have referred—it was not until then that I asked myself: Is there any way of helping to save the appalling situation that may arise if the minister resigns? That situation I have just described. It was then and only then that I though there was one man in this country who might help to save that situation. Could I find as minister of national defence someone who the country had reason to believe had a knowledge of military affairs and knew the needs of the army, a man who understood relations between the state and the army which would also have to be considered? Until I thought of the one I did, I can tell hon. members that I had well nigh begun to despair of what could be done to save the situation.

It was then that I called in General McNaughton and told him the plight I was in, and the position of the government as I saw it, and asked whether he felt that by a voluntary appeal, which there was still time to make, we could find the necessary men. He told me he believed that they could be

found, the numbers not being large, as my hon. friend the former minister of national defence for air has just said, and that an appeal launched in the proper way and carried on in the right spirit would bring forward the men. I asked him on the following day, or the same day, I have forgotten which, I had only two conversations with him, whether he would assume that responsibility himself if a crisis arose, whether he would come into the government and take on his shoulders the burden of making an appeal, with faith in it, believing that it might be successful.

I did not know then, and I do not know yet, what General McNaughton's politics are. I do not think he has been identified with any political party. I know him as a man of fine liberal outlook, of rare scientific ability and of great military experience, and I felt I owed it to the people of the country never to let this country get into the position, if it were possible to avoid it, where at a time of war Canada would be left without a minister of national defence and, possibly without several of the members of the cabinet who had carried on so large a part of the war effort.

It was when I told the cabinet that General McNaughton was prepared to assume this responsibility, that I thought that if we were going to make a public appeal we should lose no time because time was rapidly going by, that the minister said that if that was the case he thought he ought to tender his resignation at once, and it was tendered in the presence of my colleagues and myself. I received the written communication the next morning and I arranged to have the new minister sworn in on that morning as well.

Those are the circumstances of Colonel Ralston's resignation.

May I emphasize this fact to this house: That was crisis No. 1, a crisis which involved the possibility of Canada being left at a time of war without a ministry. I want to emphasize that. If one minister after the other had gone, if I had not been able to secure General McNaughton, who instantly brought confidence, I think, to the general public as he did to the ministry as a whole—had I not been able to do that, then I say this country would have found itself in a position where there would have been no government. Let me emphasize this fact further—this is something that this House of Commons and the country ought to know. I took great care to ask one colleague after the other, would he take the responsibility that was mine? I asked the minister of defence himself, would he take the responsibility of heading the government and putting through this particular measure? I was told by him that he would not. It is very easy, may I say, to oppose a position hitherto assumed by a government and to propose new measures, but unless men are prepared to back their policies by taking responsibility for their enactment and carrying them out, they have no right, if members of a ministry, to leave a ministry in circumstances where as a consequence of their action the whole structure is almost certain to collapse.

We all have responsibilities. It is not the Prime Minister only that has responsibilities. I have made it plain that my power as a Prime Minister rests on the power and support that I can get from my colleagues, and the power and support that I can get from my colleagues of the cabinet, in turn, rests upon the power and support that this House of Commons is prepared to give them. The power which this House of Commons has rests upon the power and the will of the people of the country. Any man who takes responsibility must be prepared at all times to carry that responsibility, support it to the last degree or else make his appeal to the people themselves.

Then I asked myself the question: Shall I dissolve parliament; shall I ask for dissolution and appeal to the people? What was the answer to that question? The answer was this: Will a dissolution of parliament help the men who are ready to sacrifice their lives at the front, in order that we may preserve our freedom; will a dissolution help to get the reinforcements which we have been told by the minister of defence are necessary at this time? I could not see that it would. Indeed I have made it plain from the start that I hoped that until this war was over it would not be necessary to have a general election.

Colonel Ralston had not been out of the government for half a day before some of the papers carried the headlines: "Is Mr. King thinking of a general election?" Yes, I could have swept the whole province of Quebec, carried every seat in it. I could have carried seats from one end of this country to the other, and I have not the least doubt that I could have come back to this parliament as prime minister with a good majority as the result of an appeal in circumstances such as these. Would that have helped the men overseas? Would we not have had in this country the most bitter, the most cruel kind of political campaign? And let me say this, because I think this is important. Hon. members should remember it. This parliament has fixed a particularly long time for a political campaign, a particularly long time, over two months, according to the legislation we put through at this very session, before the writs are issued and are returnable. Then

there remains the further time for bringing parliament together. I hope that hon. members will keep these things in mind. Two months and more of political warfare while we have international war raging at the same time. Can you imagine a situation more cruel to the people of this country than to have anything of that kind take place at this moment, more cruel to our fighting men overseas? I had to consider that; but I had to consider most of all—and I am going to speak of it again later this afternoon—whom I would advise His Excellency to call upon to form an alternative government. If I were to recommend that parliament dissolve, because I could no longer hope to carry on, the first question I would be asked by His Excellency the Governor General would be: Whom do you recommend? Well, I could not find one of my own colleagues who was prepared to take that responsibility. I do not know whether any gentlemen opposite would have been prepared to take it. I wonder if they would.

Mr. HANSON (York-Sunbury): You mean "resignation", do you not—not dissolution?

Mr. MACKENZINE KING: I mean this, that I certainly would have had to resign if I could not carry on, and that—

Mr. ROWE: You said "dissolution".

Mr. MACKENZIE KING: I am sorry, I mean resignation which probably would have been followed by a dissolution. The two are almost inseparable in my mind under the conditions of things as they are at the present time. And it is important that, as I say, hon. members should keep that in mind. The Prime Minister cannot hold office if he cannot get the support necessary, and I had to consider that situation at that time.

Well, having been fortunate enough to secure General McNaughton as Minister of Defence, the government then started to see what could be done in the way of a public appeal. General McNaughton himself began the appeal. Within two days after he had been sworn in he spoke at Arnprior, and he spoke at Ottawa the next night. I prepared an address that I hoped might help to clear the situation a little by making apparent how untrue and misleading were the statements that were being made about the N.R.M.A. men, the numbers that were involved, and the allegation that it was the Quebec men that were falling behind rather than that the situation was general as related to all the provinces. I tried to clear up some matters and to put the facts before the people, believing in the people. We appointed a committee of the cabinet to work with others to make plans whereby individual appeals could be made and made in an effective way. General McNaughton brought his officers from all parts of the country and explained to them that the policy of the government was a policy of voluntary enlistment. They have tried—or I believe many of them have, but I also believe some of them have not tried to get voluntary enlistments. That was the policy of the government. To make it succeed, all would have had to work for it for all they were worth.

How was the public appeal supported? The moment that we started on the public appeal, that moment the opposition to anything of the kind on the part of the interests that lie behind this organized effort to force conscription began to make itself felt in every direction—in the press, by meetings, resolutions by veterans' organizations, representations to members and so forth, with the result that instead of the appeal reaching the ears of the people, the ears of the people were dinned by the efforts that were being put forth by those who were determined they were going to have conscription no matter what the cost might be.

In the meantime I felt that it was desirable that this parliament should assemble. There has not been a day or a year since this war started when this parliament has not been kept intact. There has been no prorogation of any session until the time for each new session. There has been a continuing on and on so that the parliament of Canada would be ready to be brought together at any time. We have passed another motion this afternoon which means that this parliament, when it is adjourned after this debate, will not have been prorogued but will continue until January 31 unless dissolved in the interval, so that hon. members can be brought together again if another situation develops which calls for their presence.

I felt the moment had come when the people's representatives should know that there was a very critical situation. We could not take chances on all that was involved in this situation. What was more we had come to the place where we could not longer take responsibility ourselves without sharing it with the members of this house. And that is what hon. members are here for this afternoon—to share the responsibility either of supporting the present government in its prosecution of Canada's war effort or of rejecting it. That responsibility is just as great upon every member of the House of Commons, no matter from where he comes, as it is upon the Prime Minister of this country at this time. Every single member is either

helping to make it possible for a government in Canada to be maintained in this time of war without a crash in the middle of war, or he is helping make it impossible for the government to carry on.

We assembled here on Wednesday of last week. Up to that time I had thought that our public appeal would succeed. Here again I wish to make clear that we were further encouraged by the fact that some little progress had been made; men were enlisting, it is true in small numbers, but once the move started I believe it would have followed through very rapidly. We were getting indications of what public opinion, if it were rightly guided, would have helped do, but we had to consider whether or not we could afford to run on much longer. As I have said, I believe with all my heart that a public appeal would have succeeded if we had received the support of hon. leaders opposite, if we had received the support of their following, if we had received the support of their press. Does anyone doubt that for one moment? I say we would have had the necessary men through voluntary enlistment but for the organized opposition that was taken to voluntary enlistment. From this time on, those who have been responsible for this organized opposition will have on their heads the responsibility for what may follow in the present and over the years.

It was in these circumstances that the cabinet met parliament and that I asked my colleagues to meet me the evening after we had concluded the first day's sitting. I had a special reason for that. It was that General McNaughton himself, in conference with his staff, had come to the conclusion that it might be taking too great a chance not to act immediately. That presentation was made to the government, and with it I made a passionate appeal to every one of my colleagues—I think I may so describe it—not to press for any extreme position; to be as united as they possibly could, yielding up the extreme position, whether it was for all-out conscription under Bill 80 or whether it was for no conscription, realizing that there and then we were face to face with a situation which meant that if we could not agree and could not meet parliament the next day in as united a position as was possible, the only result would be that I would have to announce, on behalf of the government, that we were not in a position longer to carry on because the division in the cabinet was so complete as between those supporting the one point of view and those supporting the other.

That was crisis No. 2; and it was in those circumstances, as a result of the deliberations of that night, with members of council responding to the appeal to do everything possible to come to an agreement, that we were able to agree on the passing of an order in council which, without resorting to all-out conscription, would ensure the men at the front being guaranteed the necessary reinforcements. We were able to give this house that assurance immediately by passing an order in council under bill 80 which would enable the government to take such men as were needed, men highly trained—and others that might later be needed—and send them immediately overseas. That agreement was reached, and when the house opened the next day I was able to lay on the table the order in council which gave it expression and effect.

Now, Mr. Speaker, I am interested in giving to the house a statement which I think will be illuminating. This is not the first occasion on which a Prime Minister has had to tell the country how very critical a situation has become and what is needed to meet it. One of the most critical situations with which Canada was ever faced was just prior to confederation, when Sir John A. Macdonald was Prime Minister of Canada—the united Canadas, Upper and Lower Canada. Sir John in his day, at a very early stage of his career, was in the position that he had to consider whether it was possible for government in Canada to be carried on at all.

I have in my hand an extract from a speech made by Sir John A. Macdonald on February 6, 1865, to the parliament of Canada, when, on behalf of the government of the day, he submitted the scheme of the confederation of all British North American provinces. Sir John began by observing that the scheme had been received in Canada with general if not universal approbation. The subject, he said, was not new; for years it had more or less attracted the attention of every statesman and politician of the provinces and had been looked upon as being the means of eventually deciding and settling very many of the vexed questions which had retarded the prosperity of the colonies as a whole and particularly the prosperity of Canada. The matter had first been introduced into the realm of practical politics by Mr., later Sir, Alexander Galt, in 1858. The subject did not begin to assume its later proportions until the summer of 1864.

Let me now quote textually from the speech which was made by Sir John A. Macdonald.

It will be found in the debates on confederation of the British North American provinces, in the legislature of Canada, third session, eighth parliament, 1865, at page 26:

> Then, men of all parties and all shades of politics became alarmed at the aspect of affairs. They found that such was the opposition between the two sections of the province—

Canada under the union act, what is to-day Ontario and Quebec.

> —such was the danger of impending anarchy, in consequence of the irreconcilable differences of opinion with respect to representation by population between Upper Canada and Lower Canada, that unless some solution of the difficulty was arrived at, we would suffer under a succession of weak governments—weak in numerical support, weak in force, and weak in power of doing good. All were alarmed at this state of affairs. We had election after election—we had ministry after ministry—with the same result. . . . None were more impressed by this momentous state of affairs, and the grave apprehensions that existed of a state of anarchy destroying our credit, destroying our prosperity, destroying our progress, than were the members of this present house; and the leading statesmen on both sides seemed to have come to the common conclusion, that some step must be taken to relieve the country from the deadlock and impending anarchy that hung over us.

I give to the House of Commons to-day, Mr. Speaker, these words of Sir John A. Macdonald, as applicable to the situation in Canada at this hour. And when I speak of anarchy I use that term with the same meaning and significance that was given to it by Sir John A. Macdonald—a country without government. I say that unless this House of Commons can unite in reasonable measure to support an administration that can carry on at this stage of war we shall have to face the possibility of anarchy in Canada while our men are fighting overseas, giving their lives that we may maintain our free institutions and that we may have peace and concord through the years to come. Hon. gentlemen may belittle those words, but they are words, no matter to what party the one who uses them belongs, which are entitled to the greatest consideration that can be given. If, at a time when there was comparative peace throughout the world and Canada was on the threshold of her national life, there was danger that anarchy might develop in this country because the men of Quebec and the men of Ontario could not unite to compose their differences and no government could be found to carry on the administration of the country's affairs, how much greater is that possibility after five years of war, a war that still continues and at a time when we are in the midst of the most appalling phase of the struggle? How can you believe that there might not arise a situation much graver than any of us can begin to realize?

As I have said, that was the position under which the government decided to take the step it did. Let me make it clear that the step we took was taken under Bill No. 80. All that we have done is in accordance with what the government had said at the time would be done if a situation arose where it seemed to be necessary and advisable that such a step should be taken. We have been advised by the military authorities—as I have said, this question of conscription is a military question—that the step is necessary. I cannot speak of its being advisable except in the light of all the circumstances, but when I think of what may follow if this step is not taken, I think it is advisable.

Let me give to the house the statements which caused me to believe, and will, I think, cause the house to believe, that in this step which the government has taken we were carrying out our policy as announced to this house in 1942. So that there may be no doubt I will ask the house to bear with me while I read what I said at that time. I am sure that as I read hon. members will be somewhat impressed by what in all humility I believe was a measure of foresight as to the conditions that might arise before this war was over. What I am about to read was said over two years ago. We have been able to tide over some five years, but we come now to an hour of the war when I think this particular step is necessary. The policy was set forth in June, 1943, and it has been defined in the words, "not necessarily conscription, but conscription if necessary." And I might add the words, "to the extent only that it is necessary."

I spoke first in this house on this subject in the discussions on the plebiscite. What I said then will be found on page 826 of *Hansard* of February 25, 1942. I ask hon. members to note that date; it was as long ago as that. We are getting on to the point where it was nearly three years ago. I said:

> For our programme this year, and up to March, 1943, there is an honest belief on the part of the government that we will be able to get the men by voluntary enlistment for service overseas, and will not have to resort to conscription. But no one can say how long this war is going to last. No one can say what particular turn it is going to take.

Then on page 3234 of *Hansard* of June 10, 1942, I am reported as follows:

> Nothing, I think, could be plainer than that. It was made perfectly clear that the government had no thought of resorting to conscription for overseas service so long as the voluntary system continued to produce the

necessary recruits; also, that we honestly believed the voluntary system would suffice to secure the necessary enlistments for the 1942-43 programme. The government, however, wished to be free, without any breach of faith, to resort to conscription for overseas service should that become necessary to our national security and to the effectiveness of our war effort.

If the bill is amended as proposed, it is not the intention of the government to resort to conscription for service overseas unless circumstances should arise which would render the use of compulsion imperative, such, for example, as the maintenance of the necessary reinforcements for Canada's army overseas.

That is the statement that I made in the presence of hon. members as long ago as June 10, 1942, during the debate on Bill No. 80. I have said already that I am not a military man, that I have to rely for these matters upon the advice of my military advisers. That is the advice I have received, that it is necessary at this time for the maintenance of the necessary reinforcements for Canada's army overseas that we do resort to a measure of compulsion. Then on February 25, 1942, as reported on page 830 of *Hansard*, I said:

The government is asking the people for a free hand in order that it may do in the circumstances as they may arise what is most in the interests of the people of Canada. We wish to make Canada's war effort as effective as it can possibly be made. What we shall do at any particular time will depend upon the course which we think at that time is necessary and advisable and most effective in Canada's war effort. That decision is not going to be made in the light of any one factor. It is going to be made in the light of all conditions as they exist and as they are known to the government at the time . . . that the government is going to do the thing that it believes is going to further to the uttermost Canada's war effort, all circumstances considered. May I say that when I say "all circumstances considered" I have in mind the conditions as they may exist in respect to the war in different theatres and the conditions that may exist in Canada itself.

Then I quote from page 832 of *Hansard* of February 25, 1942:

When we find that we cannot raise the required numbers of men for enlistment overseas by the voluntary method, and it is absolutely necessary to raise more men by other methods, then we will make our decision, present it to parliament and have it discussed on its merits.

Then page 3227 of *Hansard* of June 10, 1942:

While full and complete powers for the exercise of compulsion are given to the governor in council by the act, under its provisions, it is left to the governor in council to decide when, and to what extent, it may be necessary or expedient to exercise the powers thus conferred. This will be equally true of the powers of the governor in council under the act as amended. The discretion of the government will remain precisely what it is at the present time.

Then page 3223 of *Hansard* of June 10, 1942:

The government does not believe that, to serve that end, conscription for overseas service is necessary at the present time. Moreover, it may never become necessary. But, in case it should ever become necessary, it is surely the part of wisdom that there should be no doubt whatever of the power of the government to take the necessary action the moment the necessity to do so may arise. There should equally be no doubt that this power is derived from the present parliament rather than from a statute enacted in 1914.

The next paragraph contains the expression of our policy which I have used. This is to be found on page 4011 of *Hansard* of July 7, 1942, and it reads:

If, in reference to the very difficult question of service overseas, anyone can conceive of a policy which is better calculated to serve the national interest than the one the government has formulated, and which is clearly and concisely expressed in the words: "Not necessarily conscription, but conscription if necessary", I shall be the first to advocate its acceptance. I can only say that nothing of the kind has been proposed by any hon. member in the course of the debate. Nor do I believe that anything better can be suggested. Indeed, the events of the war, as well as all that has been said in the course of the debate, should have made it wholly apparent that, all circumstances taken into account, it is the only sound policy.

Having made clear the declaration of policy at that time, may I say that all we are doing at the moment is to carry out all that we were then pledged to do if the particular situation there set forth should arise, as it has now arisen.

There is one aspect which relates to the present discussion I want to make plain, and it is this. It was made clear by the government at that time that there should be no second debate on conscription. The question of conscription was settled in the debate on Bill 80. What I made very clear at that time was that if the government felt that it was necessary to act it would act under order in council, but that before the order in council would be put into force I would, if I were the leader of the government at the time, come to parliament and tell parliament that the order in council had been passed and ask parliament to give its support to the administration—not on all its policies but with respect to its war-time policy, so that, certainly in the case of one like myself who has been known to stand so vigorously for the voluntary method, I might know that there was no doubt in the mind of this House of Commons that I would see that what might be necessary would be duly carried out. To that extent I would wish to have from this House of Commons some expression of its confidence.

Let me read what in this connection I said in the House of Commons on July 7, 1942, as reported at page 4012 of *Hansard:*

If, at some future time, it became necessary in the judgment of the administration to apply conscription for service overseas, that step, it is to be presumed, would be to meet a situation which would permit of little, if anything, in the way of debate. Debate would involve delays at a moment when time had become a vital factor. Knowing that this is likely to be the case, had the government sought to postpone debate on overseas conscription until the hour of an emergency, hon. members might well have complained that on so controversial a question they were not being treated with the consideration to which the representatives of the people were entitled. It might have been said that their hands were being forced.

There is an additional reason why the debate on conscription for service overseas should take place upon the present bill rather than at a time—should the situation so demand—that the government may have reached the decision that the application of the compulsory method to military service overseas has become necessary. That reason is that the need would almost certainly arise in circumstances in which military considerations would prevent the disclosure in open debate of the factors on which the decision of the government was based. The government's judgment in the matter will necessarily depend, in very large part, on military information of the highest degree of secrecy. There is nothing more important in the movement of troops at a time of war than that all matters pertaining thereto should be surrounded with the utmost secrecy. Moreover it is not only Canada's position, and considerations of special interest to Canada, that have to be taken into account. Very careful account has to be taken of the hostile use the enemy may make of information disclosed, and of how far any disclosures on military matters may affect the position of every one of the united nations.

It has, I think, been made abundantly clear that, so far, at least, as the present administration is concerned, any decision respecting conscription for overseas service will not rest solely with the military authorities, but that any action taken under the present bill must and will be authorized by the Governor in Council. In other words, the decision will be the decision of the cabinet, subject always to its responsibility to parliament.

I have also already given to hon. members an assurance that all relevant factors would be taken into account by the cabinet in reaching a decision.

Then in the same debate, at page 4013 of *Hansard,* I said:

As to the right thing being done by the government at the right time, and in the right way, that, it seems to me, as I said in opening this debate, necessarily comes to be a matter of the degree of confidence which parliament and the people have in the administration charged with the responsibilities of carrying on the war. This does not constitute a reason for a second debate on the conscription issue. It is, however, the strongest of reasons why a government, once it has reached a decision that the needs of a situation demand a certain course of action on which opinion may be divided, should take the earliest possible opportunity of making perfectly sure that it enjoys the confidence of parliament, and that it may rely with certainty upon the support of parliament in giving effect to the decision reached.

I want hon. members to catch those words because they are significant. What the government is seeking to-day is not an expression of confidence in all of its policies, but we are asking the house to support the administration in giving effect to what has been decided. I went on, at page 4013 of *Hansard*:

Especially is this the case where widely divergent views have previously been expressed in the country, and also in parliament, on the wisdom of any discretionary power being given the administration; and where it is to be expected that differences will still exist concerning the wisdom of the decision.

If an administration is to begin to carry out its duties in the prosecution of a war, it cannot afford to be left in any doubt, at any time, as to the adequacy of its support by parliament, and least of all in a time of peril. The assurance of the confidence of parliament is particularly necessary to the leader of a government where there is the slightest reason for him to doubt the extent to which he may be able to rely upon the support he will receive in the House of Commons.

I followed with these words, which appear at page 4014 of *Hansard* of July 7, 1942:

I intend, therefore, if the time should come when the government decides that it has become necessary to send overseas men who have not volunteered for general service, and I should be in office at the time, to ask my colleagues to join me in seeing that parliament is immediately informed of the government's decision. If parliament is not in session, I would do whatever lies within my power, to see that parliament is informed as soon as possible after the decision has been reached.

I intend, at the same time, to see that, before the administration assumes the additional responsibility of enforcing its decision, hon. members are given an opportunity, not for any second debate on the question of conscription, but of showing their confidence or want of confidence in the administration.

In following this course, I hope it will be agreed that I am fulfilling the spirit of an earlier undertaking given to parliament on February 25, that "when we find that we cannot raise the required numbers of men for enlistment overseas by the voluntary method, and it is absolutely necessary to raise more men by other methods, then we will make our decision, present it to parliament, and have it discussed on its merits". The debate on the merits of conscription has, of necessity, come on the present bill. What really is important hereafter is that the government's decision should immediately be presented to parliament, and that the government should be prepared to stand or fall on its decision.

Just a few words more. I regret to quote at such length but the quotations do make clear to parliament the thought and the care with which a situation such as is presented was

anticipated, and they leave nothing that is not definite and clear in regard to the government's duty in the course it is pursuing at this time. Again, at page 4564 of *Hansard* of July 22, 1942, I said:

When the government decides that it is necessary and advisable to resort to conscription as a method of raising men for service overseas, an order in council will be passed dealing with members of the forces as a whole. It will not be a matter of passing a series of orders in council, but one order in council will cover the entire force.

That is what has been done at this time, and it answers the question asked by the hon. member for York-Sunbury (Mr. Hanson) a day or two ago. I went on at page 4565 of *Hansard* of July 22, 1942:

There is no submission to parliament with regard to conscription. Let me make it perfectly clear that, so far as coming back to parliament for any purpose is concerned, there will be no coming back to parliament for a second debate on conscription, nor will there be any coming back to get the approval of parliament of the decision made. When the government makes its decision that decision is made, and it will be carried out either by this government or by some other government. It will not have to be approved by parliament first. The question whether or not a ministry headed by myself will enjoy sufficient confidence in the minds of hon. members of this House of Commons and of the people of this country to administer conscription, once it has been decided that conscription for service overseas shall be enforced, is a separate matter, and it is a matter on which I shall wish to have an expression of confidence.

Then, at page 4625 of *Hansard* of July 23, 1942, I said:

If that is the case let me say that I do not wish to assume any obligation that hon. members of this house have not full faith in my carrying out to the letter. May I say this to my fellow-members of the House of Commons: I have shirked no responsibiilty of any kind since this war came on that I believed to be in the national interest. I have not hesitated to ask this House of Commons for any measure that I thought was essential in the national interest. . . .

I was taking a very grave responsibility when I came into this chamber and asked this House of Commons to support a policy which would carry Canada into the war. I had taken the greatest responsibility that any human being on earth can take, that of bringing his own country into the war. I did not shirk that responsibility because I believed it was in the interest of our country that we should take that step. And after three years of war—

It was three years then; it is after five years now:

—I ask my friends in this house to-night whether they think I was wrong in taking that step at that time.

I feel exactly the same about this matter of conscription for overseas service. Up to the present time I have not felt it necesary to conscript men for service overseas because our Canadians were doing honour to themselves and to their country by enlisting for training for service anywhere in larger numbers than we could prepare them. But I say to-night that, with the world situation what it is, with the situation between Germany and Russia what it is at this moment, the situation in Egypt what it is at this moment, the situation on the Pacific as we know it to be at this moment, I would be derelict to the responsibility which I bear to the country and to my fellow-members if I did not say to them that I believed it was absolutely in the interest of the country that the government should have power to take any step at any time that it deems necessary, so long as it takes that step in the light of its responsibility to parliament. If I am persuaded that it is necessary and desirable to resort to conscription of men for overseas service, I am going to support that view. But the minute I support that view, if it is the view of the cabinet, I wish to be able to come to this House of Commons and say: The cabinet has reached this decision; the next step will be to enforce it. Before that next step is taken I want this House of Commons to declare whether it has confidence in me as the head of the administration that is to carry out this policy of conscription or whether hon. members prefer to have another government in the place of the administration now in office. That is my conception of carrying out my responsibility to parliament. . . .

The people of this country will want to know two things: first, whether the head of the government that is carrying on this war has the confidence of the majority in this House of Commons, and second, where the members of this House of Commons stand, each one of them, not by their words but by their vote, on the question of the course that may be thought necessary by the administration in the winning of the war. And I intend, if it lies in my oower, to see that this House of Commons gets that opportunity, so that the people will know exactly where each and every one of us stands.

Then finally these words, as reported at page 462 of *Hansard:*

When this bill pases both houses, as I believe it will pass, and is assented to, the government will have been given by parliament power to conscript men for service overseas. That power will rest in the government. It will be there. The policy of the government is to exercise that power when it believes it necessary to do so, when it is necessary to resort to conscription to make Canada's war effort more effective. When the decision is made by the government—if and when it is made—that settles the matter as far as conscription is concerned. Conscription will have been enacted; the government will have declared that it is necessary for the carrying on of the war.

But the carrying out of a decision once it is made is a very different thing when a decision has been reached which places additional responsibilities on the ministry, responsibilities which must be faced by a responsible ministry in the light of all that has gone before, in the light of all that has taken place during this debate in this House of Commons, in the light, as my hon. friend the former Minister of National Defence for Air said this afternoon, of what is going to be

the result of the enforcement of the order not only in the immediate future but through years to come.

I say, when all that responsibility is added to the responsibility already on the shoulders of the ministry, it is absolutely necessary that this House of Commons should say whether it is prepared to give its support to the administration to enable it to carry on with that extra responsibility, or whether it is going to withhold its support just at the time that support is most needed.

That, hon. members, is the position that we are in at this hour. This House of Commons will have to express its views as to whether it is prepared to support the present ministry in carrying out the provisions of the order in council which has been passed. Hon. members will have to take the responsibility which is theirs, with all the consequences that may flow from withholding support from the present administration, in the situation in Canada and in the world what it is at the present time.

That there may be no mistake as to what the order in council really does require, I shall give particulars as to its scope. I need not repeat the words of the order which is P.C. No. 8891; I think it will be found on examination that it contains precisely in its terms what in 1942 I said I would do. That order in council P.C. 8891 applies to all personnel who are serving or may serve in consequence of having been called up under the National Resources Mobilization Act. Its enactment consequently accords with the procedure laid down in 1942, namely that the order in council deals with "the members of the forces as a whole". That is, one order in council covers the entire force. It was in reference to such an order in council that it was stipulated that the government would place the order before this house and that I would wish to be assured that I had the support of parliament in administering the order. The order in council authorizes the Minister of National Defence to dispatch overseas a maximum of 16,000 N.R.M.A. personnel. In calculating the number of N.R.M.A. personnel so dispatched of reinforcements men will be counted as N.R.M.A. personnel only if they have embarked on board ship without converting to general service. All N.R.M.A. personnel who convert to general service before embarkation will go overseas as volunteers. The additional numbers estimated to be required total 16,000, regardless of their status on leaving Canada.

The government, I contend, has surmounted successfully two crises. There have been two occasions on which the ministry itself might have been obliged as a whole to resign, with what consequences I leave others to contemplate. The decision of this house will determine whether or not there is to be another crisis at this time of war, and that, a crisis greater than any other that has ever been on the horizon of Canada. I hope this House of Commons will keep in mind what it is they are here being asked to do. Let me follow my notes closely in this: It is to support the men overseas, and nothing more than that—these men, some of whom have been absent from their homes for over five years, these men who have been fighting in Europe under conditions of horror the like of which has rarely been known in the world's history, these gallant brave young men of Canada who are offering their lives that liberty may be preserved, that human freedom may be preserved, that Christian civilization may be preserved. None of us can afford under any consideration ever to let any one of them down. When I asked this country to come into the war, I placed one solemn obligation on my own soul. It was this, that as long as it was in my power to do so, I would never fail to support the men who went to the front to fight; I have never failed them, and I am not going to fail them to-day.

It will not help the army to defeat the present government and possibly force a general election. I for one will not take that responsibility. Some one else will have to take it if I am obliged to resign. The government and the former Minister of National Defence are agreed that the army cannot wait for reinforcements for two or three months while any question is being decided at the polls. In the present situation every member with a sense of responsibility, who differs with the decision of the government, must therefore ask himself this question: "If I help to defeat the present government, do I believe that a majority of members can be found in this house who will support an alternative government which can carry on effectively the war-time duties of government?" For a responsible member, it is not enough to be prepared personally to support an alternative administration. He should also be satisfied in his own mind that an effective alternative government is possible.

There are only two possible ways of supporting the army; one is to follow the course proposed by the government, which we sincerely believe to be the right and effective

method; the other is to replace the present administration by a government which can find sufficient reliable support in the present House of Commons to carry on Canada's war effort. Moreover, such a government would have the most solemn duty to see that conscription was enforced effectively before plunging the country into a general election.

That is the issue before the house. It is not the question of conscription; it is the question as to whether the present government should continue to conduct Canada's war effort, or whether the direction of that effort should be handed over at this stage of the war to another administration. In destroying the present government no one can tell who will compose an alternative government. No one can even say who would preside over the new government. We can be sure that a considerable number of the ministers in such a government would inevitably be new men without experience of our war-time administration; some would probably be men without any administrative experience; some probably would be without seats in parliament.

Any change in government involves a great deal of dislocation and inevitable delay in administration, and such dislocations and delays in every aspect of our war administration would be bound to be serious at this critical stage of the war. But it would be even more serious if it were found, after present government had been defeated, that the various elements which had combined to destroy it were incapable of agreeing upon an effective government to replace it. The country would then be without a government in war time. An election would be inevitable, and what would happen to Canada's magnificient war effort while an election of probably unparallelled bitterness was being fought?

The issue I have suggested is not a fanciful one. I have given a solemn and realistic picture of the alternatives which face this house. The government has made a decision we believe to be the right one in the light of our responsibilities. Hon. members must now make the decision which they believe to be right in the light of their responsibilities. In making our decision, we of the government have not been concerned about our personal or political fortunes. We have tried to make the decision which in the long run will best serve Canada and Canada's fighting men. The decision which rests with this House of Commons may determine the fate of our country for generations to come.

The hour has come to rise above considerations of party advantage and to rise above the emotions, often strong and honest emotions of the hour, and to make a decision, without regard for our own futures, but solely in the interests of Canada. Let us not forget that, apart from giving the aid they so much need, it will be the poorest support we can give to our fighting men to weaken or destroy the country to which they will return. We must support our fighting men in war, but we have an equal duty to safeguard their future, and the future of their country.

Now I wish to emphasize what I have said about the undesirability of having an election in war time. If I had been looking for the political successes that sometimes come by seizing a particular moment to make an appeal to the people, I would not have waited until almost the last hour of the last session of parliament to bring on a general election. I have told my followers over and over again, when they were pressing me to bring on an election because it was then the moment to succeed, instead of waiting until the last hour, at the end of the last session, that such was not the course to follow. When I came back from England after being present at the conference of Prime Ministers and, again, after the legislation set forth in the speech from the throne in this session had been enacted, they urged upon me very strongly that it was then the moment to go to the country. But to all such overtures I replied, "This is not a time to think primarily of the success of a political party. It is a question of what is best for Canada, best for our fighting men overseas. We cannot afford, if we can possibly avoid it, short of running beyond the period fixed by the constitution, to bring on a national conflict of opinion while this great war continues."

That is not a new decision. When I spoke to members of my own party as long ago as September 27, 1943, over a year ago, and as I have said to them on different occasions since, and emphasized, both in this house and out of it, I said that in my opinion an election in war time was not advisable and, above all, an election that might involve the question of conscription. May I read some of the words which I used on the occasion to which I have just referred. Speaking to the National Liberal Federation at the Chateau Laurier on September 27, 1943, I said:

> Speaking in the House of Commons on the morning of the day of adjournment,—
>
> 1943.
>
> —I gave to the members of parliament and to the people of Canada a very clear and definite statement of the position as I then viewed it. I knew that before parliament reassembled in the new year, there would be much speculation as to what the government's course in relation to a general election might be. I was anxious that political controversy, certain to

develop in the then approaching Ontario elections, and the federal by-elections, should not, regardless of results, be allowed, if at all possible, to divert the minds of the Canadian people from an utmost effort in the winning of the war, until final victory was achieved. Accordingly, I set forth in unequivocal words, my own view as to the course which I believed it to be the duty of the government to pursue. This view I expressed in the following words:

"While our fears about its outcome have lessened, the war, in a more immediate way, has been brought closer than ever to us. All arms of our fighting services are now in the thick of the conflict. Our fighting men are certain to continue in action on many fronts, until the enemy has surrendered. No one can say for how long that may be. Our men face a terrible ordeal of battle. Until victory is achieved, above all else, they must command a singleness of purpose in our hearts and minds, and the utmost that our country can give in their support."

I see no reason whatever to alter the course there outlined because of anything which has taken place, in either the federal or provincial political arenas, since these words were spoken. Indeed, all that has since taken place, in the arena of war, affords to my mind the strongest of reasons for adhering with greater determination than ever to the resolution there expressed. Let me repeat its words:

"Our men face a terrible ordeal of battle. Until victory is achieved, above all else, they must command a singleness of purpose in our hearts and minds, and the utmost that our country can give in their support."

It was in that light, and in that light alone, at the time of parliament's adjournment on July 24th—

1943.

—that I felt any question as to the time for a general election in Canada should be viewed. I hold to that opinion more strongly than ever to-day.

And then the following on page 27:

I am most anxious to take the country as completely as I can into my confidence in a matter so all-important as a general election at a time of war. All I can honestly say is that I trust it may not be necessary to hold a general election before the hour at which we may look forward to welcoming back, to their homeland, those of that great company of the sons and daughters of Canada who have survived the ordeal of battle in the different theatres of war. Whether a general election can be delayed until that time, I cannot say. I have indicated to you, as far as, at the moment I am able to foresee them the circumstances that will govern the decision.

We owe it to our fighting men to ensure, by our united support, the success of their arms. We owe this no less to the memory of those men who at sea, on land and in the air already have given their lives; and to those also who have given their strength or their liberty that we may continue to enjoy the freedom we have, and to provide for others a larger freedom than most men have yet enjoyed. This can, I believe, be realized, if until victory is achieved, our fighting men command a singleness of purpose in our hearts and minds and the utmost that our country can give in their support.

Now, Mr. Speaker, I heard my hon. friend the member for York-Sunbury (Mr. Hanson) laugh when I indicated that it might be difficult to find another government to carry on. He was not the only one, but his voice and accents are familiar to me and I caught it. But I did hear others along the same line. Perhaps they will not listen to any words of mine, but in reading the Conservative organ in this city shortly before the meeting of parliament, I think it was about the time the notice was sent out, I was very much impressed by an editorial which was published, and it seemed to me it was intended as something in the nature of an admonition addressed to hon. gentlemen opposite. I shall read it because they may listen to that voice where I am quite well aware they are not prepared to listen to mine. The article is pertinent to the present situation in this House of Commons. Hon. members will realize that, but do not think for one moment that I agree with what it says as to the position of the Progressive Conservative party; I do not, or as to the position of the government. What I am anxious about is that hon. members of that party should see how those of their friends who are looking in from without regard the present situation in this House of Commons. The editorial is entitled "Danger of Third Parties", and I have had something to say about that at different times, Mr. Speaker, which I do not take back. It is as follows:

One good may come from this crisis over reinforcements. The good of our people being shown the danger of third parties. And of groups.

Under a straight two-party system there would exist in parliament at the present time a single trained opposition, an alternative to the government strong enough to take over and carry on with the war in the event that the government resigned—or were defeated. As it is, what we have under this third party system is three opposition groups, plus other factions, with not a single one of them commanding enough support in the house to form or maintain a government.

It is no answer to say that the existing parliament is no longer a reflection of the mind of the country; that the Progressive Conservative party is vastly stronger in the country than in the house. For while that undoubtedly is true,—

And this is the part that I said I did not agree with.

—with the government's numerical superiority in the Commons hopelessly out of line with its position in the country—

There again I do not agree.

—that could be no help in a situation under which, in the event of Mr. King refusing to carry on, the Governor General would be called upon to name somebody to succeed him. In such a contingency, and assuming that the Governor General found it necessary or desirable to name a successor from some party other than the Liberal party, an immediate election would be necessary—necessary because no one of the other parties could by any stretch of the imagination command enough support in the house to carry on.

Under a third party system, under groups, it must always be that way. Either one party must have more supporters than all the other parties combined, or you have government by minority—which means government by log-rolling, by appeasement, by hand-to-mouth strategy.

Such a thing, bad under any circumstances, must mean impotence in time of crisis.

Mr. HARRIS (Danforth): There is impotence surrounding the Prime Minister now, all around him. Just look around you.

Mr. MACKENZIE KING: I am not responsible for all that the editorial contains, but it does bring home to this House of Commons and also may help to bring home to the country the situation with which we are faced. Let me say at once—

Mr. HARRIS (Danforth): The impotence is around you.

Mr. SPEAKER: Order.

Mr. MACKENZIE KING: Let me at once make it perfectly clear to the house what the position is. It is a position that may arise this week. It may arise the moment that the vote has been taken. I have said, and I want to make it clear, that I will not for one moment seek to carry on with my colleagues the administration of affairs unless I am supported by this House of Commons in connection with the motion that is before us. That motion, as I have already said, does not, as I have been careful to state, mean that the government is asking for confidence in all its policies; it does mean very clearly that we are asking for the support of the House of Commons, which we shall need, to secure the needed reinforcements to support the men overseas at this time of war as well as our other war-time policies. That is all that it calls for.

Mr. HANSON (York-Sunbury): That motion was put on the order paper before you changed your face.

Mr. MACKENZIE KING: May I come back at once to the position that will arise if the government is defeated? I think I have given this house strong enough reasons to see the situation that would have arisen at the time of the resignation of the former Minister of National Defence if I had not been fortunate enough to be able to enlist the services of General McNaughton as Minister of National Defence. I have given this house ample evidence of what would have been the crisis that we would have had to face had my colleagues and myself not been able to join together in the manner we did in bringing forward the policy on which we are asking the support of the House of Commons to-day.

I am happy beyond all words for one thing; it is that the responsibility from now on is largely off the shoulders of the ministry and is in an even greater degree upon the shoulders of hon. members of the House of Commons. They will be the ones who will have to determine whether or not this ministry is to continue to carry on the war effort of this country for a further period of time, and administer this order in council, or whether some other ministry is to take its place.

Now, then, as to another possible ministry. I want to show the house where I stand and what my responsibility is. I have a first duty should I find that I have not the support of this house—and let me pause and say this: I am not going to attempt to carry on with the support alone of groups opposite. If I cannot get enough support out of my own party to feel sure that the men of my own party are behind me without depending on those who are politically opposed, then my resignation will go in to the Governor General the very moment that my own—

Mr. HANSON (York-Sunbury): Now you are cracking the whip.

Mr. MACKENZIE KING: Just a moment. May I come to the situation that will arise when it becomes my duty to advise the Governor General that I have come to the conclusion that I should resign? How will I reply to His Excellency's question: Who is to be called on to form a government? May I just—

An hon. MEMBER: Bring in Bracken.

Mr. MACKENZIE KING: Just a moment. Did I hear someone say "Bring in Bracken?" I do not wish any word of lightness to enter into this debate. Am I to advise His Excellency to call on Mr. Bracken? Mr. Bracken is not a member of parliament—

Mr. ROSS (Souris): Neither is the Minister of National Defence.

Mr. MACKENZIE KING: —has never been in this House of Commons.

Mr. ROWE: Neither has McNaughton.

Mr. MACKENZIE KING: Just a moment. As I said, has not been in the House of Commons. And when I think that what we are seeking above all else is to help men overseas in what is needed at this time, I have to ask myself this: Would His Excellency feel that I was justified in making such a recommendation for one whose duty it would be immediately to form a government?

Now may I turn to hon. gentlemen, first on this side; to my colleagues in the cabinet? I am quite prepared that any one of you should take this responsibility if the house has greater confidence in you than it has in me. No man in the world would be more relieved to be free of responsibility at a time like this than I would, after carrying on for the years that I have, at the age I have reached; no one would be more relieved to have someone else carry my responsibility for a time. Unless, however, you are prepared to form another administration, I ask you to consider my position as leader of the Liberal administration. Now I ask my hon. friend the leader of the Progressive Conservative party opposite; I ask my hon. friend the leader of the Co-operative Commonwealth party; I ask my hon. friend the leader of the Social Credit group, each the leader of a body of members in this House of Commons: If I go to His Excellency the Governor General and tell him I can think of no one but the leader of the opposition or one of these other leaders to take on the responsibility of government, are you prepared to assume that responsibility? Unless you are, unless you feel that you can present to the country an alternative government worthy of its support at this time, I think you owe it to this administration to support it in carrying on the wartime administration and supporting the army overseas.

Let me make this perfectly clear, because we are all here as the representatives of the people of Canada. I ask you, what position will this country be in before many days have passed if the ministry of to-day is obliged to resign because it has not the support of the House of Commons? I have gone through two experiences within this past fortnight which caused me to realize that there was a possibility that the pillars of the temple of our Canadian national life might be drawn out from under and the structure come down, bringing disaster to the whole nation. I do not intend ever to go through that experience again. If anyone has ever gone through such an experience he will realize something of what it means to carry the load of responsibility that has been mine in this time of war. I am not going to plead with any man to give me his support. Every man must answer to his own conscience, as I must, but I owe it to this country to let the people know in the clearest and most unmistakable manner what the situation may be if this administration is not supported.

Now may I say just a word in conclusion to my hon. friends from the province of Quebec. I have been told time and again that in my political actions I have been seeking to appease the province of Quebec or at all costs to retain its support. May I say that I have never, in any act of mine in this parliament, sought to take one step to please one particular province rather than another. Any step I have taken in any public act I have performed has been taken in the interests of Canada as a whole, not in the interests of any particular province. It is true that, to the best of my limited abilities, I have sought to have the people of Canada understand the province of Quebec. I have not reminded them very often, but I should like to remind them now, of the fact that if it had not been for the French-Canadian people this Canada of ours would not be a part of the British Commonwealth to-day. If the French-speaking people of Canada had taken the stand that was taken by the English-speaking people of the thirteen colonies at the time of the war of American independence, and had joined them in declaring for independence, there would have been no Canada under the British flag to-day, and there would have been no separate Canadian nation. That is something it is worth while for the rest of the people of Canada to remember. More than that, if the French-speaking people of Canada had not successfully opposed with force the armed forces that came against Canada at that time, this country would not be under the British crown to-day. And may I go a step further and remind this house that not only at that time was Canada saved to the British crown. In the war of 1812-14, when forces from the country to the south invaded Canada, again the French-speaking people of Canada shouldered their muskets, went out and met the enemy and defeated him, and saved this country to the British crown. So I say for this, if in nothing else, something is owing on the part of the other provinces to the province of Quebec. Something is owing to them on the score of chivalry, a people who have been in this country for three hundred years and more, who were settled here for a hundred and fifty years before any number of British settlers came to the country. Look back over the history of those three hundred years, during which they have lived peaceably and

quietly, always helping to do those things which would further the prosperity of their people and of this country. Those people met the situation that had to be met at the time of the transition of this country from the French flag to the British flag, and surely something is owing to them for the way in which they have played their part ever since as a part, a large part of the dominion as a whole.

May I say further that if at times, though not as often as I should, I have sought to defend the men and women of the province of Quebec from the ruthless, unprincipled and often brutal attacks that have been made upon them by some people from other parts of the country who ought to know much better, it has not been merely because of my desire to see fair play and justice and to prevent a course of action which is indefensible in every way; it has been in the firm conviction that one who belongs to the majority cannot do too much in protecting the rights of the minority. This country is composed of minorities. Canada cannot be governed unless the rights of minorities are respected. This country cannot be held together as a nation otherwise. It is not only the French Canadians who compose a minority. We have large minorities here of other races as well; and the responsible leader who has to do with the administration of affairs of this country who does not consider the rights of minorities will never be capable of holding this nation together. Think of their position in relation to the war; let us speak very frankly of what some of our French-Canadian friends have come to fear. It is not conscription as such that they are afraid of. They have submitted to conscription already under the National Resources Mobilization Act. They have accepted that situation, and they are obeying that law. But they look upon overseas conscription as a symbol of domination by the majority. I hope my fellow Canadians will look at that aspect of it. They see, I think, the fact that for the most part they are French-speaking and of the Roman Catholic faith. On the other hand they see that those who are asking for conscription, those who will more or less have to do with command on the field of battle, are for the most part Protestant and English-speaking. Those are simple facts, but they express and account for a very great deal. If we want to do something that will keep our country together, we will keep that in mind all the time.

Mr. HANSON (York-Sunbury): This is a democracy, is it not?

Mr. MACKENZIE KING: I do not wish to go any further with that subject. Speaking of my seeking to appease Quebec, let me say that in this parliament two or three steps have been taken which have been very difficult steps for me to take; they were certainly not taken to get the support of Quebec, but they were taken with the support that I had from the province of Quebec.

One of these was in connection with redistribution. I was responsible more than anyone else for asking this parliament to allow the question of redistribution to stand over until the war was over. Who stood to lose by that? The province of Quebec did, relatively to the rest of Canada. They accepted it. That was not an effort to appease Quebec; that was asking Quebec to join with the rest of Canada to prevent disunity and bitterness and discord. The members from Quebec and the Province of Quebec accepted it, and they accepted it in a graceful way.

I was the one who had the responsibility and duty of bringing in bill No. 80, the amendment to the National Resources Mobilization Act. Bill No. 80 had as its principle the possibility of conscription for overseas. In bringing in that measure was I seeking to appease Quebec? was I pandering to Quebec? Look over in the opposite corner and you will see what happened after the bringing in of that measure. That measure was accepted by the great body of my friends here on this side of the house, but there were some who were unwilling to accept it. With that measure began the little rift within the lute of the Liberal party so far as this house was concerned. One minister from Quebec resigned; one member after another began voting against us, and to-day that rift has become wider and may become wider still in the course of this present discussion.

Am I seeking to appease Quebec when I ask this House of Commons to support the government after it has adopted this measure?

I hope I am not appealing in vain to my friends who have trusted me so firmly through the years that have passed to trust me again on this occasion. I think I know what is in their minds. They will ask me how I reconcile my attitude as a follower of Sir Wilfrid Laurier with my position to-day. They will ask me how I can take this action in the light of speeches which have been delivered from this very desk by the man who was my truest and closest friend through my whole political life, the Right Hon. Ernest Lapointe. May I answer, not in my own words but in the words of St. Wilfrid Laurier and the Right Hon. Ernest Lapointe.

Let me quote from the first public address made by Sir Wilfrid Laurier after election to the leadership of the Liberal party. This address was delivered on August 2, 1887, at a political picnic at Somerset, Megantic county. I quote from page 355 of the "Life and Letters of Sir Wilfrid Laurier" by Oscar Douglas Skelton:

French-Canadians, I ask you one thing, that, while remembering that I, a French-Canadian, have been elected leader of the Liberal party of Canada, you will not lose sight of the fact that the limits of our common country are not confined to the province of Quebec, but that they extend to all the territory of Canada, and that our country is wherever the British flag waves in America. I ask you to remember this in order to remind you that your duty is simply and above all to be Canadians. To be Canadians! That was the object of confederation in the intention of its authors; the aim and end of confederation was to bring the different races closer together, to soften the asperities of their mutual relations and to connect the scattered groups of British subjects.

Again, speaking at the Monument National in Montreal on June 3, 1916, Sir Wilfrid Laurier said:

This, my compatriots, is what I ask—this is the entente cordiale I would have us achieve by service together. I have followed the ideal of conscience as prompted by my heart. Do not let us waver from the right line of conduct. I am older than most of you, and I am more than ever convinced that there is no real success but that which is based and has its foundations on right and justice and the generous instincts of the human heart. Let us unite to allay and, please God, to extinguish the prejudices that pull us apart, and do our utmost like real men and women to bring together the two elements in our country.

Come, my young compatriots, with these brave young men who offer their services—their lives—that France may live, that Britain may continue her noble and generous role and that heroic Belgium may be restored to her standing as a nation.

Those words were spoken in the course of the last war. To-day the call to my French-Canadian friends and colleagues is to a still wider service, to service not only for the salvation of France and Belgium but for the salvation of this world from domination by an enemy that would destroy human freedom and our Christian civilization.

Mr. Lapointe even before the war began, made a most realistic statement in the house to which I would ask you to listen. He was giving a word of guidance to his fellow citizens of the province of Quebec and to our country. It was given in relation to this very war, the fires of which even then were visible upon the distant horizon. This statement will be found on page 2469 of *Hansard* of March 31, 1939. It reads:

Canada is part of the world, and this planet unfortunately cannot be considered to-day as an earthly paradise inhabited only by benevolent and rational beings of an altruistic turn of mind. It is not an oasis rich in natural resources used only to benefit mankind but never to excite the covetousness of predatory powers. The seven thousand mile flight from Egypt to Australia of three British service bombers is fresh in the memory of everyone. It is quite evident that Canada is now well within the possible sphere of action of any military power of the first rank, should that power deem the action worth while. In this troubled period of history, Canadians cannot be mere spectators; they are vitally interested in the outcome of the tragedies enacted before their very eyes. Much of the bloodshed and misery that history records has been the direct result of honest, idealistic but impractical wishful thinking. There is no reason on earth why pious aspirations, unsupported by anything more substantial, should be more effective protection for us than they proved to be for Abyssinia or China; and we must remember that even the excellent Czech army proved inadequate when left without support. So I say this, and I want my colleagues to hear and understand me: if there is one chance in a thousand that what our experts say could happen may occur, I should be a traitor to Canada, to my own people, if I would not help to provide against it.

That was said in 1939 by the closest, the truest and the most devoted friend I have had in my political life. With how much greater emphasis would he, were he with us at this time, repeat his words to-day.

Mr. Lapointe at another time also said something that comes very close to home so far as I am concerned. His words are reported on page 961 of *Hansard* of February 24, 1941:

Perhaps I am more at liberty to speak than other members of the government because I would gladly give up my own place to someone else if that were the better course to pursue. I feel sure that those who know me well, realize that it is only a sense of duty that keeps me in the position I now hold.

I hope I can say that with equal truth myself. I should be happy indeed to have had some one take the responsibility that has been mine for so long a time. In years of membership I am now, excepting one, the oldest member of the privy council of Canada. I am to-day, excepting one, the oldest member in years of service in this House of Commons. For the past twenty-five years I have been the leader of my party and I am now in my eighteenth year of office as Prime Minister. In another few weeks, I shall have reached my seventieth year. As long as I can continue to serve my country in any capacity I shall do the best I can toward that end. But I tell you, honestly and frankly, that the load is getting heavier and heavier day by day, and to carry on at this time, I need all the support I can get from men who are like-minded in their thoughts and aims.

Let me read what Mr. Lapointe said about an expeditionary force. This was on September 9, 1939, as reported at page 67 of *Hansard* of that date:

. . . Much has been said about an expeditionary force. Let me say first that I agree with what the Prime Minister said yesterday. Applications are pouring in—and they are coming from Quebec also—from people who want to enlist. Far from urging people to do so, we have so far taken the position that it is better to act in an orderly way, to avoid confusion and consult with those whom we want to help. But if the need comes, does any member of the house think any Canadian government, whether this or any other, could stop the thousands of volunteers who would like to fight for Britain and France? Does my hon. friend from Beauharnois-Laprairie believe that a government, even if he were a member of it, could resist the pressure from all parts of Canada for an expeditionary force? Unfortunately, or according to my own view, fortunately, this country has to be ruled by one government, and no government could stay in office if it refused to do what the large majority of Canadians wanted it to do.

All that Mr. Lapointe prophesied there has been fulfilled. There is not a word there that is not even truer to-day in its application than it was then. No government could stay in office if it refused to do what the great majority of Canadians wanted it to do. This was an appeal made in connection with an expeditionary force. Here the appeal is for the necessary reinforcements for those who have volunteered and who are prepared to sacrifice their lives that our country may be spared the curse of nazi domination.

I have spoken much too long. Without further delay, I beg to move, Mr. Speaker, seconded by Mr. Crerar:

That this house will aid the government in its policy of maintaining a vigorous war effort.

Let me say of this motion, it does not ask for approval of order in council P.C. 8891. That order was enacted in strict conformity with Bill 80, and the government's authority to take such action was specifically approved by the vote on Bill 80 in 1942. The issue of conscription is not being decided by this vote; it was settled two years ago.

The motion does not ask for an unlimited vote of confidence in the government. To do so would be unfair to political opponents of the government who nevertheless are willing to aid the government in the vigorous prosecution of the war.

As I have said, the motion is not to be construed as an endorsation of government policies generally. So far as it relates to confidence in myself, that confidence is being expressed in relation to myself as one charged with responsibility of seeing that the policy set forth in the order in council P.C. 8891 is duly administered.

The motion does ask, and asks only, whether members are prepared to support the government in continuing to carry on Canada's war effort at this time.

Any member who votes against this motion is asking to have the present administration resign, and another administration immediately take its place.

Mr. Speaker, I am indeed grateful to hon. members for permitting me to continue until after six o'clock. We can probably arrange to have the evening sitting commence at 8.30 instead of at 8 o'clock.

Before we adjourn, however, I have one further quotation which with the permission of hon. members I should like to give to the house and then to repeat its words on behalf of myself.

This question of Canadians serving overseas which we have been discussing anew to-day came up for consideration for the first time in this parliament as long ago as the South African war. Even prior to that much earlier in a smaller way in Sir John A. Macdonald's day. But at the time of the South African war Sir Wilfrid Laurier, speaking in different parts of Canada, made to the country in a confession of faith a statement of what he stood for and sought to stand for in Canadian life. I should like to conclude by reading these words uttered by Sir Wilfrid Laurier forty-four years ago. They will be found in the "Life of Sir Wilfrid Laurier," by Peter McArthur, at page 97. The words were uttered by Sir Wilfrid on March 18, 1900:

If there is anything to which I have devoted my political life, it is to try to promote unity, harmony and amity between the diverse elements of this country. My friends can desert me, they can remove their confidence from me, they can withdraw the trust they have placed in my hands, but never shall I deviate from that line of policy. Whatever may be the consequences, whether loss of prestige, loss of popularity, or loss of power, I feel that I am in the right, and I know that a time will come when every man will render me full justice on that score.

May I repeat those words as my own, having in mind at this moment all that Sir Wilfrid Laurier meant to me as a leader, all that he meant to me as a friend, all that he meant to me as a great Canadian and a great statesman. I wish to address these words to this House of Commons to-day and I want them to be words that will be remembered of me by my fellow-citizens when I also am gone:

If there is anything to which I have devoted my political life, it is to try to promote unity, harmony and amity between the diverse elements of this country. My friends can desert me, they can remove their confidence from me, they can withdraw the trust they have placed

in my hands, but never shall I deviate from that line of policy. Whatever may be the consequences, whether loss of prestige, loss of popularity, or loss of power, I feel that I am in the right, and I know that a time will come when every man will render me full justice on that score.

At six o'clock the house took recess.

After Recess

The house resumed at 8.30 p.m.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, this is perhaps the most important and momentous debate that any of us who sit in this parliament have participated in. I think I made it very clear in my first remarks at the opening of this adjourned session how serious I feel are my responsibilities and how important are the decisions which we are to make in this parliament, both to our men and women overseas and their dependents, and to the nation as a whole. I do not know how long this debate will last, but I hope that so long as it lasts this house will behave in both word and action as though every act were seen and every word heard by the troops who are fighting overseas to-night. This is peculiarly, I think, a parliament of those who fight for Canada, and indirectly of their dependents as well. Nowhere else and in no other section of our people is the interest keener or the concern greater than in that section which fights for us and that other section which waits for our fighters to return.

If I may add this personal note, it always seems to me unfortunate that we of, shall I say, middle age are refused enlistment in the army because of physical disabilities, and that the flower of our manhood, people who can be spared so much less easily than we who have reached the midday of life, have to pay the penalty and make the sacrifice and give the dangerous service for those of us who have to stay at home. It is one of the tragic circumstances of war. It seems to me it is too bad that some way cannot be found whereby those of us who mean so much less to this nation could be sacrificed, instead of those who mean so much more. I dare say that every man and woman in this house have felt, at one time or another during this war, the sentiment I am expressing now.

This crisis, which is of course the reinforcement crisis, is one which the government itself could have met and solved had it taken the courage to do so without allowing it to reach the proportions that it has reached or disturbing and distressing our people, both here and overseas, in the long and tragic process. It is unfortunate, Mr. Speaker, that a debate is now in prospect on a subject which arouses this nation's passions and emphasizes in some respects, perhaps, its divisions. But this is a democratic assembly. We, the representatives of the people, have a right to be heard. Whatever may be the quantity of talk in this debate, let us hope at least that the quality will be high. From the very depth of my convictions I express the hope that when this parliament rises it will be possible to say of all of us, irrespective of where we sit in this chamber, that when it came to a matter of dealing with the troops overseas, parliament was able to let the party bars down once and for all and deal with this question on its merits for them and for the nation as a whole, rather than have any of its decisions influenced, even in the slightest, by artificial party divisions.

Due care and concern for national unity should be manifest in all our speeches. We have to make a fresh approach to this matter. For some considerable time, as the Prime Minister (Mr. Mackenzie King) said this afternoon, the question of national unity has loomed large in the eyes of our people. I should like every part of this nation to know—perhaps they might be more difficult to convince than my neighbours in the House of Commons, because we know each other personally—that those of us who take part in this debate—and I should like to think that this is the unanimous consensus of the house—have no hatred in our hearts for any single section or part of Canada. Let us see that on all sides we do our best to keep any fissures in the national unity or any national divisions from growing deeper or wider because of things which we may carelessly say. Let us not forget that our enemies in this war do not happen to be Canadians; our enemies are the cruel aggressor nations of Germany and Japan; and let us conduct this debate with that thought definitely and properly in our minds.

Without indicating what in my opinion this debate should produce, or how it should be conducted, I would repeat the words of Mr. Churchill: "Let us keep our eye on the ball." There is still only one issue before this nation and that is the winning of the war. I have heard the Prime Minister speak of victory being a certainty and I saw in the papers that the Minister of Fisheries (Mr. Bertrand), addressing an audience in his own province, is reported to have made the state-

ment last week—he must have had some information which the Prime Minister did not have, certainly information which we have not had—that the war was won. That seems to me to be repeating a fallacy which I think we have committed on previous occasions in Canada, because this war has not yet been won. Victory is not here yet, and the Prime Minister himself this afternoon went so far as to speak of the appalling phase of the war that has yet to come.

The public want us to do a job in this parliament and they will not be satisfied with a half-finished job. I think they will demand that the job be cleaned up and completed once and for all because they do not like crises any more than the government does or we do. They do not want any more cabinet trouble. They do not want any more delays in providing help for our hard-pressed troops overseas. I thought in some of his remarks this afternoon the Prime Minister appeared to contemplate the possibility of another crisis such as this. But as regards the order in council which has just been passed and which is now law, if we leave this parliament with just that order, restricted as it is to 16,000 troops for reinforcements from N.R.-M.A., I do not think we shall have completed the job.

Moreover, I think it was quite clear from the Prime Minister's remarks this afternoon that when further troops are required for reinforcements, over and above the limited number of 16,000, other orders in council will have to be passed in order to provide those necessary reinforcements. The order in council itself contemplates that very thing. How many there will be is of course a matter of speculation so far as I am concerned, but let me tell you, Mr. Speaker, that when we leave this parliament with an order in council such as we have now, which the Prime Minister says covers all those men, but which does not dispatch them or direct the remainder of them, then we are running ourselves right into a headwind again and it is quite possible and indeed probable that we shall have more cabinet crises for this nation to take care of in the future, as we have had in the past.

Having that definitely in mind, while the Prime Minister said that it was not his intention to bring these orders in council before parliament for ratification, nevertheless if we are to have a cabinet crisis each time orders are extended, and if they are to be the same kind of cabinet crisis as this one, you may rest assured that we shall be very fortunate in this country if parliament does not have to be called upon to settle the dispute once more.

I say therefore that the job has not yet been done. More than that, the present government surrenders to a partial policy of overseas compulsory service which some have labelled in the newspapers as controlled conscription; but so far as the Prime Minister is concerned, with this change in policy on the part of the government, it seems to me that this order in council is very much like an unwanted child, particularly as regards the Prime Minister—and I make no personal aspersions in that comparison. Not only is it an unwanted child but it is in the hands of a parent who is reluctant to look after it.

I listened this afternoon with a good deal of interest to the Prime Minister's remarks, and I could not help thinking at times that we were almost intruders on the scene, because it did seem to me the Prime Minister was not always talking to parliament but was talking to a caucus of government supporters. As I listened to him I could not help feeling that his very attitude indicated a frame of mind, so far as this order in council is concerned, which I think is the kind of attitude from which one would not expect a very vigorous or enthusiastic administration of the order. It was not the bold, vigorous position taken by a man whose heart was in the order in council or in the legislation. A part of his speech I did not like because it looked too much like an apology rather than a support of the new legislation. Having that in mind, it seems to me that the question of confidence in the Prime Minister to carry out properly the terms of that legislation was left more in doubt this afternoon by his words than by anything that might be done over here to throw doubt upon it.

As regards the order in council, it is not very much wonder that we on this side of the house are desirous of having a full and complete job done. I shall not take the time of the house now to read the order in council which was passed when the expedition of Canadian troops went to Kiska. That order in council calling for troops from N.R.M.A. to go from Canada to the Aleutian islands and Alaska, including Kiska, was an all-out order, an order in council that did not deal only with 16,000 trained men. It was an order in council that did not pull any punches whatever. It was an order in council that put the entire N.R.M.A. personnel to whatever use was necessary in that territory or theatre of war. Why was it that the government did not do the same in this instance as they did in the Kiska incident? Why did they limit it? Why was not the same application made in this

instance? I believe we are entitled to the same kind of order in council for Europe and the United Kingdom as we had for the Aleutians and Alaska. It would seem to me that we are in a much graver and more urgent position with respect to our forces at this time than we were on that occasion. When this order in council is contrasted with the Kiska order in council we find that this government has for some reason or another definitely pulled its punches and we, Mr. Speaker, are opposed to the pulling of punches in this last phase of our struggle in the war.

I believe it has been properly said that the present order in council establishes three armies for Canada. We have had a two-army system, a home defence army and a general service army. This order in council divides our home army until to-day we are faced with not two armies but actually three armies in Canada. As a matter of fact the time has gone when we can fiddle and fool with this kind of legislation. We should have one army in Canada, not three as the order in council now makes it. Therefore I wish to say to you, Mr. Speaker, and to the Prime Minister that I join with those who have already expressed doubts as to where this piecemeal and appeasement policy is to land this nation.

Mr. FRASER (Northumberland, Ont.): Where were you in 1940?

Mr. GRAYDON: I was here as you were. Would my hon. friend, who is a good-natured interrupter, please allow me to finish my address. I tried, so far as I could, to avoid even interrupting the Prime Minister. If my hon. friend will only do the same for me I will appreciate it. I do not want my hon. friend to think I do not wish to answer the question, but he knows as well as I do that it interrupts my train of thought.

Mr. FRASER (Northumberland, Ont.): You cannot answer it; that is why.

Mr. GRAYDON: In so far as the 16,000 covered by the order in council are concerned there is no real guarantee that if more than the 16,000 are required we shall be free from cabinet trouble or more convulsions of public opinion or more crises. I believe that the present policy is confusing; the whole nation has great difficulty in even understanding the purport and the language of this order in council.

There is another matter. After the dizzy whirl which produced a certain government policy last Wednesday, still another one on Thursday and still an extension of that again on Friday, I believe the public will be glad, if I may say so without offence, that the Prime Minister seems finally to have come to rest. But the lightning changes in government policy make it difficult for the people to keep abreast. It must be difficult for General McNaughton to keep abreast of the changes that have been initiated, because in the shuffle and various changes this government has lost two valuable ministers within one month and both for opposite reasons of policy. No single bold step has been taken with respect to this matter at any time. It has been a government retreat from trench to trench and from trench to trench.

I do not like to hear too much emphasis laid upon minimum requirements with respect to reinforcements. Too much emphasis has been laid upon the minimum and not enough upon the maximum. In mutual aid we went the whole hog, but on a more important issue we have gone only step by step and in a piecemeal fashion. It seems to me that this nation has not waged what one could call total war, despite what the Prime Minister suggested this afternoon, and this order in council does not completely cure that situation. It actually lowers the ceiling of pressure upon 16,000 men in the home defence army in the hope that some cabinet minister will be able to go into his riding and say that these have volunteered. It amounts to compulsion through pressure, or, as some have already said in the house, conscription by coercion.

It has been said, too, that the old policy of conscription if necessary but not necessarily conscription has now been changed to draftees if necessary, but not necessarily draftees. It may well have gone far enough into the area of overseas compulsory service to alienate those parts of Canada opposed to it and not far enough to satisfy those who see in its provisions a failure to go all out in solving the problem.

There is another problem that ought to be faced by this parliament and with which the Prime Minister has not dealt. When this war is over or when action in the Pacific arena gets under way, are those Canadians now serving in the European field of conflict to be asked to go to fight in the Pacific while men drafted under the N.R.M.A. remain in Canada? That is a problem, and that is a question which is being asked in letters which members of parliament generally receive from the battlefronts. The present shortage of reinforcements for units now in Europe prove conclusively, I believe, that another army for the Pacific war cannot be raised in Canada

from the number of men available unless we use men now in service under the N.R.M.A. I think the government owes an answer to this question to the men now fighting overseas and to those who have been away so long in service.

I should like to make one reference to that long-term service. I fancy that many members of this house have from time to time received letters from overseas with respect to that. Some of these men are celebrating their sixth Christmas overseas. At least a dozen of my close friends, unless they are in this next group that come over, will have spent their sixth Christmas in parts other than Canada. It is perhaps a matter for criticism that only 450 men should be coming back on Christmas leave; I believe a great many more who are facing their sixth Christmas overseas should be allowed to return on leave. To those at home this may not seem such an important matter, but I want to point out to you, Mr. Speaker, that most of us do not like to spend one Christmas away from home even though we are still in this country. Think what must be the feelings of a man who has been overseas for five years, now facing the prospect of spending his sixth Christmas away from home!

Now if I may I should like to refer to a matter which was mentioned this afternoon by the Prime Minister. He dealt with a number of matters, and on one or two occasions I thought was somewhat careless and unfortunate in the language he used. Only a few days ago the Prime Minister asked to have expunged from the record certain statements made by an hon. member of this house; then this afternoon he went so far as not only to leave the suggestion but to make the statement that one of the alternatives to the defeat of this government and his resignation was anarchy in Canada. I do not know whether the Prime Minister had in mind the usual meaning that is attached to "anarchy," but in the public mind it might mean anything. Therefore I would ask the right hon. gentleman to have that word expunged from the parliamentary records, as a dangerous statement to make, because it seems to me anything could be taken from such a statement by a certain section of the public, anxious to pick up such statements made by prominent public men. The word carries two or three suggestive meanings which, even as leader of the opposition, I do not think I would be justified in using in this House of Commons. Of course that is nothing new for the Prime Minister. I do not want to hark back to 1935, because it may not have very much to do with this debate, but in the last week of the election campaign of that year the Prime Minister caused to appear on great billboards across Canada advertisements reading: "Elect the Liberal party. Let Mackenzie King have a working majority. It is King or chaos." We had to wait for nine years, but in the end we got both. I do not think the Prime Minister should use the House of Commons as a sounding board for another election cry, "King or anarchy in Canada."

Mr. FRASER (Northumberland, Ont.): Nothing could be worse than bigoted Toryism.

Mr. GRAYDON: If I could just proceed with my speech, without my hon. friend interrupting me—

Mr. FRASER (Northumberland, Ont.): I repeat, nothing could be worse than bigoted Toryism.

Mr. GRAYDON: In this debate, Mr. Speaker, I have tried to keep on as high a plane as possible, and I should like the cooperation of the house in that endeavour. I did not think the government benches would deny me the right at least to present my case, without interruption, on such a major issue. Surely in what I have said so far in this address I have done nothing more than simply present the case as I see it.

Mr. FRASER (Northumberland, Ont.): There is nothing worse than bigoted Toryism.

Mr. SPEAKER: The hon. gentleman who has the floor has asked that he be not interrupted, and I must ask the hon. member not to interrupt.

Mr. FRASER (Northumberland, Ont.): Then let him watch his step.

Mr. GRAYDON: I am sorry there are hon. members in this house who desire to conduct themselves in this way at this time. I believe the great majority of hon. gentlemen take this matter very seriously, and I wish that could be said of all, because even in the opposition we have some rights to present our case.

The Prime Minister has brought into this house a motion of confidence in himself and his government, with respect to which motion I should like to say just a word. The right hon. gentleman made a strange suggestion regarding that vote of confidence. He said, "Of course it is not a complete vote of confidence; it is only a vote of confidence with respect to the administration of this particular order in council." I want to say to you, Mr. Speaker, and to the Prime Minister that according to the Prime Minister himself this

order in council now is law and in full operation, as far as it goes. The vote with respect to the order in council is a vote of confidence in those who are to carry out the terms of that order in council. I think we who observed the Prime Minister's attitude this afternoon were left with very grave doubts in connection with the present position. In the first place the government in its motion intimates that a vigorous war effort is being conducted by the government and speaks of the maintenance of that vigorous effort. But as far as we are concerned the policy of this government does not go far enough in the direction of total war. I believe the wording of the motion should be altered in accordance with the terms of an amendment which I shall shortly offer this house. More than that, I believe the course which has been followed by the Prime Minister in regard to this whole matter has caused him to forfeit the confidence and faith of this Canadian parliament. It is rather difficult to know just what the government has in mind with respect to this motion of confidence. The motion was placed in the *Votes and Proceedings* by the Prime Minister while the government's policy was the voluntary system; it was introduced in the house after the government had adopted the new policy of compulsory overseas service. That in itself, I think, is enough to cast suspicion upon the whole question of the position of the government with respect to the confidence of this parliament.

I want to make it clear and plain, so plain that it cannot be misunderstood, that we in this party always have been ready and willing to cooperate with the government in every possible way relative to the war effort. In a war-time period, with one party carrying on the war, there is a duty and obligation placed upon the opposition to see that the government gives the maximum service and efficiency in the prosecution of the war. The very fact that that is the position and the relationship sometimes leads to misunderstandings as to the motives of both. I want to say to the Prime Minister, and to you, Mr. Speaker, that this opposition is prepared at all times to give to this government, or to any government that may have the direction of affairs in this parliament, the cooperation and help to which it is entitled in order to carry on the war. But our great difficulty has been that this government has not gone far enough in the direction of total war. Our criticism has been directed largely in that direction and it will continue to be directed in that direction.

We want total war, but we have not been getting it from this government. I think the underlying reason for the lack of confidence in the administration of the Prime Minister is that he has not his heart in the legislation which has just been passed by order in council. It seems to me that he has lost the confidence of the house at this time. I should like to bring my remarks to a close by quoting the favorite newspaper of the Prime Minister. He used the Ottawa *Journal* as part of his argument this afternoon, and I wish to quote with approval from an editorial which appeared in the Ottawa *Journal* this morning. I quote:

> If Mr. King and General McNaughton still don't believe in the compulsion principle, then are they the people to be carrying out this order in council? Here we have a minister of defence coming to parliament and saying to it in effect: "I am going to carry out this policy, but I don't believe in it—am against its principle". We say as plainly as we can that General McNaughton would show more of integrity, certainly more of logic, if he said instead: "I don't believe in the principle of this policy; you had better get somebody to carry it out who does believe in it." And that goes for Mr. King.

Mr. ROWE: What paper is that?

Mr. GRAYDON: The Ottawa *Journal*. The Prime Minister introduced the *Journal* into the debate this afternoon and I thought there was no harm in quoting it again to-night. I intend at this stage to move an amendment to the motion of confidence moved by the Prime Minister. This motion is seconded by the hon. member for Lake Centre (Mr. Diefenbaker) and reads:

> That all the words after the word "that" to the end of the question be struck out and the following words substituted instead thereof:
>
> "This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice."

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, when we assembled a few days ago we endeavoured to approach the problem which faces parliament with open minds. We have listened to the evidence that has been placed before the house and have endeavoured to reach an opinion which will be in the nature of an intelligent appraisal of what we have learned during the days we have been assembled. To-night I shall try to place before the house what we believe as a result of the discussion we heard during the three days of last week.

I want to say at the outset that in our opinion the issue before parliament is reinforcements, not conscription. When the National Resources Mobilization Act was adopted in 1940 the government was given authority to conscript men, their property and resources for the purposes of war. In varying numbers and classes and for various purposes young Canadians have been conscripted already. As we predicted at the time, the government has not used the wide powers conferred upon it by the act to impose a total war effort by conscripting the financial institutions, the war industries and accumulated wealth. The outcome of the long investigation earlier this session into the chartered banks resulted merely in the confirmation of their special privileges and charters for another ten years.

Let us be clear then that the problem before parliament is not whether men shall be conscripted, but whether men already conscripted are needed and shall be dispatched as reinforcements for our armies now engaged in war, in Europe, the Mediterranean and Great Britain. Let me repeat, because I want to get this as clearly as I can before the house, that the issue is not conscription; it is reinforcements.

The principle of conscription was adopted in 1940 when the National Resources Mobilization Act was passed. As the Prime Minister suggested this afternoon, the plebiscite gave approval to the members of this house as well as to the government to send conscripted men beyond the boundaries of this country if necessary. When bill No. 80 was adopted subsequently the government was given the right to use reinforcements if, as and when needed.

We have held the view throughout that when human beings are compelled to lay their lives on the altar of our national sacrifice, industry, the financial institutions and accumulated wealth should be compelled to do the same thing at the same time and on the same terms. But parliament has not accepted that policy which, may I say, had we been in power would have been put into effect several years ago, and should be put into effect now to secure some equality of sacrifice to win the war and to ensure adequate preparations for full employment when the war ends.

Because this was not done, the present situation faces us. Total war at least would have demanded that a thorough inventory should have been taken long ago of all our resources. We should have decided the best contribution that this country could make and then decided what man-power we should need to expand our agricultural and industrial activities and to maintain an army, navy and air force at an appropriate strength in the theatres of war. This was never done.

A gesture was made when Canadians were compelled to register in 1940, but no effective use was ever made of the result and no comprehensive appraisal was ever made of our economic resources or of our anticipated contributions in the economic field. For many months we received orders for goods from our own armed services and from our allies, while our military commitments were expanded regardless of what might be expected of us in other fields. We have now reached the position in which, under similar circumstances, Canada found herself in 1917.

But all that is gone and done. We are now faced with an immediate problem. When, shortly after the member for Prince (Mr. Ralston) resigned as Minister of National Defence, I urged the calling of parliament. I did so because I regarded the matter of reinforcements as so vital that parliament, and not alone the government, should be apprised of the situation in all its aspects and take responsibility for all that should be done. In other words, the problem is the responsibility not of the government alone but of this parliament as a whole.

I think members of the house will agree with me—and perhaps we have received some criticism because we have remained silent—that we took no part in the recent discussion throughout the country based on supposition and on rumour. We joined in no chorus of the hymn of hate against conscripted men who had not volunteered for service overseas. We know there are among those young men ones who should have come forward. But let us not forget that there are some among them known to me, and I am certain to some members sitting in all parts of this house, whose sick or aged parents on the farm or in other circumstances require their assistance at various times and at various seasons. As long as they remained in Canada, leave for such purposes was always a possibility. To my certain knowledge some of these men have been torn between their duty to their country and the necessities of their homes, sometimes involving, too, a consideration of the needs of the country in the production of foodstuffs and other supplies. It is quite possible that under the order in council passed last week such men will still be torn between their sense of duty in one direction or the other. They may still wait until the vital decision is made for them, and in the meantime I am afraid they will be subjected to all

the epithets which some persons and some sections of the press may hurl at them. I have no desire to defend men who are not doing their duty, but I must in justice to-night draw the attention of the house to a condition which we know to exist in the defence army.

Then, too, the order in council extends the service of the home defence army to Britain, Europe and the Mediterranean area. What the decision was that was arrived at Quebec regarding the use of Canadian troops in the Pacific area, as the leader of the opposition (Mr. Graydon) implied a few minutes ago, we simply do not know. We have learned from the press that we are to take part in the war against Japan. But what Canadian troops are to be used there? Are the men who have spent five years abroad going to proceed to that theatre of war, and how large a force is contemplated? In any event whatever army is sent, reinforcements will be needed for it. Where and how are they to be secured?

The government says that it hopes to obtain the 16,000 reinforcements needed now from volunteers from the N.R.M.A. men. But some may not volunteer because by compulsion they will be available for service only in the United Kingdom, in Europe and in the Mediterranean area and will not be obliged to serve in the Pacific war as general service volunteers may be. The question of the Pacific war and the part we are expected to play in it was one I intended to ask about in a private sitting because it obviously is a problem which has a bearing on the problem now before us.

May I say, Mr. Speaker, that too many questions remain unanswered as it is. General McNaughton told us that 16,000 reinforcements would take us up to the month of May, and in reply to the hon. member for Prince he said that in May the reinforcement pool would be substantial. He told us that he had a table which he wanted to place before the house but could not do so in a public sitting because the enemy could deduce from it our expected casualties and hence deduce also the plans of our armies and indeed those of our allies during the next few months. The former Minister of National Defence, who of course is in possession of figures not available to private members on the government benches, although they may be later figures than those used by the present Minister of National Defence, which are not available to hon. members, was I thought obviously not satisfied with General McNaughton's assurances. Yet because the official opposition objected to receiving vital information in private sittings of the house we are not in possession of all the facts. To say that in war time this house should have no more information upon which to base its judgment than the general public has is in my opinion a view which is utterly irresponsible. Since the government is but the executive responsible to parliament, logically the official opposition should also refuse to allow the government to withhold any secret information regarding military operations from the house in public session. But the public examination of General McNaughton convinced me that reinforcements are needed and that for various reasons, some of which I have already given, the voluntary system of raising reinforcements for our forces overseas is inadequate. Let us be frank about it. All parties represented in this house repudiated in 1940 the policy of conscription of men for overseas service—all parties. There were no exceptions.

An hon. MEMBER: The Social Crediters.

Mr. JAQUES: The hon. member for Rosetown-Biggar is wrong. I fought an election on that question.

Mr. COLDWELL: We shall see if I am wrong. I have in my hand two statements issued by my hon. friends to the left. One was issued in Edmonton on October 23, 1939, after a caucus of the Social Credit members of which my hon. friend the member for Acadia (Mr. Quelch) was chairman. He issued the statement, which contained three points, and the third point was this:

To this end the conscription of money and material wealth as defined below—

And a definition is given below.

—be made effective without unnecessary delay and before the conscription of man-power is considered.

Afterwards the leader of the party, Premier Aberhart of Alberta, thought it necessary to issue another public statement. This is what he said on May 1, 1940:

The Alberta followers of the New Democracy movement were definitely opposed to conscription of man-power and so declared themselves.

It was Major Herridge's persistence in this national service idea that placed him outside the New Democracy movement and lost him his election.

Major Herridge is no longer regarded in Alberta as the New Democracy leader, and he will be obliged to seek other followers for his national service policy outside the ranks of New Democracy supporters.

The New Democracy movement is definitely opposed to Major Herridge's national service proposals, and the conscription of man-power.

Let us be frank about it; all parties represented in this house repudiated conscription of man-power for overseas service in 1940. There were no exceptions. Now, the support we owe the gallant men in the firing lines demands immediate reinforcement. Whatever

that support entails must be undertaken. That is our view; and we therefore place it before the house in the form of a subamendment, moved by myself, seconded by Mr. MacInnis:

That all the words of the amendment after the word "that" in the first line thereof be struck out and the following substituted therefor:

"The following words be added to the motion: which in the opinion of this house requires the immediate removal of all distinctions between drafted and volunteer personnel, thus making the entire home defence army available for reinforcements overseas, and requires further the total mobilization of all the resources of Canada, material and financial as well as human, to ensure a total war effort, adequate reestablishment of the members of our fighting forces, and full employment after the war."

From the discussion last week we cannot accept the order in council as a sound or proper policy to meet the needs of the armed forces. If 16,000 trained men are required between now and next May; if, as now seems likely, the war against Germany is prolonged beyond that time, and if, as has been intimated, we are obligated to play some part in the war against Japan, further reinforcements will be needed. Why then pass an order in council which fails to do all that may be necessary and satisfies no one? To my mind it looks less than adequate and certainly is not statesmanlike in this grave hour. If it is done to placate the anti-conscriptionist followers of the government, it fails miserably; and if it is done to assure our armies of vigorous support in the war effort, it fails equally. To my mind the government has merely invited the obvious criticism that it is trying to play politics through a great war crisis when statesmanship of the highest order was demanded. If the government had come to parliament and stated frankly that unexpected casualties in the infantry had made it necessary to make available the N.R.M.A. army for immediate and subsequent reinforcement and presented the facts as they were partly given to the house by General McNaughton last week, they would have had the respect of the entire country and of all hon. members who have come to this house with unbiased minds. As it is, they have largely forfeited that respect.

The leader of the opposition said that instead of having two armies, we were going to have three. No, we are not. Instead of having two armies we are going to have four. First, there are the general service men who have already volunteered for service anywhere. Second, there will be those among the 16,000 trained men in the home defence army who, under the threat of compulsory service, will volunteer now for service. Third, there are the men of the same army who do not volunteer but are going to be drafted for service in the United Kingdom, Europe and the Mediterranean. Fourth, the fifty-two thousand or so who are in the home defence forces in Canada. Then, there will be three types of service men actually in the battle line. There will be general service men; there will be new volunteers from draftees, and there will be men drafted to the fighting front. Surely, Mr. Speaker, this is confusion worse confounded and is a policy which neither this house nor the country can support. That is why our amendment seeks to change the policy into one which removes all distinctions as to service and to benefits, and that to some degree is where our amendment differs from the amendment of the official opposition. Indeed, it differs in other respects too, because we leave the government's main motion in and amend it, giving particulars of what we think is a vigorous war effort. The government's policy is bad because it discriminates between men who have been called to serve under the same law and under the same conditions. This will cause endless confusion now and, in my opinion, grave difficulties in the future.

Since it is obvious that sufficient reinforcements can be obtained only in one way, why not place all the men on the same footing? If we are ordering 16,000 home defence personnel overseas, all in the same category should be liable to the same service and should be treated on exactly the same basis. Then there could be no sense of discrimination. But if parliament exercises such a power it merely emphasizes anew the obligations which it has to all the fighting forces and which it has made no proper preparations to fulfil. So far no adequate steps have been taken to ensure a total war effort, nor has this parliament made adequate reestablishment proposals involving plans for full employment when the war ends. Indeed, certain men are being led to believe officially that their return to civil life now will give them the first choice of jobs which will be difficult to obtain, when general demobilization takes place and the labour market becomes congested. Throughout the war fear of post-war conditions has interfered with recruiting and the government has neither plan nor policy to remove or even to mitigate to a sufficient extent this fear. How, then, can this house be expected to vote confidence in the government's policy—for that is what the motion says—to maintain a vigorous war effort when its proposals in all respects fall far short of obvious requirements?

I have said something regarding the government's policy, and I have tried to sum up the conclusions to which we came after having

listened to the questions and the answers thereto last week. As to the official opposition as the alternative to the government, may I say, Mr. Speaker, that their own irresponsibility during this controversy and this debate makes it impossible for this house or the country to place any confidence in their intentions or ability. Personally, I think theirs has been a really shocking display of political manoeuvring. Some of their highly placed friends and a section of the press supporting them have done their best to inflame sectional differences and hatreds. Some of their pleas for support of the splendid and brave men who are serving this country on land, in the air, and on the sea have to me a hollow sound. They and their friends said the same things after the last war, but when the war was over how did they treat the boys who came back? They were in power, too, from 1930 to 1935. How did they treat the thousands of boys, the men who are fighting this country's battles to-day?

Seven weeks ago to-morrow two of my colleagues and I visited the Canadian cemetery at Dieppe. There, on a pleasant slope looking toward the setting sun, we saw hundreds of white crosses row on row. The place was beautifully kept, but not all of the crosses had yet been lettered. I knew that some of the boys whom I had known and taught had found their last resting place in that foreign field. We walked up and down the rows reading the names, and I noted this. They lay together there irrespective of race, tongue or creed. Here was a boy whose name told of his British origin while next was a lad whose name was of French or Ukrainian or even of German origin. There were many, many names, Mr. Speaker, that told me the boys that lay there came from the province of Quebec; many, many names of boys from my prairie province and other parts of Canada; and of course I was particularly interested in the names of those who perished in the South Saskatchewan Regiment and in the Winnipeg Rifles. I knew that among them were boys who had probably been condemned to the relief camps and had ridden the rods. Some perhaps in their bitter hunger and distress had joined the trek to Ottawa in 1935 when my hon. friends of the Conservative party were in power. Then they asked for the right to live, the right to earn their daily bread, and the government of my hon. friends gave them tear-gas bombs. Thus, knowing the record of the Conservative party, I assess their present pleas and I rather think the country and our fighting men and women will assess them too.

[Mr. Coldwell.]

Another thought I had as I viewed those crosses. Here I saw young men, the very flower of our manhood, lying together united in death. There was no distinction there of race or creed or colour. They were just Canadian lads who had died for their country. Why, oh why cannot we who are left behind in this country, to enjoy the freedom for which they died, live together? Those who in the midst of war engage in the setting of race against race, creed against creed and colour against colour in this land are in my opinion unworthy of the living and the dead.

Before I sit down may I say something else in connection with the visit we paid across the seas two months ago when we saw those splendid Canadian boys. We saw how brilliantly they were led, we saw how finely they behaved. We heard from Belgian and French people whom we met how highly they were respected, and we got a great thrill as we drove all the several hundred miles from Brussels right through the battle areas to see everywhere signpoints with the arrow on the maple leaf of Canada.

May I say here, too, Mr. Speaker, that these boys whom we are talking of reinforcing overseas, suffering as they are, are well cared for when they are wounded or sick. Our hospitals are a credit to Canada, to the doctors who man them, to the stretcher-bearers and to the gallant little nurses who do the job of tending the wounded at the battlefront. I thought I should just like to interject these words.

In conclusion, let me say this. For ourselves in this party we intend to give all the support we can to those who are fighting our battles overseas, in regard to reinforcements, whatever that involves, then to provide decently for those loved ones they leave behind and to prepare for those who return a Canada in which they may find security and opportunities for the free and abundant life for which they believe they fight beyond the seas.

Mr. Speaker, if we fail in this, their sacrifices, their suffering and their victory will have been again in vain.

Mr. SPEAKER: It has been moved by the hon. member for Rosetown-Biggar:

That all the words of the amendment after the word "that" in the first line thereof be struck out and the following substituted therefor:

"The following words be added to the motion: which in the opinion of this house requires the immediate removal of all distinctions between drafted and volunteer personnel, thus making the entire home defence army available for reinforcements overseas, and requires further the total mobilization of all the resources of

Canada, material and financial as well as human, to ensure a total war effort, adequate reestablishment of members of our fighting forces, and full employment after the war."

May I point out to the hon. member for Rosetown-Biggar that this is really an amendment to the motion and not a subamendment to the amendment that has already been moved.

The hon. gentleman has moved an addition to the motion without dealing with the terms of the amendment which has been moved by the Leader of the Opposition (Mr. Graydon). I should like his comments on that.

Mr. COLDWELL: My amendment reads:

That all the words of the amendment after the word "that" in the first line thereof be struck out—

That removes the amendment to the motion except the word "that." I then go on to say:

—and the following substituted therefor: The following words be added to the motion.

These words restore the main motion which Mr. Graydon's amendment has struck out, and then the other words:

which in the opinion of this house . . .

And so on are added to the motion when it is restored.

Mr. SPEAKER: Does any other hon. member wish to speak on it? If not, I will consider the matter further in the light of what the hon. gentleman has said.

Mr. J. H. BLACKMORE (Lethbridge): We are really discussing a resolution which reads as follows:

That this house will aid the government in its policy of maintaining a vigorous war effort.

The Prime Minister (Mr. Mackenzie King), wisely took pains to define what he meant by government policy. He made it clear that he meant only the order in council which undertakes to send overseas by coercion some 16,000 N.R.M.A. men. Had he not so specified the house would have taken the resolution at its face value and it would have concluded, I would presume, that we were to support the whole of the government's policy in connection with the conduct of the war. Now, what apparently does that policy mean, Mr. Speaker? It is really altogether too bad that the Canadian people have been exercised so deeply over the conscription issue. Let no one imagine for a moment that we do not stand for the adequate support of the boys overseas. But it is a terrible pity, with all the other monstrous dangers which are threatening the Canadian people at the present time and which ought to be exercising them to the very depths of their being, that not a word is being said about any of those things, but the attention of the people is being concentrated on 16,000 men. This, I am afraid, indicates pure politics. As I said when we first arrived at Ottawa we were going to listen and endeavour to find out what was underneath all of this. The behaviour of the Progressive Conservatives has impressed me also, as it did the hon. member for Rosetown-Biggar (Mr. Coldwell).

I must say that there are several things about this whole situation that fill me with misgiving. I believe it was on November 14 or 15 that, according to press reports, the Minister of Munitions and Supply (Mr. Howe) journeyed to Chicago and made a remark which certainly indicated to me that there was a good deal more politics under this whole crisis than there was real need for men; the speech of the former Minister of National Defence for Air (Mr. Power) this afternoon gave a certain amount of support to that idea, and the speech of the Minister of Fisheries (Mr. Bertrand) not very long ago gave another hint that there were men in the cabinet who were not very much impressed by the urgent need for men. I do not know and the ordinary citizen on the street in the Dominion of Canada does not know. He has to depend on the men in public life to inform him regarding these matters. But on the face of it, it does look strange that this nation should have been exercised from coast to coast over the matter of conscription at the present time when issues which will affect our lives and liberties for generations are not even being mentioned in the press.

What would government policy apparently stand for if the Prime Minister had not accurately defined it to-day? Here are some of the things: the debt structure which he mentioned this afternoon as having already attained alarming proportions. Yet almost at the time when this crisis developed over conscription we were adding to the indebtedness of this nation in terms of billions and everyone was being led to believe that by so doing we were performing a patriotic act. What were we doing? We were building up a vast debt which the boys will return from overseas after fighting the war and pay for. Yet we are supposed to be doing these things for the boys overseas. It needs some explaining.

Then the government stands for a taxation structure which is tyrannical and destructive. Yet we are not agitated against that as you would think the papers should agitate us. The newspapers seem to feel that is all right, and the public men seem to think it is all right.

Yet we are being told in stray radio speeches by someone every once in a while who gets to use the radio that we must be prepared to keep the income tax just where it is after the war. That is serious. Another aspect of government policy is insecurity. Apparently it is going to prevail after the war for no provision has been made up to the present time for any change whatsoever in our economic or financial system which would justify anyone in supposing that conditions are going to be better after the war than they were before. Also centralization of power has proceeded in Canada and is being advocated in the world at a rate that would alarm anyone if he could only be allowed to see how serious it is. Yet never a word is uttered in the newspapers about that, and it probably will take away from the boys the very thing they are fighting and giving their lives for. This is a dreadfully serious matter. Why is it that we are not told all over this country by the newspapers that Canada's sovereignty is to be destroyed? Why is it that the newspapers are not telling us that the government is apparently definitely aiming to destroy the British empire, to disintegrate it? We hear nothing about that. Why is it that we do not hear anything at all about the fact that when we finish with this war, as far as the set-up which is now being erected is concerned it will be so nearly like the League of Nations' set-up after the last war that we shall begin immediately preparing for another war, or at least our enemies will? We will wait until they strike before we are prepared. Why are not all these things told? They are all in government policy. Before the Prime Minister took pains to define this matter clearly I was genuinely alarmed lest this was the sort of thing for which we were going to be asked to vote.

When the hon. member for Rosetown-Biggar (Mr. Coldwell) mentioned the way the Conservatives had dealt with the lads who were marching east when they reached Regina, I was led to think of the way the government at present in power treated the boys in the Vancouver post office. They asked for bread; they were given tear-gas bombs, and then perhaps some of them died at Dieppe. These are serious matters, to which everybody who wishes to get this tangle straightened out should be giving some attention.

Since we are discussing the whole question of conscription at the present time, I think it is perhaps fitting that I should refer to the stand that has been taken by members of our group since the beginning. First may I point out that in February, 1936, members of this group, and I as the leader, made an announcement in Edmonton, which I believe can be found in the Edmonton *Journal* and Edmonton *Bulletin* of February 12 of that year, in which we pointed out that this country ought to begin to prepare for war. If we had time to go through the newspaper comment of that time we would be quite surprised to find that those loyal newspapers, which should have been on the watch to warn the people of the coming conflict, instead of saying, "Here is a voice calling for something sound," endeavoured in their headlines and their editorial comment to discredit those who had thus manifested vision and courage in warning this country that we should be prepared. If we had started to prepare at that time we could have saved perhaps thousands of lives which have since been lost owing to the fact that we were not adequately prepared. That is the stand this group has taken. We have never consciously played politics in the matter of war or conscription. We have always endeavoured to discover the truth and to make that truth known, regardless of what it cost. So that when we were confronted with the war in 1939 we took a strong stand in favour of national selective service which would guarantee equality of service and sacrifice. May I read from the records of those days. At page 48 of *Hansard* for the special session of 1939, during which war was declared, I find these words:

> A good deal has been made of the fact that the Social Credit organization in Edmonton and the social credit organization here, with New Democracy, have announced that they support conscription. I have noticed, however, that all too few have observed that the conscription is of the three distinct elements of our national life. The first is finance, with all that the word implies; the second is industry, with all that this word implies, and the third is man-power. The three must go together. Each of these is as necessary to the other two as is the third leg of a three-legged stool. If one is applied without the other two, only inequality, disaster and chaos will result. In conscription, in universal service, we will find the only way to avoid injustice, discrimination and class distinction.

That, I believe, indicates pretty clearly the stand taken by the Social Credit group. Here is another excerpt from the same page, for those who are interested:

> Therefore, the New Democracy declares that justice, equality and effectiveness depend upon conscription of finance, industry and man-power.

And again on page 49:

> We must do all we can and go where we are asked to go, in order to meet the enemy of religion, of freedom and of race. It is stupid and insincere to draw a distinction between home and foreign service. There can be no distinction.

I think those excerpts place the stand of the Social Credit group at the outbreak of

war before the public with sufficient definiteness. And though the hon. member for Rosetown-Biggar read some statements made in Edmonton, let me reaffirm that in parliament the Social Credit members have never receded from the stand they took in 1939.

One matter, I believe, does require some attention. A measure which might have been sound when war broke out may not be sound now, after the war has been conducted by false methods for four or five years. I am not, therefore, arguing that the policy we advocated at the outbreak of war would necessarily clear up the difficulties which the government has encountered as a result of pursuing a false policy. So many injustices have taken place during this war; so much bitterness has been engendered by reason of knowledge of those injustices, that the temper of the Canadian people both in and out of the army is genuinely dangerous at the present time. Had the government adopted the methods which this group advocated I believe they would have avoided many of the things which now threaten national unity as well as our peace and happiness. I am not saying, therefore, at this time how we of this group are going to vote. We are still going to watch and study, to see, if we possibly can, what it is that lies under this whole thing.

A few moments ago I stated that the policy of the government apparently involved some very objectionable things. May I just refer to one or two of those things. First is the post-war programme of the government. During the last few months I have come into contact with a number of boys who have been overseas, who have been injured and who are in receipt of pensions. I have talked with the boys about their condition, physical, mental and spiritual; then I have regarded the pensions they have been given, and I have hung my head in shame to think that boys who fought engagements like the Dieppe affair should be turned off with such meagre pensions as must simply fire the minds of the men in the service to madness. Yet this government, in charge of a man who talks about a "new order", is condoning that kind of thing and apparently is contemplating it for the after-war. That simply is not good enough. When we hear about boys out in British Columbia and in other parts of the country staging parades, tearing down and burning the union jack and so on, let us remember that the cause of that reaction is partly this shameful injustice to which they have seen their fellows subjected already. I will not go into details in this regard tonight, but may do so at a future time. If we want this war conducted as the resolution says, with vigour, I tell you we shall have to change our ways with respect to the boys who are coming home from overseas, or their comrades will arise in wrath and do something for which we shall all be sorry.

May I again direct your attention to one statement I made and which perhaps may be challenged. I said a while ago that there was a definite aim apparently on the part of this government, or the powers that are behind it whatever they are, to destroy the British commonwealth of nations. I believe that that statement will need a little elaboration. As evidence of the truth of what I said may I refer to the Bretton Woods conference. Some will say that that has nothing to do with the war effort. Can it be conceived that men who are fighting and giving their lives to rid us of abominations such as are contemplated in the Bretton Woods conference can go forward and fight with the courage and confidence they would have if they had not read of such things? Therefore, I believe that this Bretton Woods question has a vital bearing on our war effort. It is going to affect the war effort more and more as the days go on and people generally get to know what is being done.

I should like to read some excerpts for the information of hon. members who do not happen to have read an article by Paul Einzig, a famous writer on economics in the old country. This has been reprinted with the kind permission of the *Daily Express* of London from its issue of Thursday, August 10, 1944. It is entitled, "1925 and All That—Only Far, Far Worse." I quote:

> A plain man's guide to the menace of Bretton Woods.
>
> It must be clear to those who understand the meaning of the report of the Bretton Woods international monetary conference, published in a white paper before the Bank holiday, that the experts of forty-four nations have agreed on a return to the gold standard after the war.

How do you suppose the boy in the battle line will feel when he knows that he is fighting for the return of the gold standard? How do you think the fathers and mothers of the boys who have given their lives will feel? An inspiring prospect, is it not? Let me go on:

> Unfortunately, very few laymen can possibly understand the report. If the public were to realize what it is being led into it would raise its voice in a powerful protest, instead of allowing the experts a free hand to do their worst as they did in 1925.

Why is it that we did not read any protest against the Bretton Woods conference in any of the great papers in the Dominion of Canada? Why is it that no government spokesman found it worth his while to tell us about this thing over the radio? Why

was the report couched in language which the ordinary man would be unable to understand? It just does not look very good, does it? Yet it seems to be part of the government policy, for no protest was lodged against this conference. They sent the Minister of Finance (Mr. Ilsley) and a number of others there. They apparently took part in the conference and came home satisfied; yet this is what Paul Einzig has written about the conference. There are many things in this pamphlet which I am sure hon. members would like to read; I shall not take the time of the house to-night to read it in full. However, may I read a little farther on:

> Yet, once the plan is translated into intelligible English and is denuded of all camouflage, every layman of normal intelligence is bound to realize that it is the gold standard, the full gold standard, and nothing but the gold standard.
>
> Admittedly, it is a different gold standard from the one we abandoned in 1931, just as the gold standard adopted in 1925 was different from the one suspended in 1914. But the changes are, for the most part, considerably for the worse.

How does that make the members of this house feel whose boys are fighting and dying? Yet apparently this government is quite in sympathy with the Bretton Woods affair. May I read another passage which should impress all members, as follows:

> Worst of all, the British experts have agreed to the insertion of an entirely new provision into the final draft of the plan, under which it will become impossible for this country to escape the consequences of their folly by withdrawing from the fund.
>
> Under article XI the board of international financiers is given powers to declare economic war on Great Britain should she devalue sterling against the board's wishes!
>
> All the united nations (including, let it be noted, the British dominions) will have to undertake to boycott and blockade this country in such event!

How do we feel about an agreement under which at the instructions of an international board, consisting of men like Sir Otto Neimeyer and others, this Dominion of Canada would have to boycott Great Britain and declare economic warfare on her? Can anyone by any stretch of the imagination conceive that that is a thing worth fighting and dying for? I continue:

> Is it really conceivable that parliament could pass such a suicidal measure?
>
> It all depends on whether the public overcomes its natural reluctance to penetrate behind the smoke-screen of the experts' findings, and discovers for itself what is being planned against its vital interests.
>
> The return to the gold standard under a cloud of obscurity must be prevented if this generation and the next are to enjoy the hard-earned fruits of victory.

[Mr. Blackmore.]

Hon. members will now understand why I protested a few moments ago against arousing public opinion from coast to coast in Canada for political reasons over the matter of conscription in order to send 16,000 men overseas while matters of this kind are left in obscurity.

The Prime Minister will say in extenuation, "We will bring the matter to parliament." Should this government bring in a measure embodying the findings of Bretton Woods, every last one of those on the Liberal side would stand up and bow and vote for the thing no matter what it meant. It will be impossible to stop it; the steam roller will operate. It will not matter a particle how much anybody in parliament knows about it; when he rises to explain it Liberals and others will not listen. What guarantee of the people's protection will be given by bringing the Bretton Woods matter before parliament? A similar steam roller process I suppose will be employed over in England too.

Bretton Woods is one of the elements of government policy. I do not want to spend too much time on this sort of thing. What we are concerned with in this house is to get men overseas. I still believe that a great many of the men who are reluctant to-day to go overseas have been embittered by reason of the things that are occurring right in this country, that are being advocated or condoned by the government of Canada, such as this gold standard proposal. So that we ought to give a good deal of attention to this matter, too. I think I have shown from the quotations I have read from Paul Einzig, if he is an authority—and I think he is—that Canadian sovereignty is being threatened by this monetary agreement. It would be different if it were necessary, but it is not necessary, as those who are well informed on monetary matters know full well. The sovereignty of Canada is being threatened not only by the monetary agreement but also by that iniquitous meeting at Dumbarton Oaks not very long ago. Do you know what Dumbarton Oaks stands for? It stands for the building up of an international police force which will be able to move in and subdue Canada if she wants to introduce, let us say, social credit or any other measure that her people want to introduce. This international police force will be under the dictates and direction of this group of international scallywags that will have charge of the international financial arrangements; I will wager that these international scallywags will get themselves appointed without any member of this house being able to do anything about it; and they will keep themselves in office in spite of all the

efforts of all the members of this house. Once we allow this thing to be fastened upon us our freedom will be gone. This is a serious matter.

The Prime Minister this afternoon spoke of building up organizations to prevent wars in the future, and I presume that a part of these organizations will be this international monetary stabilization scheme and organization proposed at Bretton Woods and the international police force proposed at Dumbarton Oaks.

Let us examine this Dumbarton Oaks affair a little farther. Let us suppose that we get Russia with her 192 million people, China with her 400 million people, Japan and India with their teeming millions, and a few more countries all going into this big international organization and that they have votes in proportion to their populations. The Anglo-Saxon peoples will then be binding themselves up in an international organization in which other peoples will be able to outvote them ten to one. The Anglo-Saxon peoples are paying with their lives for the winning of this war to bring about a situation of that sort!

These are serious matters. I am not detracting for a moment from the seriousness of the conscription issue and the conduct of the war. I am just urging the members of this house to be warned that we look beneath the surface before it is too late. It is easy to see how the British commonwealth would be destroyed if the members of the commonwealth are under this international organization and have to do what they are told to do rather than what they want to do, in order to pull together.

There is one other serious matter. There is the possibility of another war. After the end of the first great war we lulled ourselves into security with slogans and catchwords that were used during the war. It was "a war to save democracy," "a war to end war," and the boys of my generation went into it and gave their glorious young lives in that war to end war. Then we built up a League of Nations to guarantee "collective security," so that we would never have war any more. All that the League of Nations did was to lull the Anglo-Saxon peoples into repose, so that they neglected to be prepared while their enemies prepared. That did occur. There is no guarantee that this united nations scheme, which is only a glorified league of nations, will not have the identical result. We have just barely saved ourselves in this war, and that by the grace and assistance of God Almighty. Let us go on for another twenty years in which more diabolical instruments of war are perfected and the art of using them learned by other nations, and then imagine what will happen if they strike while we are unprepared. It may be argued that an international police force will take care of that. But what kind of international police force would it have taken to stop Hitler when he struck? It would take a pretty tidy sized international police force. Who are to be the members of this international police force, and who is to pay for its upkeep? I sat in this house when it was next to impossible for this house to get through a paltry sixty or seventy million dollar appropriation for war preparations. Is it to be supposed that the members of the united nations organization will contribute any more generously to the upkeep of an international police force than they formerly did? I tell you, Mr. Speaker, that we are not heading towards international security by building up a supra-national organization, called a "United Nations" organization. What we shall be doing by building up an organization of that kind will be heading inevitably into chaos because it will mean the destruction of everything we hold dear.

There will be members of this house who will disagree with me when I say that there are three distinct types of international power, each and every one of which is seeking to destroy the freedom of all mankind. I will not name those three in public, but if any member cares to ask me privately I will tell him the names of the three. It is these three that we can expect to be working through the agents who are organizing the Bretton Woods affair, Dumbarton Oaks and the rest of them, and they are putting out propaganda all over this land which fairly screams at you through the pages of the press and over the radio, to prepare the people for this international organization that will take away all our liberty. Is it to be supposed that the boys in the forces do not know about some of these things? Is it to be supposed that my boy does not know when I know? Of course they know, and it takes away a lot of the enthusiasm of these young men, especially of those who have not yet enlisted or gone over.

These are some of the things that Social Crediters think about when we are called upon to vote in support of the government's policy in conducting a vigorous war effort. I say, Mr. Speaker, that much remains to be uncovered yet. The people of Canada have not begun to learn what is behind this crisis. Social Crediters will watch a little longer and listen a little further and perhaps we shall learn even yet what lies underneath it all. I promise you, Mr. Speaker, and I promise the government and every member of this house and every man and woman outside it that when we do find what is the right thing to do we will do it regardless of politics.

Mr. HANSON (York-Sunbury): You do not know where you are going.

Mr. BLACKMORE: Oh, yes. We know a whole lot more than we are telling.

Mr. HANSON (York-Sunbury): You are very skilful in concealing what you know.

Mr. BLACKMORE: It is altogether becoming that members of parliament should be skilful. I commend that thought to my hon. friend. I have no more to say upon this subject at the present time, Mr. Speaker.

Mr. J. A. JOHNSTON (London): I move the adjournment of the debate.

An hon. MEMBER: It is not eleven o'clock.

SECRET SESSION

Mr. MACKENZIE KING: Mr. Speaker, this evening the house has heard the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) complain that he has not been able to get information which he thinks it is necessary he should have because that information can be given only in secret session. Many hon. members have made a similar representation to me. The other day, as the house will have heard, the hon. member for Prince (Mr. Ralston), ex-minister of defence, stated that he himself would have liked to have some information which could not be given out except in secret session. In these circumstances I am going to ask that to-morrow the house shall meet in secret session before the doors are open. I have taken care not to ask this until all the leaders of the various groups on the opposite side had had an opportunity to speak.

As to procedure, all that is required to have the house meet in secret session is for an hon. member to spy strangers in the gallery, and the galleries may then be cleared. It would be preferable, I think, that the doors should not be opened until after the session is over. I therefore would hope that to-morrow, Mr. Speaker, when the house assembles, you do not declare the doors open until hon. members have had a chance of meeting in secret session and obtaining information of vital importance in connection with the further discussion of the question which is before us at this time. I would hope that at the same time the minister of defence would be permitted the same courtesy which was accorded him the other day, of appearing on the floor of the house to give the very necessary information to which the house is entitled at the present time.

Mr. GRAYDON: Is it not the case that under the rules forty-eight hours' notice must be given for a secret session?

[Mr. Blackmore.]

Mr. MACKENZIE KING: One minute's notice, I think, is sufficient. I shall read standing order No. 13:

> If any member takes notice that strangers are present, Mr. Speaker or the Chairman (as the case may be), shall forthwith put the question, that strangers be ordered to withdraw, without permitting any debate or amendment: Provided that Mr. Speaker, or the Chairman, may, whenever he thinks proper, order the withdrawal of strangers.

This is the procedure which is followed at Westminster, and which we propose to follow here.

Mr. GRAYDON: May I point out that that may be all very well for the galleries, but the press cannot be regarded, I think, as strangers.

Some hon. MEMBERS: Oh, yes.

Mr. MACKENZIE KING: My hon. friend will realize that where there is a doubt on any matter of procedure, the rules of this house oblige us to follow the practice which is followed at Westminster. We intend to follow that practice.

Mr. ROWE: Does the Prime Minister intend to move that he spies a stranger in the house, instead of giving forty-eight hours' notice?

Mr. MACKENZIE KING: Any hon. member is free to take the course which has been indicated. If there is a disagreement on the matter, Mr. Speaker, of course will ask the house what its views are, but I have indicated that we propose to-morrow to meet before the doors are opened and to have the house sit in secret session at that time.

Mr. HOMUTH: You cannot see a stranger, then; the doors will not be open.

An hon. MEMBER: There will be no strangers present.

Mr. HARRIS (Danforth): What is before the Chair now?

Mr. SPEAKER: The Prime Minister has made the suggestion that when the house meets immediately after prayers, I should not direct that the doors be opened, but should keep them closed for a secret session. He also pointed out that if the public are admitted to the chamber, some hon. member may call attention to strangers in the gallery. If that is done, the question will be put to the house whether they should be asked to withdraw; and as the house decides, so will the Speaker act.

Mr. MACKENZIE KING: I just wish to add that the government does not expect that the secret session will occupy much time. My hope is that it will be a very brief session.

Mr. GRAYDON: May I ask the Prime Minister if it would be possible to confine the discussion at the secret session to the answers to those questions? This is the difficulty I have found in connection with a secret session: we did not want to have the whole of the debate in secret when General McNaughton was here, and I think there is a good deal of justification for that attitude. We do not want to be dogmatic about it, but on the other hand we were afraid there would be a lengthy secret session, and I do not think that would be a good thing from the point of view of the country or of parliament. Perhaps we can wait until to-morrow and see what the situation is, and at that time the matter can be decided.

Mr. MACKENZIE KING: I agree with my hon. friend that it is desirable that the session should be brief, and if he will seek to influence his following in that particular—

Mr. ROWE: We did not ask that any questions should be answered in secret.

Mr. HARRIS (Danforth): I want to register my protest now against any secret session of this house at this time.

Mr. ROWE: I want to register my protest against it, and I would like the Prime Minister to-morrow, either in secret or open session, to give the house a list of the names of hon. members who asked for a secret session, besides himself and the leader of the C.C.F. party. This is the most ridiculous spectacle we have seen in the life of this parliament, now that the galleries are full, that we should wish to exclude the public because some pretence is made that there is something strange that the country should not know. I asked the hon. member for Prince the other day if he had requested a secret session, and he said, no. To-night the Prime Minister says that he has heard from all sides. I challenge him to tell us of one member of our group who have done so.

Mr. MACKENZIE (Vancouver Centre): I refer the hon. member to *Hansard* of February 4, 1944.

Mr. ROWE: I have the floor, unless the hon. member is rising to a point of order.

Mr. MACKENZIE (Vancouver Centre): On that date the hon. member for Lake Centre (Mr. Diefenbaker) asked for a secret session.

Mr. SPEAKER: There is a motion to adjourn the debate.

Mr. ROWE: Very well. The Prime Minister can close the debate to-night and have a secret session to-morrow, because the galleries are too full for the type of spectacle which he and his government have led the country into at this time.

An hon. MEMBER: Several members asked for a secret session.

Mr. MACKENZIE (Vancouver Centre): Look up the records of February 4, *Hansard*, page 188.

Mr. HOMUTH: The present Minister of National Defence was not a minister then.

Mr. FRASER (Peterborough West): He was not even a member of the house.

Mr. ROWE: General McNaughton may still not be a member by February of next year. You have your months mixed up.

Mr. GRAYDON: Perhaps one registration of our objection and repetition of it would be sufficient to cover our group, now that other hon. members have spoken. I think our position is pretty well known, and it has been supported by the two hon. members who have spoken. I merely meant to indicate that this matter could be dealt with to-morrow, and our protest, whatever it may be, may be registered at the time suggested by the Prime Minister.

Mr. SPEAKER: Do I understand that immediately after prayers the doors will be opened in order that some hon. member may spy strangers?

Some hon. MEMBERS: No.

Mr. SPEAKER: If that is so, I would direct that after prayers the doors will be opened, and the question will be whether there shall be a secret session and the public will be excluded from the chamber. If the proposal is carried the galleries will have to be cleared. Is that the understanding? I wish to know definitely what is the mind of the house on this matter.

Mr. MACKENZIE KING: I might point out that the suggestion that the doors should not be opened until the secret session has been held was to meet the very obvious fact that there is no necessity of filling the galleries for the sake of emptying them. It is really for the convenience of the public and the convenience of hon. members that we should proceed as proposed, but I have no objection to Your Honour putting the motion at the moment, that to-morrow we meet in secret session and let the house decide.

Mr. SPEAKER: It is not necessary to make a motion. To-morrow prayers will be read, the doors will not be opened, and the house will decide.

Motion (Mr. Johnston, London) agreed to and debate adjourned.

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

Tuesday, November 28, 1944

The house met at three o'clock.

SECRET SESSION OF THE HOUSE

The house went into secret session.

At the conclusion of the secret session, the following report of its proceedings was issued under the authority of Mr. Speaker:

"The House of Commons held a secret sitting from 3 o'clock p.m. to-day. General the Honourable A. G. L. McNaughton, Minister of National Defence, was present and gave information respecting the Canadian forces.

J. Allison Glen,
Speaker."

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, November 29, 1944

The house met at three o'clock.

CANADIAN ARMY

AWARD OF VICTORIA CROSS TO MAJOR DAVID VIVIAN CURRIE OF THE SOUTH ALBERTA REGIMENT

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, after the sharp differences of viewpoint that have arisen in recent days, the house I believe will turn with relief to a matter on which there will be only one viewpoint, and that one of pleasure and of pride in the achievements of a young Canadian army officer overseas. I refer to Major David Vivian Currie, of the 29th Canadian Armoured Regiment (South Alberta Regiment), who has been awarded the Victoria Cross.

The record exemplifies the opportunities for advancement available to young men in this democratic nation. Born in Sutherland, Saskatchewan, he graduated in due course from the Moose Jaw technical school, and for ten years prior to appointment to commissioned rank in the active army in January, 1940, was employed as an expert automobile mechanic and welder. Through merit, his promotion has been rapid, and he attained field rank early in the present year.

I should like now to read, on behalf of the Minister of National Defence, who is not here, the official citation:

The King has been graciously pleased to approve the award of the Victoria Cross to:

[Mr. Mackenzie King.]

Major David Vivian Currie,
29th Canadian Armoured Reconnaissance Regiment (South Alberta Regiment).

In Normandy on 18th August, 1944, Major Currie was in command of a small mixed force of Canadian tanks, self-propelled anti-tank guns, and infantry which was ordered to cut one of the main escape routes from the Falaise pocket. The force was held up by strong enemy resistance in the village of St. Lambert sur Dives and two tanks were knocked out by 88-mm. guns. Major Currie immediately entered the village alone on foot at last light through the enemy outposts to reconnoitre the German defences and to extricate the crews of the disabled tanks which he succeeded in doing in spite of heavy mortar fire.

Early the following morning, without any previous artillery bombardment, Major Currie personally led an attack on the village in the face of fierce opposition from enemy tank guns and infantry and by noon had succeeded in seizing and consolidating a position half-way inside of the village.

During the next thirty-six hours the Germans hurled one counter attack after another against the Canadian force but so skilfully had Major Currie organized his defensive position that these attacks were repulsed with severe casualties to the enemy after heavy fighting.

At dusk on the 20th August the Germans attempted to mount a final assault on the Canadian positions but the attacking force was routed before it could even be deployed. Seven enemy tanks, twelve 88-mm. guns and forty vehicles were destroyed, three hundred Germans were killed, five hundred wounded and two thousand one hundred captured. Major Currie then promptly ordered an attack and completed the capture of the village, thus denying the Chambois-Trun escape route to the remnants of two German armies cut off in the Falaise pocket.

Throughout three days and nights of fierce fighting Major Currie's gallant conduct and contempt for danger set a magnificent example to all ranks of the force under his command.

On one occasion he personally directed the fire of his command tank on to a tiger tank which had been harassing his position and succeeded in knocking it out. During another attack while the guns of his command tank were taking on other targets at longer ranges, he used a rifle from the turret to deal with individual snipers who had infiltrated to within fifty yards of his headquarters. The only time reinforcements were able to get through to his force he himself led the forty men forward into their positions and explained the importance of their tasks as a part of the defence; when during the next attack these new reinforcements withdrew under the intense fire brought down by the enemy, he personally collected them and led them forward into position again where, inspired by his leadership, they held for the remainder of the battle. His employment of the artillery support which became available after his original attack went in was typical of his cool calculation of the risks involved in every situation. At one time, despite the fact that short rounds were falling within fifteen yards of his own tank, he ordered fire from medium artillery to continue because of its devastating effect upon the attacking enemy in his immediate area.

Throughout the operations the casualties to Major Currie's force were heavy. However, he never considered the possibility of failure or

allowed it to enter the minds of his men. In the words of one of his non-commissioned officers, "We knew at one stage that it was going to be a fight to the finish but he was so cool about it, it was impossible for us to get excited." Since all the officers under his command were either killed or wounded during the action, Major Currie had virtually no respite from his duties and in fact obtained only one hour's sleep during the entire period. Nevertheless, he did not permit his fatigue to become apparent to his troops and throughout the action took every opportunity to visit weapon pits and other defensive posts to talk to his men, to advise them as to the best use of their weapons and to cheer them with words of encouragement. When his force was finally relieved and he was satisfied that the turnover was complete he fell asleep on his feet and collapsed.

There can be no doubt that the success of the attack on and stand against the enemy at St. Lambert Sur Dives can largely be attributed to this officer's coolness, inspired leadership and skilful use of the limited weapons at his disposal.

The courage and devotion to duty shown by Major Currie during a prolonged period of heavy fighting were outstanding, and had a far-reaching effect on the successful outcome of the battle.

PRESS REPORTS AS TO DISTURBANCES ON THE PACIFIC COAST

On the orders of the day:

Hon. R. B. HANSON (York-Sunbury): I desire to direct to the Minister of National Defence for Naval Services, who I presume is representing the Minister of National Defence, or to the Prime Minister, an important and urgent question with respect to a matter of urgent public importance. In view of the alarming reports in the press of mutiny among the men of the home army that are coming to us from the Pacific coast I desire to ask what the government has done or proposes to do to meet the situation that has developed. The press reports indicate that these men are armed and have live ammunition in their possession, and irreparable damage and loss of life may ensue unless prompt action is taken. I suggest that action, and prompt and immediate action, is imperative in the circumstances.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I would say that the Minister of National Defence has taken cognizance of the reports that have appeared in the press and he has assured the government that the situation referred to is being carefully watched and completely controlled. May I say that the use of the word "mutiny" in the communications I think is most unfortunate.

Mr. HANSON (York-Sunbury): That is what it is, is it not?

Mr. MACKENZIE KING: It is not a mutiny, most decidedly not, and may I express this opinion to all hon. members of the house, that at a very critical time such as this is it becomes the most imperative duty of every member to do all he possibly can to refrain from making a very difficult situation more difficult and particularly from using any word or expression which may be calculated to create a situation that might be very serious but which without such reference would never arise.

Mr. HANSON (York-Sunbury): I thank the Prime Minister for his lecture. However, I shall have to proceed on the basis of my own understanding, and that is that it is mutiny.

REPRESENTATIONS OF TORONTO CITY COUNCIL RESPECTING REINFORCEMENTS

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I want to table two documents, a long telegram from the city council of Toronto, signed by the clerk of the council, and a letter from the board of education. I am not going to read them.

Mr. SPEAKER: I do not know under what rule the hon. gentleman can submit letters and telegrams received by him.

Mr. MacNICOL: They are from responsible bodies, and are to the effect that the government should proceed with an all-out war effort to provide sufficient reinforcements overseas.

Mr. SPEAKER: If they were in the form of a petition I could understand it. But as they are in the form of letters I am afraid there is no method by which the hon. gentleman can table them. They are not addressed to the houses of parliament; they are addressed to the hon. gentleman himself.

Mr. MacNICOL: They expect me to present them.

Mr. SPEAKER: That cannot be done.

ARTICLE WRITTEN BY DREW PEARSON RESPECTING ETHIOPIA

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): This morning I received by air mail from Vancouver an article written by a famous journalist, Drew Pearson. It is entitled: "British Accused of Wanting to Occupy Ethiopia". I wonder if the government contemplates sending reinforcements to the British in Ethiopia if there is trouble over there?

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say to my hon. friend I am not able to give him any information in reply.

Mr. POULIOT: Then they will go.

PRIVILEGE—MR. HANSON (YORK-SUNBURY)—REFERENCE TO STATEMENT MADE IN DEBATE ON NOVEMBER 23

On the orders of the day.

Hon. R. B. HANSON (York-Sunbury): On a question of privilege, Mr. Speaker, on Thursday of last week, the day that General McNaughton was first in the house, I made certain assertions and allegations as to the representations that were being made, or were supposed to have been made, according to the evidence and information I had, by commanding officers in the various units with respect to voluntary enlistment. It will be recalled that the hon. member for Vancouver Centre (Mr. Mackenzie) and myself had a somewhat heated exchange, which personally I much regret. I wish to say that because I do not want to live in a battle of that kind all the time. In the course of my remarks I stated it was my understanding that when these men were asked to volunteer it had been represented to them that rehabilitation grants would be denied them. I want to say frankly that I was wrong in my terminology. What I should have said, and what I now desire to say, is this: that the representation that was to be made to these men was that they would get no war gratuities if they did not volunteer.

I say this because a gallant officer who is the district officer commanding military district No. 7 feels that my remarks have misinterpreted his position. I know that gentleman, and know the service he has rendered in this great cause since he was appointed by my friend the former minister of national defence, over the heads of perhaps higher officials, to be the district officer commanding that military district. I make this explanation in justice to him as well as to myself. I understand that my improper use —I am going to take as full responsibility as I can—of terminology led me into error. I did not mean what I said; I meant something entirely different, namely, that they were to be told they would be refused the cash gratuity. Having said this, I hope the whole position will have been made perfectly clear.

THE MINISTRY

INQUIRY WITH RESPECT TO THE MINISTER OF PUBLIC WORKS

On the orders of the day:

Hon. R. B. HANSON (York-Sunbury): I have noticed, as many members of the house have noticed, that the Minister of Public Works has not been in his seat since the tabling of the order in council on Thursday last. He has been within the purlieus of the house, because the press reported that he was behind the curtains when the Prime Minister spoke on Monday, and I myself saw him there. I wish to know, and the public will wish to know, whether this gentleman is still a member of the administration, or whether he has resigned. Just what is the position?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the Minister of Public Works has not resigned his portfolio.

Mr. HANSON (York-Sunbury): That is a complete answer.

ROYAL CANADIAN AIR FORCE

REHABILITATION GRANTS, ETC., ON VOLUNTARY DISCHARGE

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to ask a question of the Minister of Veterans Affairs as to the discharges which are taking place in the R.C.A.F. under the British commonwealth air training plan. A number of these men have written me to secure a ruling from the minister on this question. If after serving more than two years as ground crew personnel they ask for discharge, are they then entitled to rehabilitation grants, gratuities and education, and do they qualify under the Veterans Land Act? The reason I ask the question is that if they are discharged other than at their own request they are entitled to these grants. With the plan practically completed, many of these men have no other course than to ask for discharge. It is a matter of great importance to them.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): In reply to the question asked by the hon. member, notice of which he was kind enough to give me this morning, may I say that because they are discharged they are entitled to all benefits under the rehabilitation order and under the war service grants.

PRESENT STATUS OF CATEGORIES OF PERSONNEL NOW BEING DISCHARGED

Mr. J. W. NOSEWORTHY (York South): Will the Minister of Labour make a statement to the house explaining the present status under the National Resources Mobilization Act of various classes and categories of personnel now being discharged from the Royal Canadian Air Force?

Hon. HUMPHREY MITCHELL (Minister of Labour): The hon. member for York-Sunbury (Mr. Hanson) asked a similar question last Friday with reference to R.C.A.F. men being discharged. I think that I should cover it in a broad way and include both the navy and the R.C.A.F. so that there can be no misunderstanding.

The classification of discharges will be made by either Royal Canadian Air Force or Royal Canadian Navy authorities for recall to the army as follows:

Personnel not subject to recall. With service overseas, on the high seas, or over the erritorial waters of Canada, provided that services have not been terminated on grounds of misconduct, or inefficiency, prior to engagement in actual operations. All ranks who have served three years or more in Canada only, and whose services have not been terminated on grounds of misconduct or inefficiency. Discharge on compassionate grounds. Discharge to return to civilian positions of high essentiality. Discharge on grounds of being medically unfit.

Personnel liable to recall. Personnel including those who have had service overseas as well as in Canada, who were discharged on grounds of inefficiency. Services terminated on grounds of misconduct by sentence of court martial or disciplinary courts, resignation to avoid court martial, or on grounds that services are no longer required.

Personnel definitely subject to recall. Those who are not outlined in the preceding paragraphs and who are not considered permanently unfit. Discharge of probationary officers (resignation accepted or failed to qualify)—Royal Canadian Navy. Discharge—unlikely to become efficient, or are unsuitable.

In connection with personnel subject or liable to recall, the Royal Canadian Air Force and Royal Canadian Navy will supply full explanation regarding the discharge, including the pulhems profile or the medical category. These cases will be considered individually and decision will be based on the particular circumstances of the case.

Mr. ADAMSON: Did the minister say "three years"?

Mr. MITCHELL: Three years.

Mr. ADAMSON: It was two some time ago.

Mr. MITCHELL: I just said three years. May I say also in that connection that in Great Britain there is a continual exchange between the army, navy and air force, and the same situation exists in the United States except that there are very few transfers from the United States navy to the United States army or air force.

Mr. HANSON (York-Sunbury): When was that rule promulgated? Would the minister say in a word, if he can, what the change is?—because I think there is some change.

Mr. MITCHELL: Yes, there has been a change.

Mr. HANSON (York-Sunbury): I understood from the exchange that took place between us and from some conversation I had with the parliamentary assistant to the Minister of National Defence for Air that the whole position was under review. Is this a declaration of policy as it is now or as it was; and if it is a declaration of policy as it is now, what in a word are the changes? I cannot follow it.

Mr. MITCHELL: From two to three years; that is service in Canada.

Mr. DIEFENBAKER: When was that change made?

Mr. MITCHELL: It is made now.

LABOUR CONDITIONS

INQUIRY AS TO PROVISION MADE FOR UNEMPLOYED WINNIPEG AIRCRAFT WORKERS

On the orders of the day:

Mr. S. H. KNOWLES (Winnipeg North Centre): I wish to direct a question to the Minister of Reconstruction, based upon a communication sent to him recently by two machinists' lodges in the city of Winnipeg, and also a similar communication from the Winnipeg city council, containing a resolution, a copy of which I sent the minister a day or two ago, requesting that steps be taken to provide immediate employment for workers being laid off in the aircraft industry. I would ask the minister whether any steps are being taken by the Department of Reconstruction to meet the request set out in this resolution.

Hon. C. D. HOWE (Minister of Reconstruction): Mr. Speaker, I can assure my

hon. friend that my colleague the Minister of Labour (Mr. Mitchell) is taking steps to place any men laid off in Winnipeg in similar employment, either in that city or in other centres. There is an over-all shortage of man-power in industry, and there is no difficulty about transferring men.

THE WAR

POLICY OF THE GOVERNMENT IN MAINTAINING VIGOROUS WAR EFFORT—CONTINUATION OF DEBATE ON MOTION OF THE PRIME MINISTER

The house resumed from Monday, November 27, consideration of the motion of the Prime Minister (Mr. Mackenzie King) that this house will aid the government in its policy of maintaining a vigorous war effort, and the proposed amendment of Mr. Graydon, and the amendment to the amendment of Mr. Coldwell.

Mr. SPEAKER: I desire to give my ruling with regard to the subamendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell). The motion before the house, moved by the Prime Minister, is:

That this house will aid the government in its policy of maintaining a vigorous war effort.

The hon. member for Peel (Mr. Graydon), seconded by the hon. member for Lake Centre (Mr. Diefenbaker) moved in amendment thereto:

That all the words after the word "that" to the end of the question be struck out and the following words substituted instead thereof:

"This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice."

To this the hon. member for Rosetown-Biggar (Mr. Coldwell), seconded by the hon. member for Vancouver East (Mr. MacInnis) moved in amendment:

That all the words of the amendment after the word "that" in the first line thereof be struck out and the following substituted therefor:

"The following words be added to the motion: which in the opinion of this house requires the immediate removal of all distinctions between drafted and volunteer personnel, thus making the entire home defence army available for reinforcements overseas, and requires further the total mobilization of all the resources of Canada, material and financial as well as human, to ensure a total war effort, adequate reestablishment of the members of our fighting forces, and full employment after the war."

It will be noticed that the leader of the opposition moved that certain words dealing with the same subject matter of the main motion be added to that motion. The leader of the C.C.F. group moved that certain words, some of which such as "and requires further the total mobilization of all resources of Canada material and financial" introduce other features, be added to the main motion. As this is foreign to the subject matter of the main amendment it cannot be moved at this stage of the proceedings, though it is relevant to the main motion. May says, page 285:

It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed.

The amendment to the amendment is in the nature of an amendment to the main motion, and the hon. member must wait until the first amendment be negatived before his amendment can be offered. If the main amendment, instead of a substitution, was an addition to the main motion, the hon. member for Rosetown-Biggar might move another addition different from, but relevant to, the main amendment. This often happens on the address in reply, where the wording of the main motion is unalterable; but in this case the house is asked to aid the government in its policy of maintaining a vigorous war effort, and the official opposition objects on the ground that the government has not provided for adequate and trained reinforcements. The leader of the C.C.F. party asks that this proposition be eliminated, and he gives certain reasons for voting against the main motion. He cannot adopt that course; he must first endeavour to have the amendment negatived or amended in a substantial manner, or otherwise disposed of, before moving his own amendment to the main motion. This theory is confirmed by May (page 291) who says:

An amendment to a proposed amendment cannot be moved if it proposes to leave out all the words of such proposed amendment, but in such a case the first amendment must be negatived before the second can be offered.

My attention has been directed to the amendments moved on 9th March, 1943, which will be found at pages 142 and 143 of the *Journals* of that date. The motion was made for the Speaker to leave the chair. An amendment was moved to the effect that government-created money be established, and a subamendment was proposed declaring that the banking system be nationalized. There were other considerations in both propositions, but they were akin and relevant to each other. They were allowed. In the question now under consideration the amendment proposes a substitution of the main motion, and the subamendment proposes an addition to the main

motion. The question is not the same as in March, 1943; the two propositions are separate motions, and must be voted upon accordingly. I was also referred to the debate on the address in reply, this session, pages 42 and 43, *Votes and Proceedings,* and to the amendment moved by the leader of the opposition and the subamendment moved by the leader of the C.C.F. party. The same objection applies as I have stated with regard to the amendment and subamendment of 9th March, 1943.

In the question now before the house, if the house accepts the subamendment the main amendment would be eliminated and the only question before the house would then be the main motion as amended by the subamendment. The result would be that the mover of the main amendment would be deprived of his right to obtain an expression of opinion, either original or in an amended form, by the house on the policy stated in his amendment. For these reasons I rule that the subamendment is not in order at this time.

Mr. J. A. JOHNSTON (London): Mr. Speaker, in continuing the debate on the motion now before the house I should like first to say what a pleasure and privilege it is once again to attend this Canadian parliament after four years spent on active service with the Canadian Army.

I was in England in September and October of 1940. I saw the German planes attacking by day and night. I saw the small but gallant R.A.F. force the Germans to resort to night bombing only. I saw London, that long-suffering city, burn at night, the last Sunday of the year 1940; and then that last big German attack in the early summer of 1941 when the House of Commons at Westminster, the mother of parliaments, was destroyed. During that same period the destruction of Coventry and Plymouth and the burning of Bristol were suffered by the people of Britain. Then the organization of the air defences of the British isles forced the attackers slowly but surely from over England, and air superiority was gained over the much battered island. Then Germany attacked Russia, and Russia was called upon to take her share of the load so as to lighten the burden resting on the shoulders of England. The result was that only hit and run raids at long intervals came to the people of England. Then came December of 1941, Pearl Harbor, and the entry of the United States into the conflict; the arrival of the Americans and the Flying Fortresses in England; and the building of greater airports, which the Canadian engineers helped to construct so rapidly. Then followed August, 1942, and Dieppe, where the second Canadian division shouldered the great attack on the fortress of Europe, and made history and undying glory for Canada.

I saw the Canadians being trained for the job to come, where brigades were moved swiftly and smoothly from the south coast of England to the rugged hills of Scotland. I saw the Canadian Army move their artillery in one scheme after another. And then one day in the early morning broadcast of July 10, 1943, the world was informed that an allied army had landed in Sicily, the British on the right, the Americans on the left and the Canadian troops, consisting of the first Canadian division and the first Canadian armoured brigade attacking in the centre. Then followed September 3, and at daybreak the First Canadian Division landed at Reggio di Calabria, on the Italian mainland. Then in quick succession Pottenza, Spitzenola, Foggia, Motta, Campobasso, Castropignano, Torella, Molise and Agnone. Then a rest before the great battles along the Adriatic. A year ago now, on the part of the first Canadian division and the first Canadian armoured brigade, there was a rustle of preparations for that big show which was coming. Orders were issued and a quick move was made to the Adriatic. Then followed in succession the Sangro, San Vito, the Mora, Ortona and the Arielli. Then followed that long period of holding the winter line, that cemetery at the southern approach to Ortona which the Canadians left behind when they moved to Caserta in preparation for the battles that still were to come. Again there followed in quick succession the Gustav line, the fall of Cassino, the crashing through of the Hitler line, Pontecorvo, and onward to Rome —history written by Canadians in Italy. Then came the news on the radio on D-day, that morning in June the whole world had been looking forward to. While this initial attack was taking place on the Normandy coast the Canadians in Italy went into a rest period. After that short rest there was a quick push to Florence. The great 8th Army moved to the Adriatic and into the Gothic line, over the Metaurus beyond Pesaro and onward toward Bologna.

I served with the first Canadian division. I know the work that our infantry men have done. At this time I would like to draw to your attention an item that appears all too frequently in press reports of the world, "Slight activity—only a few patrols sent out". If you, Mr. Speaker, were one of the members of that patrol, you would not think it slight. Day in and day out infantrymen and engineers are going forward, clearing the

way for the army to pass. Those are the men we must reinforce; those are the men who carry the load; those are the men who swept Jerry out of his dugout. They are the men who advance against the nazi war machine with nothing but the air and their skill to protect them from German fire. When this war is over, may the infantrymen hold the place of honour. They are the men who have been doing and are doing it the hard way.

In fairness, Mr. Speaker, I should like to say at this time that I have spoken at some length respecting the activities of the first Canadian division because that is the one with which I served. It is an infantry division, and in a short time many of those soldiers will be starting their sixth year overseas. They are looking to the day when they will be back with their families. That is why it is necessary to send the required reinforcements to support our troops overseas.

I should like to place on record at this time some of the things I saw and heard when in England in September of this year. I saw the damage done by the robomb to communities in the south and east of England, the same area which received such a heavy bombing in the early years of the war. Once again that area is under terrific strain and pressure. I saw the damage, the havoc, the destruction and hardships the people have been suffering. V-day was coming even closer—and then came the robomb. The people of London will long remember the tragedy at the Guards' chapel, the robombs at Waterloo Station and the Lewisham market,—all incidents in the suffering of the civilian population of England.

Anyone who has seen action in the combat areas, anyone who has seen the suffering and devastation in southern England, wants to see the war finished as quickly as possible. Speaking as a service man, and only for myself, I should like to give my impressions of the support the army has received from the official opposition in this house.

On Monday of this week the hon. member for York-Sunbury (Mr. Hanson) interrupted the Prime Minister, and those interruptions and the replies are reported at page 6597 of *Hansard*. Let me read a few lines to show what was said:

> Mr. Hanson (York-Sunbury): That is not a correct statement, because in this house I moved an amendment to the address in the session of 1942, calling for complete national selective service. I want to correct a misstatement.
>
> Mr. Mackenzie King: Complete national selective service, as I understand it—
>
> Mr. Hanson (York-Sunbury): For the army in any theatre of war, for agriculture and for industry. That is a matter of record.

Mr. Mackenzie King: Well, perhaps I may speak for myself and allow the hon. member to speak for himself.

Mr. Hanson (York-Sunbury): I say the record speaks for me.

I should like hon. members to look at that record. I have looked up the amendment moved by the hon. member for York-Sunbury on January 26, 1942, and I want to read it. This is what I find:

> And the question being proposed:
>
> Mr. Hanson (York-Sunbury), seconded by Mr. Stirling, moved in amendment thereto: That the following words be added to the address:
>
> "This house regrets that Your Excellency's advisers, instead of giving to the country the leadership so essential at a time properly described in the speech from the throne, as the gravest crisis in the world's history, on the contrary, have sought to evade their responsibility by holding a plebiscite, which, in the view of this house, is the negation of responsible government.
>
> And this house regrets that Your Excellency's advisers have not seen fit to recommend to parliament without delay additional measures designed to:
>
> (a) completely mobilize the wealth and material resources and, on a selective basis, the full man and woman power of the nation, to the end that the nation may wage total war in any theatre of war.

I thought it desirable to look up the amendment moved on February 1, 1943, by the present leader of the opposition, after Mr. Bracken became leader of the Progressive Conservative party. It is in these words:

> We respectfully submit to Your Excellency that this house regrets that Your Excellency's advisers have failed (a) to provide an adequate plan for the effective use of Canada's man and woman power; (b) to adopt and carry through a national labour policy which will ensure maximum production and give to labour its rightful position as one of the major partners in our Canadian democracy; and (c) to provide adequate measures whereby Canadian agriculture can make its maximum war contribution and receive a fair share of the national income.

That is the record. To me as a soldier those are weak motions. They are facing both ways. They are trying to give the impression to one side that the Conservative party favours conscription and to the other side that it is not in favour of conscription. The Conservative party now seeks to get credit for wanting total war, but its record shows that it has never come out directly for conscription.

What has been the position of the government? At every stage the government has given the army the support it needs without cheap heroics. They are doing that to-day. The government avoided conscription for overseas as long as it was possible to do so without endangering support for the army. But since 1942 the government said that it would use

conscription if necessary. The Prime Minister has never hidden behind smoke screens like selective services or other phrases which mean different things to different men. The Prime Minister has been straightforward. He has called things by their right names. When he means conscription he calls it conscription, not something else. When conscription for overseas became necessary the government took the responsibility and passed the order in council.

But that is not all. The government has done everything necessary in all directions to make Canada's effort an all-out effort. Let me remind the house of what Mr. Churchill said on that subject. I quote from page 72 of "Onwards to Victory" by the Right Honourable Winston S. Churchill:

March 6, 1943.

(A Message to Mr. Mackenzie King, Prime Minister of Canada, who had congratulated Mr. Churchill on his recovery from illness):

I am deeply touched by your very generous message, and I send to you and to all members of the parliament of Canada my heartfelt thanks. I recall with gratitude the warmth of the reception which you all gave me when I visited Canada in December, 1941. In the darkest days Canada, under your leadership, remained confident and true. Now the days are brighter; and when victory is won you will be able to look back with just pride upon a record surpassed by none.

Then in a radio address from Quebec on August 31, 1943, Mr. Churchill said:

I have also had the advantage of conferring with the Prime Minister of Canada, Mr. Mackenzie King, that experienced statesman who led the dominion instantly and unitedly into the war, and of sitting on several occasions with his cabinet, and the British and Canadian staffs have been over the whole ground of the war together. The contribution which Canada has made to the combined effort of the British commonwealth and empire in these tremendous times has deeply touched the heart of the mother country and of all the other members of our widespread family of states and races.

From the darkest days the Canadian army, growing stronger year by year, has played an indispensable part in guarding our British homeland from invasion. Now it is fighting with distinction in wider and ever-widening fields. The empire air training organization, which has been a wonderful success, has found its seat in Canada, and has welcomed the flower of the manhood of Great Britain, of Australia, and New Zealand to her spacious flying fields and to comradeship with her own gallant sons.

Canada has become in the course of this war an important seafaring nation, building many scores of warships and merchant ships, some of them thousands of miles from salt water, and sending them forth manned by hardy Canadian seamen to guard the Atlantic convoys and our vital life-line across the ocean. The munition industries of Canada have played a most important part in our war economy. Last, but not least, Canada has relieved Great Britain of what would otherwise have been a debt for these munitions of no less than $2,000,000,000.

All this, of course, was dictated by no law. It came from no treaty or formal obligation. It sprang in perfect freedom from sentiment and tradition and a generous resolve to serve the future of mankind.

That will be found at page 224 of the same publication. I should like to quote from the Ottawa *Evening Citizen*, Tuesday, November 28, as follows:

Canada's Effort "Magnificent"—Churchill

London, November 28—(CP)—Prime Minister Churchill to-day told the House of Commons he realized "the magnificent character of the Canadian war effort."

This resolution is not a vote on conscription. That is water over the dam; that issue was settled by the government on its own responsibility. The government is now asking for support in continuing the war effort—to finish the job. I believe that this government is incomparably better than any alternative to finish the job. I want a Liberal government to guarantee the future of Canada; no hybrid Union government, no soulless, heartless, conglomeration of office holders can do this. Our aim is to destroy the barbarism and error of nazism and take steps to prevent their rise again. Our aim is to strengthen and advance civilization and justice and assure security to all mankind.

Change is the law of life. We are living in a period of great changes, but any change must be in the right direction. Twenty-five years' leadership have given the Prime Minister experience without destroying vision. As proof let me quote from his speech before the members of both houses of parliament at Westminster on May 11, 1944:

Let us, by all means, seek to improve where we can. But in considering new methods of organization we cannot be too careful to see that, to our own peoples, the new methods will not appear as an attempt to limit their freedom of decision or, to peoples outside the Commonwealth, as an attempt to establish a separate bloc. Let us beware lest in changing the form we lose the substance; or, for appearance's sake, sacrifice reality.

Those words are applicable to the situation in this house to-day. What has already been done at this session in making provision for the future of the service men, in advancing social security for everyone in Canada and in laying foundations for full employment and enlarged opportunities, give concrete evidence of the aim of the government to make Canada a land where the four freedoms will be the birthright of all who live within its borders. I am therefore supporting the motion now before the house.

Hon. W. EARL ROWE (Dufferin-Simcoe): Mr. Speaker, I have listened with interest to the remarks of the hon. member for London, (Mr. Johnston) who has just preceded me, and I know I voice the sentiments of all the members of this party and the house as a whole when I say we are delighted to see him back after his wonderful service overseas during the last four years.

The hon. gentleman has said that the issue to-day is not conscription, that that is water over the dam. Literally we cannot help but agree with him in that statement, but there is no doubt that the administration of a form of conscription is the burning issue to-day. This is a serious session. It is as unexpected as it might have been made unnecessary. I agree to a considerable extent with what was said the other day by the Prime Minister (Mr. Mackenzie King) and with much of what has just been said by the hon. member for London. In many respects Canada's war effort has been magnificent. In many respects it has won the admiration, the esteem and the respect not only of our allies but of the whole world. Of the gallantry of our men at sea, in the senior service; of the fearlessness of those gentlemen of the air who fought against great odds at the beginning of the war and are still doing such a masterly job; of the sturdiness, the stubbornness and the bravery of our infantry and our army generally, there is no doubt. I realize as I speak that there is not an hon. member but who has a direct and personal interest in this war. I know there are members of the government who have lost what they valued most.

These are indeed serious times. The courage of the mothers of this country at this time should not be forgotten. The determination of our people in general, their attitude from the very beginning of the war, their determination to enter upon the side of Britain, the bulwark of civilization in those dark days, will be remembered and recorded in the pages of history in the years to come. The genius of our mechanics and artisans in industrial production has enabled us to attain productive capacities beyond the imagination of the most optimistic at the beginning of the war. These things are written indelibly in the history of our progress in these last five awful years.

But we are not here to boast about our achievements. We are here to finish the job. We are here to face the last desperate test of a struggle which will decide the fate of civilization itself. I cannot put the issue in better words than have been used by Mr. Alexander Walker, C.B.E., dominion president of the Canadian Legion, whose statement contains these words:

> Only one thing matters now and that is getting reinforcements into the front line just as speedily as it is possible to do so. Anyone who still doubts this vital issue for reinforcements has only to look at the daily casualty lists and remember that, for every name appearing, a reinforcement must be found or an already war-weary soldier must do double duty.

He further states:

> It is a vital burning issue, upon the immediate solution of which will depend first, the lives of our sons and brothers overseas, and second, the honour of Canada, both in relation to her self respect as a nation and to the degree of esteem in which she will be held by the governments and people of the united nations when the war is over.

He concludes:

> The fate of our army overseas, and indeed Canada's future as a united nation, is now hanging in the balance.

That is the issue. It far transcends advantage to any party. It far transcends the dickering and manoeuvring for position or the clever strategy of the government which is now in power with the lopsided support of enormous numbers in this house. Having that in view, and realizing the seriousness of the situation this afternoon, I speak to this house and to this country for the Progressive Conservative party, with which I am associated; and I say that no suggestion which I am about to make has any reference to what the hon. member for London (Mr. Johnston) has intimated with reference to a national government, but is wholly an offer of cooperation provided the right leadership is found, and is made without any request or suggestion of union government.

The Progressive Conservative party, with the full authority of its leader, John Bracken, and with the unanimous voice of its representation in this parliament, hereby declares that in this hour of national crisis, when the fortunes of political parties must be subordinated to the national weal, it stands prepared to cooperate with any government which, under leadership that will ensure equality of service, offers proof of will and determination to send to our soldiers overseas the reinforcements which our war commitments demand.

That, Mr. Speaker, is the position of the party to which I belong. I am proud to say that we stand foursquare for a policy which will equalize conditions among our armed forces, which will equalize conditions of self-respect, of honour of service and of sacrifice,

and give to the remainder of this war a united front in the battles overseas through that united stand here in Canada.

I listened with much interest to the remarks the other day of the Prime Minister. I have for the right hon. gentleman keen respect, and for almost a quarter of a century he has reciprocated this attitude. But may I say that his speech on this vital issue bristled with fear, doubt and uncertainty as to where this country was going, and I would point out, with the keenest respect, that we have only to look back and realize where the government has been standing to understand why he was nervous, why he almost shivered and shrank from his duty on this occasion. The hon. member for London has just told us that when the Prime Minister speaks about conscription everybody knows what he means. That is news, let me say, to a distressed Canada at the present time. I well recall the statements which were made before the war by the Prime Minister and his supporters. However, last year he informed us in this house that he had told Mr. Hitler himself that if he ever attacked Britain, Canada would be at her side.

Mr. ROEBUCK: Hear, hear.

Mr. ROWE: "Hear, hear," my hon. friend says. Did he tell you?

Mr. ROEBUCK: Yes.

Mr. ROWE: He did not tell Canada.

Mr. GIBSON: He showed Canada.

Mr. ROWE: What is the hon. member's authority? My hon. friend from Toronto seems to have known. It was evidently between him and the Prime Minister.

Mr. MACKENZIE KING: My hon. friend heard Mr. Eden speak in this house with reference to what I said to Hitler.

Mr. ROWE: Yes, I heard Mr. Eden speak, but I did not hear the Prime Minister speak—not at that time. I heard him only four years afterwards. I look back and I see that some time ago, away back in 1939, the Prime Minister stated, as reported in *Hansard* at page 22—and I agree with what he said:

> If Britain goes down there will in time be no freedom on this continent.

He further said, in a broadcast on October 27, 1939, just after the beginning of the war:

> We see forces loosed upon the world which, if not subdued and conquered overseas, sooner or later would be at our very doors.

With that also I agree. Later, on June 13, 1941,—*Hansard*, page 3931,—he stated:

> This war will be won or lost . . . on the shores and in the skies of Britain. The battlements are in the Atlantic and the English channel. Freedom falls only if Britain falls.

Again I agree with him. In September, 1941, speaking in the Mansion House in London, the Prime Minister said:

> The policy of the Canadian government is to have our troops serve in those theatres where, viewing the war as a whole, it is believed their services will count most.

These are statements with which one cannot disagree. In fact, with most of the right hon. gentleman's statements one cannot disagree, and I am not disagreeing with them. But I am condemning his lack of action. On November 12, 1941, the Prime Minsiter said, in spite of these facts:

> So far as I am concerned, without any consultation of the people on that subject, I do not intend to take the responsibility of supporting any policy of conscription for service overseas.

Mr. MACKENZIE (Vancouver Centre): What did Meighen say at Hamilton—

Mr. ROWE: If you had listened to the Right Hon. Arthur Meighen years ago you would not have developed the disunity that has been created in the country by your opposition to him over the last twenty-five years.

Mr. MACKENZIE (Vancouver Centre): What did he say?

Mr. ROWE: The Prime Minister also said:

> It is always well, however, to be prepared as far in advance as may be possible for any contingency. . . . To defeat the enemy overseas is the objective of Canada's armed forces.

But, Mr. Speaker, later on the Prime Minister said: It is clear that the need for home defence has passed. And then we had the famous plebiscite, and the Prime Minister said the other day in his speech that there has never been a time since 1941 that this government has not had the legal power to enforce conscription if necessary. The hon. member for London has said to-day, however, that that is water under the bridge; conscription has been passed; and, as he intimates, the Prime Minister passed conscription. Indeed, it was his conscription that took the boys from the farm and the factory, from the forest and from the store, from the school and from our mines and from every enterprise in this dominion. He put in conscription, he brought on a plebiscite and had a substantial majority on it. As he said the other day, he has had that power from 1941, but he had the moral obligation, and he wanted to be relieved of that moral obligation in 1942. He was then released from the moral obligation, as he stated, so that it would leave him free in every way; and evidently he was released in every way, because by order in council

P.C. 1867 he authorized the dispatch to Jamaica of personnel called out for training and service under N.R.M.A. Again on March 12, 1943, by order in council P.C. 2003, he authorized the dispatch of troops to Newfoundland. On April 20, 1943, he authorized the dispatch to Alaska of personnel called out for training, service or duty pursuant to N.R.M.A., not restricting this to any specific number of men. Then there was an order in council extending the above to include the Aleutian islands, and there was also the famous order in council that has been passed recently. I say, therefore, that we have had no great conversion to any new administration of this policy.

I regret as deeply as does any other member of this house the resignations that have been handed in to the government. I regret the resignation of the former minister of national defence (Mr. Ralston), a gallant soldier of the last war and a gentleman who has served diligently in this war. I regret the resignation of the former minister of national defence for air (Mr. Power). It is regrettable that at this period in the war it should be necessary for two of the most important men in the cabinet, the two fighting men to resign. But the ex-minister of national defence has struggled with this problem, and no doubt struggled all the harder because of the uncertainty that has surrounded him by reason of the policy of his government. He went overseas expecting, as it was rumoured, to spend six weeks there, but he rushed back in three weeks—why? Because he realized that the situation was critical. He rushed back straight to his government and to his friend the Prime Minister and urged upon the right hon. gentleman the need of men. He had seen at first hand exactly what the picture was and he knew that we must depart from the policy of the voluntary system.

One would think that the old slogans of the Prime Minister would have been reviewed in the light of events—that we should have conscription if necessary but not necessarily conscription, that we should have conscription when we needed it and when we knew what the need was. The man who had stood beside him for a quarter of a century, a man whom he trusted, his friend, the ex-minister of national defence, on whom he had depended in this crucial year, offered his advice and that advice was rejected. Why was his advice rejected at the eleventh hour? Why did the Prime Minister forsake him? The Prime Minister said that one of the reasons was that the ex-minister of national defence had assured him previously that this would not happen until after the new year. In his speech the other day he said: I was assured there would be no such need until after the new year. He went further and said: I want this house and the country to know that we have been thinking about this. We have been thinking about it for a long time, but Mr. Ralston said that he would not break the news to us until after the new year. I do not want to be unfair to the right hon. gentleman, but those were his statements as I understood them.

Mr. MACKENZIE KING: My hon. friend has not the connection at all. The reference to the new year was this—that there were ample reinforcements for the army up to the end of the present year and the critical situation would not arise until next year. It was in reference to the position of the men overseas. There was no need for any relative or friend to be anxious, because there was provision up to that time.

Mr. ROWE: I understand the issue, perhaps not as well as the Prime Minister understands it but better than he thinks I do, and I will say with all deference that I have learned to follow his words cautiously and carefully. What he has just said is true. No man can tell the truth more skilfully than he. Let me say this. The Prime Minister knows what the situation is, as does every member of this house. But the ex-minister of national defence resigned from his government because in his opinion the crisis would arise so soon that plans for troops to go must be made now. The issue is so clear that it must appeal to every Canadian, just as it appeals to every member of this house. It pleads for a solution.

We know that troops could not be dispatched and disembarked overseas before the end of December and therefore the month of December was not the immediate problem. But should we wait until January to be told of a shortage of reinforcements? No. The Prime Minister said that another reason why he did not take the advice of the ex-minister of national defence was this, and I quote: I want the house and the country to know that we have been thinking about this all along. He said he wanted the people to know that the reason why he did not accept the advice, after five years of war, was that we were now on the very eve of victory; therefore why should we do as suggested. He said we were on the very eve of victory; why should we do it now? Further, he said: What we had to decide in the cabinet was not only the necessity overseas but

exactly what conditions existed right here in Canada. He emphasized that. I say therefore that the speech bristled with fear, doubt and uncertainty. Am I unfair to him?

An hon. MEMBER: Surely.

Mr. ROWE: The hon. member says, surely. Well, I am not going to be sidetracked by my hon. friend, who is always more vociferous while sitting down than when standing up. But I will say this. The Prime Minister is unfair to Canada when he says that what we had to decide was not the necessity overseas but the uncertainty here in Canada. What a reflection on the intelligence and loyalty of our Canadian people!

Mr. MACKENZIE KING: May I say to my hon. friend—

Mr. ROWE: The necessity right here in Canada.

Mr. MACKENZIE KING: May I say to my hon. friend that no remarks of mine are capable of that interpretation. They are on *Hansard*. I did indicate to the house what were the difficult considerations of which account had to be taken in reaching a decision.

Mr. ROWE: I do not want to be unfair to the right hon. gentleman, because he has never been unfair to me. There has always been the most courteous relationship between the Prime Minister and myself. If I have copied his remarks wrongly, I am sorry, because I copied them from *Hansard*. I did not put in the many frills here and there, but I took the meat out of them—and it is difficult to find much meat when there are so many words that mean so little. I say again, Mr. Speaker, such a statement as that is a reflection on the Canadian people. I leave it to the public, as he who runs may read. I leave it to any hon. member in this house or anyone out of the house who wants to read *Hansard*. If that statement is not found in *Hansard* I will apologize to you, Mr. Speaker, and to the right hon. gentleman. I remember it well. It rang in my ears as an insult to the intelligence of the people of this dominion, to say to the world that we are not so much concerned about the necessity over where our boys are fighting and dying for freedom as we are about our politics at home.

An hon. MEMBER: The Prime Minister never said that. Who says that?

Mr. ROWE: I am saying that.

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: —as we are about the political and other uncertainties in Canada. You cannot blow hot and cold. You cannot say on the one hand that you have made such great strides, as the Minister of Finance can well say with respect to the sale of victory bonds. Every loan has been oversubscribed. How can you talk about what the Red Cross has done in this country; how can you say that our industrial enterprise has done marvels in providing munitions and supplies; how can you boast about the determination and industry of the Canadian people, the genius of our mechanics and the soundness of the business executive across the country who have made our war effort the success that it has been, and at the same time talk about the uncertainties in Canada? These people have led the government instead of the government leading them for the last five years. How can you boast about that on one hand and say to the world on the other hand that so far as the necessity for man-power is concerned we have to think of conditions at home and then try to escape the responsibility for those conditions?

The man who has been in power in this country for so long says that the conditions are caused by an organized conspiracy. A conspiracy by whom? The press of Canada? The Canadian Legion? The boys who have returned from overseas? Who are the conspirators? Where is this conspiracy?

An hon. MEMBER: A Tory conspiracy.

Mr. ROWE: Somebody says, "a Tory conspiracy". Yes, I have heard you say that before. It is not worthy of an answer, Mr. Speaker, because the hon. member knows where this party has stood. He knows where it stands to-day, and if there was any doubt about it I have made it clear to you now. We are not seeking power; we are not seeking authority. What we are seeking is to have this government do the duty that lies clearly before it, and get on with this war. We did not call this session of parliament. It was called because one of the senior cabinet ministers left the government because it had faltered in its duty. It was called when another cabinet minister left because you floundered in your compromise. That is why they left you. One left because you compromised; the other left because you faltered. There is no organized conspiracy against this government, Mr. Speaker. There is an organized determination across the country that we shall finish this job. I think this afternoon of the Right Hon. Winston Churchill. Would not the Canadian people prefer that the

Prime Minister should come out and tell us: All I can offer you at this time is blood, sweat and tears, than that he should say on the floor of this house that the necessity makes him throw the responsibility on parliament?

Who has replaced the hon. gentleman who has resigned as minister of national defence? A man who said he had faith in the voluntary system the day before he came into the house and now asks us to support him in a compulsory policy. He came into the house with unanimous consent. This government cannot hide behind such smoke-screens. You cannot hide behind secret sessions of parliament. The public of Canada know where you stand. They know about the vacillating, twisting, squirming, floundering and faltering policy of this government. Everybody in Canada knows. The boys in service overseas are almost weeping about it. They write back home and ask us what is happening in Canada. Why should we humiliate them in their hour of greatest crisis?

The Minister of National Defence—and I have every respect and regard for him—has been a great scientist. He is a cultured gentleman. He was nervous the other day. I say that because after he left us the first day we were more confused than when he came into the house. It was not any fault of his. It was because he was making his first appearance in the house under such peculiar circumstances. But I remember one thing he did say—

Mr. MACKENZIE KING: May I—

Mr. McGREGOR: Oh, sit down.

Mr. MACKENZIE KING: Perhaps the hon. member who interrupted me will stand up. May I say that my hon. friend in speaking of confusion is quite within his rights in expressing his own frame of mind. I hope he will not regard it as representing mine.

Mr. ROWE: I do not assume the Prime Minister ever thought that I was expressing his opinion. I hope we can be clear on that. If he thinks that, I have spent a lot of time here in vain. But there is one thing that the Prime Minister and I both heard the Minister of National Defence say the other day. After the Prime Minister had stated that we were near victory, that it was almost within our grasp, at the very eve of victory the ex-commander of our forces stated that we faced a most serious situation; that the fortifications are more difficult than we ever expected to contend with and a hard road lay ahead.

Mr. MACDONALD (Brantford City): The Prime Minister said the same thing.

Mr. ROWE: Does the hon. member for Brantford City need to speak for the Prime Minister; the Prime Minister is capable of speaking for himself. The Prime Minister said that we were on the eve of victory. Will the hon. member for Brantford City say that victory is right at our door now and that we do not need to make any further effort?

Mr. MACKENZIE KING: What did Mr. Churchill say, and everyone else?

Mr. ROWE: Yes, Mr. Churchill said that victory may not be achieved until well on into next summer. The Prime Minister is thinking about the first statement Mr. Churchill made. The Prime Minister is six months behind on this particular issue.

The new Minister of National Defence spoke to the house and said for five years he had faith in the voluntary system, and then in five hours admitted that he had been converted to the compulsory system. We are now asked as a people to endorse and support him, to endorse a policy for which the former minister of national defence was let out. It is the most ridiculous spectacle that this country has ever faced—toying and flirting with our destiny while our boys are dying. Yes, Mr. Speaker, he said that the fighting was much heavier than we had expected. He now comes in and asks us to endorse the sending overseas of only 16,000 men. He says the loss of life will be great. The future is dark and difficult, yet the other day another minister of the crown, the Minister of Fisheries (Mr. Bertrand) said that the war is already won.

Mr. FRASER (Peterborough West): Oh, he is at sea.

Mr. ROWE: Well, there is the old saying that there are better fish in the sea than have ever been caught. One minister says the war is over. The Prime Minister says he has victory within his grasp. Another minister says the war is not nearly over yet, that the fortifications between us and victory are far greater than he expected, so how can we have confidence in this government? Then we have another minister, that gallant gentleman who has struggled so hard and has been responsible for a great part of the organization, the Minister of Munitions and Supply (Mr. Howe), saying over in Chicago that this is only a political issue, that there is no real necessity for it.

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: I will not deal with that further; the statement aroused the whole United States, but if I were sitting where hon. gentlemen are sitting I would not laugh very heartily at that one. Then we have the Minister of Justice (Mr. St. Laurent) another gallant supporter of the government. If anyone thinks there is consistency in this government let them listen to what that hon. gentleman said in 1942:

> I am convinced that we all want to win the war and that we are all prepared to submit to any measure which may be absolutely necessary for that purpose. . . . No thinking person can, therefore, have any objection to the government resorting to conscription for overseas service in the event of absolute necessity.

Then only the other day the same hon. gentleman said:

> Mr. Ralston has visited the battlefields overseas and upon his return has communicated to his cabinet colleagues reports of an extremely serious nature. . . . We in conscience could not accept what he recommended us to do. . . . If the federal government had decided to send draftees as reinforcements overseas, the majority of the people of Quebec would have deemed themselves deceived by their English-speaking compatriots.

Mr. CARDIN: Never mind about Quebec.

Mr. ROWE: But this is your own Minister of Justice. I have as much regard for the province of Quebec as my hon. friend has. Never within or without this house have I reflected upon your province. I have said that your noble people, who win Victoria Crosses just as other people do, have been misled and fooled for twenty-five years by the right hon. Prime Minister. I ask the hon. gentleman, or any other hon. member from the province of Quebec—

Mr. McDONALD (Pontiac): Is that what you have always said?

Mr. ROWE: Oh, get up or shut up. If any minister from the province of Quebec can speak for the Minister of Justice in his absence, I ask him to rise now and tell us where the minister stands at the present time. Does he want to change his mind again? Does he support this degree of conscription, or does his silence indicate another resignation coming up? We have even heard from the Minister of National Revenue (Mr. Gibson), who said it was possible the time might come, and that if it did the government would adopt without equivocation the same method of raising men for our overseas forces that has been followed in connection with the home defence army. I ask the minister if he now supports this policy, as this is something else again. This is the third time he has changed. Does he stick with that, or is he waiting now for a fourth policy? Then in 1942 I heard the Minister of Labour (Mr. Mitchell) say in this house:

> When in my view conscription for overseas service is essential to the safety of the state and the preservation of our way of life, I will express my opinion in no uncertain terms.

Why does he now remain in conspicuous silence, while his colleagues bid him a last and loud farewell? Then we have the Minister of Agriculture (Mr. Gardiner), the famous champion of the middle of the road. Where does he stand to-day? Does he still stand in the middle of the road? Does he stand for sending more men overseas, or is he going to confine it to just this 16,000? These are the last shreds by which this faltering government hangs; from crag to crag they flounder; from one point of despair to another they hesitate, and from one national humiliation to another they retreat. I would remind them of one awful advertisement in connection with these gallant young men—and I say gallant young men advisedly, for I have every sympathy for these boys who have been so often rudely termed "zombies." These boys have been misled; they have not been approached fairly, but they have as gallant hearts for battle as many of the men overseas. They are waiting for uniform conscription, as they said this morning in Vancouver. In that connection I think of that advertisement, paid for with the money of the taxpayers, pleading with them, intimidating them, coercing them as well as conscripting them: "Have I the guts?" Then I say to these hon. gentlemen who are left, these lesser lights of the former cabinet: when this house adjourns, go out and get a mirror, look at yourselves and ask yourselves the same question.

Was it any wonder the Prime Minister, in his speech the other day, turned his back to those of us who understand his motives, and talked to his former colleagues? Is it any wonder that he pleaded: now, at my time of life, you should support me. Is it any wonder that he resurrected from the graveyard of the political life of this dominion the great Sir Wilfrid Laurier and the great Sir John A. Macdonald, to take what they did in days of peace in order to justify him for what he has done in time of war? Is it any wonder that he fears anarchy may follow his regime? We have anarchy in this country now, Mr. Speaker, and the Prime Minister has lost the confidence of the people of this dominion. The other day he spoke as though he were indispensable, but in that regard let me say that I have seen governments come and I have seen governments go. I know the right hon. gentleman knows, and he knows that I know, that he

does not have to name his successor. In this house he turned and asked his colleagues which one would take on the job. He has not the right to ask anybody else. The governor general has the right, though he has not the duty, to ask the Prime Minister to recommend, and the governor general does not have to accept that recommendation unless he sees fit to do so. Surely no one is indispensable. This is not a dynasty; this is a democracy. The Prime Minister pleads for a rubber-stamped approval by a colossal majority before his government is smothered by the avalanche of dissension so obvious throughout the country.

Then we have the Japanese situation; I see my time is going, but not long ago in the city of Quebec a conference was held. Mr. Churchill said:

And Mr. Mackenzie King and his cabinet likewise have insisted that they should take the part assigned to them.

I have not time to deal with that matter now, but some three years ago we declared war on Japan, and now Canada still waits for a policy in connection with its execution.

Mr. SPEAKER: The hon. gentleman's time has expired.

Some hon. MEMBERS: Go on.

Mr. ROWE: I wanted to say just a word or two with reference to my hon. friend the leader of the C.C.F. party; I will detain you but a moment.

Some hon. MEMBERS: Go ahead.

Mr. ROWE: I think, Mr. Speaker, if you make allowance for all the interruptions I will still have time to say a few words.

Some hon. MEMBERS: Go ahead.

Mr. ROWE: I thank hon. members for their courtesy.

Mr. MACKENZIE KING: The hon. leader of the C.C.F. is just as much entitled to that as I am.

Mr. ROWE: I thank the right hon. gentleman. Let me say in all sincerity, without any sense of levity, that when the Prime Minister believed he had a home crisis which we did not think was quite so grave as he stated in comparison with the war, I was amazed to hear the leader of the C.C.F. party tell the Prime Minister and his party what he would have done. The other night the hon. member for Rosetown-Biggar (Mr. Coldwell) told us how when overseas he had stood amidst those little white crosses and had thought that some of them were for boys who had ridden the rods during the days of depression. I am sure we all felt that very keenly.

Mr. MacINNIS: What did you do about it?

Mr. ROWE: What did you do about the little white crosses?

Mr. MacINNIS: Your party was in office at that time.

Mr. ROWE: I have a few of your statements too, but I have not time to put them on record. Let me read the official C.C.F. war policy, however, as it was stated in this house on September 9, 1939, right at the crucial hour:

This is the policy which represents the consensus of the leaders of our movement from coast to coast. . . . Canada should be prepared to defend her own shores, but her assistance should be limited to economic aid and must not include conscription of manpower or the sending of any expeditionary force . . . no military participation overseas.

An hon. MEMBER: You did not believe in it then?

Mr. ROWE: Oh, yes I did. We do not know yet what you think, and you never knew what I thought. Then again the leader of the C.C.F. is reported in this way in the Regina *Leader Post*:

We should make up our minds that never, so far as we are concerned, will we let our sons go across the sea to war again.

Mr. DUPUIS: Who said that?

Mr. ROWE: The present leader of the C.C.F. said that. In all I have said about the present government, I say to the house and the country I must admit that, despite its shortcomings, I have not heard a member of the government say that. And this was the man who said, further:

If this house decides that we are going to prepare for war . . . I would not support them.

And his party member further said:

In my opinion our British connection is our gravest danger.

And again:

I am quite convinced of this, that a large number of young men of this land will refuse to bear arms in a cause in which they feel they have no interest.

And again, after months of war had passed:

In the event of war, Canada's maxmium contribution would be the supplying of foodstuffs and material, and that under no circumstances would conscription be instituted to provide an expeditionary force overseas . . . we did not approve the sending of an expeditionary force overseas—

And this was at the time of the fall of France. So I say to the leader of the C.C.F. party: Did he kneel among those white crosses and repent of having taken that position, to assume the changed position he described the other day in this house?

I thank you, Mr. Speaker, and I thank the house for its attention. The issue, sir, is clear. The challenge is definite. Our duty is at hand. We must keep faith with our boys. We must not flirt with destiny. We must not fail our boys and humiliate our country. Our national dignity is at stake.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, the Prime Minister (Mr. Mackenzie King) has asked the house to aid the government in maintaining a vigorous war effort. He asks for an endorsation of the government's general policy in that regard. He made his position clear when he spoke on November 27, as reported at page 6617 of *Hansard* in these words:

> As I have said, the motion is not to be construed as an endorsation of government policies generally. So far as it relates to confidence in myself, that confidence is being expressed in relation to myself as one charged with responsibility of seeing that the policy set forth in the order in council P.C. 8891 is duly administered.

And again:

> Any member who votes against this motion is asking to have the present administration resign, and another administration immediately take its place.

No matter what the Prime Minister may have said, I believe that in many parts of this country a vote for the Prime Minister's motion will be regarded as a vote in favour of sending the personnel of the N.R.M.A. overseas—and vice versa, where a vote is against the motion.

We have now a situation where reinforcements are needed overseas immediately, and I believe that P.C. 8891 is sufficient to meet the needs of that situation. Furthermore we have had the assurance of the Minister of National Defence (Mr. McNaughton) that the 26,000 of the N.R.M.A. personnel not covered by the order in council will be put immediately into the training stream, and made available if and when required.

This group would have preferred an order in council which would have made all men called up under the N.R.M.A. available for overseas service. We realize, however, that an urgent situation has developed, a situation in which reinforcements are needed overseas immediately, and we are prepared to support the government in seeing that those reinforcements are sent. We are also prepared to support the government in averting a crisis which might very well bring on an election which would split the country from one end to the other. An issue such as this should not be placed before the people at this time. It would be my hope that when an election does come it would be on an issue which is clear-cut, so that the people may vote with some degree of intelligence.

It has been suggested that we could support the amendment offered by the Progressive Conservative party, which would ensure that the whole of the personnel of the N.R.M.A. be sent overseas. I think it is clear, however, that support for that amendment would in many places be regarded as showing confidence in the Progressive Conservative party—and members of this group have absolutely no confidence in that party. We have not forgotten their record between 1930 and 1935, their policy of belt-tightening in the face of actual physical want and destitution. We have not forgotten that that party failed to give leadership early in 1940. Furthermore, after they were defeated they immediately began to embarrass the government, and they have been trying to embarrass it ever since that time, throughout the period of the war. Their sole purpose seems to have been to capitalize on the crisis that has developed.

P.C. 8891 is being blamed for the wave of discontent sweeping the country to-day. I would say that the order in council has merely brought the matter out into the open. For some years, since the beginning of the war, discontent has been spreading, and that situation has been largely the result of the manner in which policies have been administered, and especially those policies relating to recruiting.

The government's policy from the very beginning in connection with this question has been one of appeasement. A policy of appeasement, whether national or international, is in reality a policy of cowardice; it neither satisfies the appeased nor does it satisfy those who are attempting to appease. It earns the contempt of the appeased and the wrath of those who are sacrificed as a result of the appeasement.

From the beginning the government has consistently opposed conscription for overseas service. Apparently it is a strong supporter of the voluntary system. But let me stress this fact, that it has indulged in what I would describe as despicable practices, in an effort to compel people to volunteer. In addition to that its policy has, from the very beginning, been one of flogging the willing horse.

What has been the consequence of that policy? The result has been this, that in

various parts of Canada we find families in which the whole of the manhood of those families has been wiped out; and then across the road you may have a family that has made no contribution. That is bound to be the result of flogging the willing horse with your so-called voluntary system. It is that kind of thing that is stirring up so much resentment in the country to-day, when you see these families bereaved of all their sons and perhaps the husband as well.

The policy of the Prime Minister, or perhaps I should say of the government, created a problem in the men that were called up under the N.R.M.A. Ever since those men were called up a campaign of abuse has been carried on against them. The reason why so many of those men are refusing to enlist to-day is not that they are cowards, it is that they are burning with resentment because of the policy which has been applied.

Do not let us forget that in the early stages of this scheme many men were obtained under false pretences. I think it was in 1941 when the four months' training plan was first put into operation. Men were asked to leave the farm to serve under that scheme, to take up four months' training and then be in position to return to the farm in the spring. Many boys, wishing to cooperate with the government, refrained from asking for postponements. They went into the training stream, and what happened? After they were in there the government froze them there for the duration. Many of those boys would have been eligible for postponement had it not been for the fact that they were asked to cooperate with the government and they did cooperate. But they were penalized for cooperating. That is what happened at the very start of the scheme. Men were got in under false pretences and they have been burning with resentment ever since. When you have a few men in a crowd burning with resentment, that resentment grows and filters through the rest.

We are told that volunteers make better soldiers than conscripts. Are we prepared to say that the Canadian soldier is a better soldier than the United States or Russian or British soldier? I do not think any one of us would dare to say that. Under this policy a man will be considered a volunteer up to a certain hour, but after that he becomes a conscript. Will you say that if a man volunteers before twelve o'clock he will be a better soldier than he would if he were conscripted five minutes later? That is the situation as we have it to-day.

We are told that conscription failed in the last war. I can speak only from personal experience, but I do know that on September 2, 1918, just before we launched an attack on the Drocourt-Queant line I received a large number of reinforcements. I did not care whether those men were conscripts or volunteers. I and the company were glad to welcome them. We were not of the opinion that conscription had failed. The only fault we had to find was that these men had received only a comparatively few weeks training. That was because conscription had not been put into force early enough; it was not as a result of conscription.

I agree that the voluntary system is the best method to use in order to obtain men for a raiding party or a small expeditionary force; but when you are going into a total war which will require every man that is available, then I do not see how the voluntary system can be maintained on an equitable basis. Certainly you cannot expect to have equality of service and sacrifice under the voluntary system which may result in all the men of one family going overseas and none from another.

Under P.C. 8891 the government still supports the voluntary system; it is still going to try to get N.R.M.A. men to enlist. Will the man who is practically forced to enlist be a better soldier than the man who is conscripted? As I have already pointed out, that is bound to be the situation which will develop as a result of the order in council. In spite of the fact that men are being called up you are still going to flog the willing horse. There will be nothing to prevent the last remaining son in a family from enlisting for overseas. That boy may have lost two or three brothers and want revenge. If two or three sons from a family have gone overseas the remaining son should not be allowed to go. Instead of doing everything to make it possible for that son to enlist, we should refuse to allow him to enlist. Under the present system all the boys in one family may be enlisting while other families will be permitted to continue to disregard their obligations or responsibilities.

The Liberal party is continually emphasizing the fact that Canada has made a magnificent war effort. I think we will all agree that our war effort has been a glorious one, but I take issue with the statement that we should support the Liberal party in an election because the Liberal party has made a magnificent war effort. I think in many cases our magnificent war effort has been in spite of the government's policies rather than as a result of them. I will give two or three examples to prove my contention.

Let us go back to the early days of the war and remember that for the first three years agricultural prices were maintained at a ruinously low figure. In spite of that injustice, agriculture cooperated and expanded its production. I would say that agriculture made that effort in spite of the injustices that it had suffered rather than as a result of the government's policies at that time. The same thing may be said with regard to labour. Since the start of the war labour has suffered many injustices, but in spite of those injustices labour has made a tremendous contribution to the war. Again you can say that that contribution was made in spite of rather than as a result of Liberal policies.

I should like to refer to the treatment that our soldiers and their dependents have received since the start of the war. The mistreatment which some of our soldiers and their dependents have received has caused a great deal of indignation. At the start of this session I referred to many cases and asked that these injustices be remedied before they caused further resentment. Apparently the government has no intention of altering certain policies which have proved so detrimental to the welfare of the soldier.

Let me refer to the order in council which was passed in 1940 and which amended the Pension Act. That order in council removed the insurance principle. I understand it was introduced on the recommendation of the Department of Finance. Up until the passing of that order in council a soldier was insured from the time he put on his uniform until he took it off. After the passing of that order in council a man serving in Canada was insured only against disability incurred as a result of military duty. As a result of the policy incorporated in that order in council many thousands of soldiers have been refused pensions on the ground that their disabilities were incurred while they were not on military duty.

Take the situation in the last war. During the last war those men would have been eligible for pension. Then again, thousands of soldiers have been refused pensions, and perhaps their dependents as well, on the ground that their disability was of pre-enlistment origin. That is not the law in England. There the category of the man upon enlistment is recognized as his real condition, and if that condition deteriorates he is pensionable. Should a man in this country enter the army as A-1 and his condition deteriorate, if it can be proven that that deterioration was due, say to an accident which happened prior to his enlistment, we refuse to give him a pension. If so, it is not the law in England, and I think it is high time that that law should be changed in this country. Many of these men are put through a form of third degree in order to try to prove that the disability they suffer from upon their discharge was incurred prior to enlistment. The only reason for passing either of those orders in council—the one regarding pre-enlistment origin and the one regarding the insurance principle—was to save the country a few million dollars, and to do so at the expense of the soldier and his dependents.

Then, one might refer to the condition of the old soldier settlers of the last war. I believe every hon. member is familiar with that situation. I do not think any member is proud of it. The hon. member for Battle River (Mr. Fair) has brought this question forcibly before the house on several occasions. I am reminded that when a delegation came here to interview the cabinet last summer they were given the assurance of the cabinet that every consideration would be given to their request. I was there when they met the cabinet, and afterwards, and the men were jubilant. They said, "That is good; we are going to be given free title to our land." I told them then and there not to be over-optimistic. I told them, "Governments have a peculiar way of failing to carry out promises which you think they have been made". It was only a short time afterwards that a statement appeared in the *Legionary* magazine under the pen of the director of the Veterans Land Act which told the men that the government had no intention of giving them clear title to their land. It would have been far better if the government, when they met these soldiers, had explained that situation then and there instead of encouraging them to believe free titles were going to be given; because that is merely storing up future resentments.

All the things I have referred to have created a great deal of dissatisfaction throughout this country as a result of the injustices. So again I stress that the glorious war effort of Canada in many regards has been in spite of the policies of the Liberal government rather than as a result of them.

Before I sit down I intend to move an amendment which, I believe, would largely rectify the condition that I have referred to; but before I propose the amendment I wish to make a statement in clarification of a certain situation that exists in this country:

We, the members of the Social Credit party in this house, in 1940 were elected entirely from the province of Alberta. At that time

no national social credit movement had been launched. However, in April of this year a national convention in Toronto set up the Social Credit Association of Canada, which is not a political party machine but is an association of autonomous provincial and federal constituency organizations, as the name implies. This association has not had an opportunity of submitting its policy to the people of Canada for their endorsation; hence no member is among us to speak for the Social Credit Association of Canada.

In all that any of this group have said in this house, in all that I have said in this address, and in the contents of the amendment we are about to propose, we simply have represented and do represent the policies of this group of Social Credit members of parliament and not necessarily those of the Social Credit Association of Canada.

On this question of Canada's war effort this group has been entirely consistent from the earliest days of our presence in this house. In what we now propose as a sane and sensible policy to be followed by the government of Canada from this day forth to ensure a maximum war effort, we believe we are voicing the will of the vast majority of Canadians, and certainly the will of the majority of the Social Crediters who elected us. But we realize now that there may be groups of Social Crediters in various parts of Canada not represented here who may not entirely agree with our proposals, hence we cannot presume to speak for them until they have been given memberships in our caucus through the mechanics of an election.

I move, seconded by the hon. member for Red Deer (Mr. Shaw), the following amendment:

That all the words after the word "house" in the amendment be struck out and the following words substituted instead thereof:

"requires the government to give immediate effect to the following policy:

1. The unqualified assurance to our men on the battle fronts that they will receive at once ample material supplies, and adequate reinforcements; and the use of all persons in any of Canada's armed services in any theatre of war in which they may be required.

2. The unqualified assurance, backed by appropriate action, that:

(a) Upon demobilization the active service men and women in the armed services, together with their families, will be ensured economic security, together with adequate grants and proper opportunities for training to enable them to reestablish themselves in the country's economic life;

(b) Adequate pensions and free medical care will be given to all persons whose health has been impaired during active service in the Canadian forces from any cause whatsoever;

(c) The dependents of all men killed in action or who have died in active service in the Canadian forces will be provided with economic independence for life.

(d) The foregoing will constitute a first charge on the nation.

3. The assurance to the people of Canada, by immediate action to that end, that following the war the abundant productive resources of the country will be used to the full, and that the resulting goods and services will be equitably distributed to ensure every Canadian economic security with full freedom.

4. The assurance that government wartime controls, bureaucracy regimentation and oppressive taxation will be discontinued as rapidly as possible after the war, and that the peace-time economy will be based on a proper democracy free from state domination of the people's lives.

5. Immediate steps to establish the necessary reforms to our financial system without which the foregoing will be impossible."

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): My remarks will be brief. I do not need to speak at any length to repeat what I have stated a hundred times in and out of the house. I foresaw long ago the events which are now taking place and I have frequently warned the government and the people. During the sessions of 1937 and 1938, I consistently opposed the increase in military estimates, maintaining an unyielding opposition to any attempt to drag us into foreign wars. I have fought unremittingly for the repeal of section 64 of the Militia Act, at the very time when an attempt was being made to lead us into believing that the increase in military estimates was intended for the defence of Canada and of Canada only. On September 9, 1939, I denounced with all my strength Canada's participation in the war, and I even moved an amendment to that effect.

Alone the hon. member for Quebec-Montmorency (Mr. LaCroix) supported my efforts against participation which necessarily was to bring about the unjust and disloyal conscription which has been in force since 1940 and, finally, the present disaster.

As the result of Canada's participation in the war, the government has spent sixteen billion dollars; agriculture has lost over half a million workers, male and female; families are broken up, while mothers and daughters are toiling in factories, and thousands of our young men are being sacrificed on foreign soil. And who are responsible for this appalling situation? Those who failed to support our amendment against participation in the war and our amendments against mobilization, on June 18 and 19, 1940.

Protests are being heard against conscription, not only from Quebec but from all sections of the country. I am still opposed to conscription with as much strength as I deployed in opposing the increase in defence estimates, participation and mobilization. I cannot find words sufficiently scathing to condemn this new reversal of policy by a government which, at the end of its term of office, imposes this evil and anti-national measure. Never has a government broken so many pledges. Never has it thus sowed doubt and suspicion. A self-respecting administration, if they have any regard for the people, do not resort to all possible roundabout means to abuse the good faith of those under their jurisdiction. In whom will our people repose their trust if they lose confidence in the government?

One last word. Since Canada has started participating in the war, we have lost all our prerogatives. We have reverted to century-old colonialism. Our country, thanks to the acts and errors of the government, is now trailing for good in the wake of the Empire to the great satisfaction of our partisans of colonialism. Let us hope that we may forsake this chaotic situation to unfurl at last a Canadian flag in an independent country, mistress of its own destinies. Whether we wish it or not, the deep reactions of the post-war period are bound to bring about the independence of Canada.

At last, because they have camouflaged the facts, the government who have willingly declared war must inevitably be led to conscription. Let them shoulder their dreadful responsibility in this matter, which they share with those who have refused to support the amendment I moved against participation in the war, on September 9, 1939. Their attitude at that time has been and still is the main cause of conscription. If, in 1917, a similar measure was a tremendous mistake, to use the expressions of the former Minister of Justice, it is doubly wrong to-day. The experience of the last war should have been a warning to the administration. The Canadian people, after seeing the economical structure of their country threatened, besides shouldering too heavy a burden of taxes and loans must, by the expressed will of their government, pay the blood tax. Such are the deferred, but dire results of the military and financial imperialism laid down as a creed by the very people who claimed they were opposing it.

Personally, I shall maintain the attitude I have taken, resolved to fight to the end against this unjustifiable measure.

Mr. FRED ROSE (Cartier): From what has been said it is obvious that we all agree that the country and the people are faced by a very grave crisis. It is the crisis of reinforcements and also the crisis of national unity, and this crisis of national unity is one that we should consider seriously because of its effect upon the people of Canada and upon the morale both of the people at home and of the troops overseas.

My party, the Labour Progressive party, has done everything in its power, in whatever it has said or written, to encourage the greatest number of men to join the army, to undertake general service. Our party has no N.R.M.A. men. We in this party, in the course of the plebiscite, carried on a campaign for a "yes" vote, and I believe that if at that time the necessary steps had been taken of explaining to the people of Quebec the character of the war, the people of Quebec would have looked upon the war through different glasses.

When we speak of reinforcements, I suggest that we should stick to the issue of reinforcements and not try to introduce any other questions. I am referring, for instance, to the issue of the conscription of wealth, resources and machines. By introducing these additional phrases, by raising these additional demands we are helping to create doubt in the minds of young people whether or not it pays them to join. We do not need any additional frills. There is a problem before us, the problem of reinforcements, the problem of men needed for overseas. That, as I understand it, is the issue before the house to-day.

In considering the problem of reinforcements it is necessary that we should look upon Canada as it is and not as we might want it to be. It is unfair to try to compare Canada with Britain or the United States. We have in Canada a two-nation state and it is about time that every member of this house recognized that fact. There are French-Canadian people and English-speaking people in this country and we have to recognize that. It is something which of course does not exist either in the United States or in Great Britain. We have French-Canadian people who have reason to be very suspicious of wars because of what has happened in the past when they were forced to participate in wars that were not among the most popular of conflicts. We have to realize that, but we must also realize that these same people have grievances that have not been corrected. If those problems had been faced I would say that our approach to the problem of reinforcements and conscription would be a different one from what it is to-day.

The French-Canadian people and the province of Quebec have been slandered in the past few months as never before. The press in the eight provinces of our country has been carrying on a vicious campaign about Quebec and Quebec zombies. That is all we have heard. Having travelled a bit in Ontario I can appreciate the fact that this terrific un-Canadian agitation is bearing fruit. When you meet the average man or woman you hear nothing but insults against Quebec. I would say that campaign is not an accident. It is not a spontaneous campaign. It is an organized campaign. I do not believe in the theory of spontaneity. Things do not happen just by themselves; they are organized. They have been organized in the eight provinces by the leaders of the Progressive Conservative party. It started a few months ago on the issue of family allowances. At that time Premier Drew of Ontario said: "Ontario will not pay for Quebec zombies". Then came a terrific intensification of this sort of thing in which he nearly broke his neck. He then decided to go overseas and to come back with a new issue, the issue of reinforcements. I am not denying the issue of reinforcements, but I do not like how it came to be raised. Premier Drew came back to this country, and at about the same time Major Connie Smythe came back and in a public statement told the country that untrained men were sent to the front. If I understand military law I should think it would have been more proper for the major to take this matter up with the proper authorities than to go into politics, but that was not done. When N.R.M.A. men parade we hear talk of mutiny, but when officers break every rule nobody says anything about mutiny or treason.

When the people of Quebec are attacked—and of course it is always a French-Canadian problem—it is time that we tried to understand that the isolationist feeling of the people of that province is not something that has just happened. It was nurtured. It was nurtured not only by French-Canadian leaders, but by English-Canadian leaders. I am not trying to raise any issue between the two, but let us have the facts. When French-Canadian workers wanted to join a union of fellow workers of other nationalities, English-speaking or others, along came big trusts, controlled not by French-Canadians but by English-Canadians—Dominion Textiles is an example; you know the names connected with that firm, Sir Charles Gordon, the late Sir Herbert Holt and others—and told them to join the Catholic syndicates. They were isolated not only from the rest of Canada but from their fellow workers in the same province.

Mr. BLACKMORE: Who told them?

Mr. ROSE: The companies. Again, the Aluminum company, a new industrial giant, did the same thing. The workers were told that the company preferred to deal with the Catholic syndicates to keep those workers isolated and pay them lower wages. When we look at our province we see the following: If our people's health is not as good as it is in the other provinces, or if their educational levels are not as high we find that an English-Canadian has always held the purse-strings of the province. Let us know the facts. I give those facts not to excuse a single individual who does not join the army, who does not leave the N.R.M.A. ranks and go voluntarily, but to show that poison has been spread throughout the country against the province. That is the work of the same Tory elements who have profited in the past by the isolationism of the people.

The people of our province have had a bigger dose of fascist propaganda than any other people. Here again I am going to make a very serious charge. I was a candidate in the general elections of 1935. I followed the election campaign quite closely. Some literature was distributed at the time by the Conservative party. The heading of the bulletins issued was, "Renaissance Nationale". In eight provinces it was the Conservative party and in Quebec it was the nationalists and the "Renaissance Nationale". These bulletins which were spread around every part of the province were edited by no other than Hitler's aide in Canada, Adrien Arcand. Was that the way to prepare the people of Quebec to be ready to participate in a just war? The Hon. Sam Gobeil, leader of the Conservative party in Quebec, wrote some of the most open pro-Hitler pamphlets written by any politician in this country. These are facts. Nobody can deny them. I am not trying to cover up the weaknesses of the Liberals in our province in helping to create confusion, but I say it is necessary that we know all who have been responsible for the way in which the people of our province think and act.

We have had other fascist materials, of the type of *La Nation,* one of the worst fascist sheets in our province, edited by a young man named Paul Bouchard, from whose writings I have had occasion to read previously. Paul Bouchard ran in a by-election in

Lotbinière in 1937, at which time his campaign was financed by the leader of the Conservative party, Maurice Dupre. What is more, at a libel trial in connection with some item that appeared in *La Nation,* Pierre Chaloult testified that he received support for that vicious sheet of his from none other than the hon. member for Charlevoix-Saguenay (Mr. Dorion), who was at one time linked up with the Conservative party and whose policies, I would say, are just the other side of the Tory, anti-reform policies. I do not care if the new party organized by the hon. member for Charlevoix-Saguenay is called les Groupements des Independents; from past experience in our province, and after looking at some of the people in that new movement, I would say it is exactly the other side of the Conservative party in this country, with one sort of party in Quebec and another sort of party in the other eight provinces.

I am going to give more facts. During the last provincial election campaign Maurice Duplessis issued posters throughout the province showing men coming back to this country on crutches as a result of the Liberal war policy. The same Montreal *Gazette* which is now so loudly demanding conscription did not mind what was being done by Maurice Duplessis because that served certain interests. I am going to go farther and say that I wonder if the expropriation of the Montreal Light, Heat and Power company had anything to do with contributions from English-speaking Canadians going into the coffers of the Duplessis anti-war machine. I have very little doubt in that regard, and the time may come when I will give more facts in that connection.

While talking about the sort of confusion being spread among our people due to power politics, by the Tories, I do not want to cover up the faults of the Liberal party. In a pamphlet which I wrote in 1942 I set out what I thought should be done in our province in order to have our people become willing participants in the war. I said:

> It is necessary that the government enact measures to remove the grievances of the French-Canadian people in regard to lower wage standards, in regard to the need for rapid training of large sections of workers in war industries to be able to do skilled work, and to help influence a change from the present outmoded and inadequate educational system to a modern and compulsory system; that it remove all inequalities with respect to the French language in the armed forces, set up special French-Canadian units officered by French Canadians and a special French-Canadian military college.

While some improvements have been made, many of the statements I made in 1942 still hold good to-day. If these things had been done we would have had French units; we would have had greater numbers of men enlisting voluntarily instead of remaining under the N.R.M.A. While pointing to these weaknesses of the Liberal party and many more criticisms I have heard, I want to say that if there is anything wrong with the Canadian situation or the Quebec situation, surely the Tories cannot remedy it.

Despite such a background and some weaknesses of approach to the French-Canadian people, they have done splendidly in this war, and it is about time we recognized that fact. Who will deny the heroism of Lieutenant-Colonel Triquet? Who will deny the heroism of Colonel Menard? Who will deny the heroism of the French-Canadian units overseas? I have here a book entitled "French Canadian Wings," which gives the names of fifty-one French Canadians who have received the distinguished flying cross, the air force cross and the distinguished flying medal. On a number of occasions in this house I have also emphasized what Quebec is doing in connection with giving our men the weapons with which to fight to victory. We have done a great deal. Not very long ago General Eisenhower spoke about the need for more and more shells, but somehow in the Canadian press, in the midst of this fight, it became "man-power." I saw the original statement in one of the United States papers, and all that Eisenhower spoke about was the need for more shells with which to pulverize the Siegfried line. On a number of occasions in this house I have pointed out what Quebec is doing in regard to the production of shells, guns and all those things that make for victory. When our men have plenty of equipment they are more confident in battle. I want to read part of a letter I received from a friend of mine whe has since been reported killed in action. He said:

> I have been writing this sitting comfortably in my carrier, taking in some sun, and to the symphony of our artillery giving hell to the jerries. We have lots of artillery that is playing havoc with him. One really has to listen to the ceaseless fire from an endless number of guns to appreciate what it means. There are stories that German prisoners have asked to be shown our "automatic" artillery. . . .

Then he says:

> We have complete mastery of the air, planes, planes and more planes. We are well equipped and there are many of us. We have lots of everything—including guts.

These are the words of a man who has been in action, a man who on August 13 of this year was reported killed.

An hon. MEMBER: On what front?

Mr. ROSE:: In France. We of Quebec have helped give our men these weapons. Let me read from the *Financial Post* about the role of Quebec as a producer of the weapons of war:

Quebec builds four of Canada's nine types of aeroplanes; both types of tanks, all our aerial bombs. The province has the largest plant in the British commonwealth completely producing 25-pounder guns from the scrap pile to the finished products, two of the largest shell-filling plants and two great small arms ammunition plants. Some half dozen shipyards are producing cargo vessels, corvettes, mine sweepers and torpedo boats. Most of the boots worn by the Canadian armed forces are made in Quebec. A large part of the uniforms are also made in the province. In addition Quebec turns out parachutes, shells, cartridge cases, trench mortars, trench mortar bombs, and a large part of Canada's chemical and explosives output, electrical and radio equipment, fuses and primers. The province has the largest aluminum smelter in the world.

And the men and women of our province are toiling daily, not always under the finest conditions; but they do not kick. We have had very few strikes in Quebec. The people have been happy to produce these things, in order to make sure that our men have as much amunition as they need.

I want to emphasize that the conditions under which they work are difficult. Only last week, while I was in Montreal, a woman came to see me. She told me she had been working on the Mosquito aircraft. The exposed parts of her body were covered with a rash, which followed as a result of her work. That was not very pleasant. But those people keep on working. Many more like her suffer similarly as a result of these new types of work. And all this is done, Mr. Speaker, by those people who are being insulted by elements that are trying to play politics.

Let me return to the question in connection with the shortage of shells. Since I came to the house I have always insisted that we should have more rather than less of everything; that we should plan to have a surplus, rather than that our men should run short. In connection with shells I said this on June 13, in the discussion on Mutual Aid.

Why the reduction at this time? When men of the united nations are involved in the hardest of battles why should we at this time decide that this reduction is justifiable? Materials will be expected at a great rate and we should have no illusions. At Cassino we learned that planes were good but that we need more and more guns and shells. We learned at Sicily that we need a lot of automotive equipment. It is better to have more than less.

That was the attitude I took in June. Of course there is only one misfortune, namely, that Canada sometimes takes pointers from some of the other powers as to what we should produce. We do not have all the say; but I believe we would have even less if the Tories were in power. They would follow the dictates of London without a murmur. I would say that at least we have tried to speak up much more as an independent country.

One thing further: in attacking Quebec people say that that province has given a smaller share of recruits, that they have not given enough. I would again refresh the minds of some hon. members in respect of something I said when we were discussing the estimates of the Department of Labour. These were my words:

This house has become practically a missing persons' bureau with people wanting to find out exactly how many have not reported for military service. It has become a battle over figures. I hold no brief for men who do not report for army service, but I rather detect an attempt to slur the province of Quebec.

Of course this process of slurring Quebec has been intensified since that time. Then I continued:

Apparently very few hon. members of this house took any notice of the figures in regard to the number of men in the province of Quebec who are not fit for military service. In the city of Montreal only thirty per cent of the men were in category A, while in Toronto the figure was 49·6.

I appeal to all hon. members to try to understand these facts. People in Quebec are victims of certain conditions for which, to a great extent, English-speaking Canadians are responsible.

While giving all these facts, I do not wish for one minute to have anyone get the idea that we do not need the reinforcements. We do need them. Our men deserve to have a rest, and they deserve to have those reinforcements as soon as possible. The only problem is: should we at this stage of the war, when leaders of the united nations who should know more than we do about these matters have said that this is the last lap of the war in Europe, create the worst possible spirit of disunity in an effort to get those reinforcements? Should we not try to get them in the best possible manner?

I like the methods used by the Minister of National War Services (Mr. LaFlèche), who has gone out to get French Canadians to volunteer, much better than those of hon. members who sit here and attack, attack, attack, every attempt to induce such men to come forward as volunteers. Much more would have been achieved if we had taken seriously the appeal for volunteers. Those 16,000 would have come forward if some had not played politics. Has politics been played? Let us see. An appeal was made after General

McNaughton took over the job. The answer was immediately one of insults against a great man, against a general.

I now turn to a quotation from the Windsor *Star* of November 7, which tells the following story:

"General A. G. L. McNaughton's appeal to war veterans to support him in getting the younger generation to take up this 'honourable obligation' and volunteer for active service is so outrageous that I can hardly speak about it", Major Everett Bristol, past dominion commander of the Canadian Legion said yesterday; "Veterans are not going to lend themselves to such an ignoble task."

That is the way they regard the process of having people come forward as volunteers—an "ignoble task". They were not interested in reinforcements. They were interested in bringing down the government, and in having an election so that they could ride to power, not for the good of the men who have gone overseas, but so that they could bring us back to the old iron-heel Bennett days. This was the answer of some of the people who are inspired by the Tories. And there was a similar response from Tories throughout the country—nothing but insults.

We had a reflection of it in the house the other day. I would say that last Thursday was one of my saddest days in this chamber, when men in it treated a great general as if he were a traitor.

Mr. BLACKMORE: And a culprit and a criminal.

Mr. ROSE: Yes, and a culprit and a criminal. I said to myself, "How would they treat a simple worker?" I know how they would treat him. But how many people are there who do know? This is the way they have treated the architect of our army, a man who kept up the morale of our men during a long period of inactivity, and kept it at the highest pitch. I was told, in letters, that when the men heard General McNaughton was coming to visit a unit they were always happy to see their father. It was General McNaughton who, in those dark days, came forward with the slogan that the Canadian troops were a dagger pointed at the heart of Berlin. How encouraging that was to all of us! It was he who, through Dieppe, was able to give the united nations those lessons which saved hundreds of thousands of lives. It was he who, after Dieppe, when some of the great so-called military specialists were saying that it would take millions of casualties to invade the coast, said, "If we had gone there to stay, we could have made it stick." I may be wrong in this, but I have read in the press that it was also he who advocated that we ought not to split the army, and that we should have one powerful Canadian unit to go into action. If his advice had been taken, maybe we would not be faced to-day with the reinforcement crisis.

We need reinforcements. We now have the new order in council which will give us 16,000 men. I think everybody should be satisfied; that is, if he really wants reinforcements and does not want to force an election on the conscription issue. We all want to see our men reinforced and provided with the necessary equipment in this final stage of the war. We are the only country where such a crisis exists at this time. This does not help morale; it simply tears it down. That is why I and my party will support this order in council and work for its success.

I did not act like some hon. members. Over the week-end I spoke at one time to about 2,500 people, and then on Sunday afternoon I went up to speak in the French-Canadian part of Montreal. I told those people that if they had friends or relatives in the N.R.M.A. they should tell them to volunteer. We want a solution that will give us a united Canada to-day and a united Canada during the post-war period, not a solution that will force a conscription election and rip our country apart and maybe keep it apart for another twenty-five years.

The only ones who would gain from such an election would be those whose interest it is to keep us apart. Whenever the English and French people have stood together, all the people benefited; whenever they have been torn apart, every one has suffered with the exception of those who wanted them to be torn apart. There must be greater national unity if our men are to get needed reinforcements, and if the people of Canada are to achieve security and peace in the post-war period.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Hon. J. L. RALSTON (Prince): I want to say to you, Mr. Speaker, and to the house that I may, and if the house permits me I shall have to exceed the forty-minute rule limit—

Mr. HANSON (York-Sunbury): Certainly.

Mr. RALSTON: —in order to say all that I feel should be said on this particular occasion. I have tried to condense—although

perhaps hon. members will not think so—what I have to say, but I hope that the house will give me indulgence in letting me proceed longer: if not, I can deal with the matter in, perhaps, two stages—on the amendment and then on the main motion.

Mr. MACKENZIE KING: May I say to my hon. friend that I am perfectly sure the house will give him all the time he wishes to have.

Mr. RALSTON: When I came home from overseas, Mr. Speaker, I reported to the Prime Minister (Mr. Mackenzie King)—

Mr. SPEAKER: I did not hear exactly what the Prime Minister said, but I understood him to say that the hon. member would be entitled to whatever time he needed, if the house agrees to that, and I assume the house is agreeable.

Mr. ROWE: Let them agree now.

Mr. RALSTON: I was saying that when I came home from overseas I reported to the Prime Minister and to my other colleagues in the war committee and the cabinet that we needed an additional 15,000 trained infantry as reinforcements overseas as quickly as we could get them there. That immediate need still exists. That is the issue to which I intended to direct exclusively any remarks I had to make. I shall not forget it, and I shall not let the house forget it.

In his address the Prime Minister devoted considerable attention to my humble self. I know I am only a very minor incident in connection with this discussion, but I feel that these matters—which were quite extraneous, and added nothing, I thought, to assist the house in coming to a conclusion on the paramount question—ought to be dealt with, because the Prime Minister, by bringing them up, must have thought that they would in some way influence the vote of some hon. members. I do not think so myself, but I may be wrong. I feel, therefore, that hon. members should have what I can give them about the facts as I know them. I will mention, then, those points first, not because they come first in order of importance, but just to get them out of the way so that we shall not stumble over them in seeking the path to be taken on the main question. Please do not think for an instant that I am going to be deflected by them.

One of the points the Prime Minister mentioned was the matter of council secrecy, and he suggested that all he was saying was based on the fact that the member for Prince had in a public declaration made some statements with regard to what had taken place in council, and said he felt that he would have to deal with the same matters from his own point of view. Let me say to you, Mr. Speaker, that what I said in my public statement on November 12 was as the result of what the Prime Minister had said in his radio broadcast on November 8 with regard to matters which had taken place in council. In other words, his statement, his disclosures, did not follow mine; mine followed his.

I am not going to take very much time except just to refer you, Mr. Speaker, to the speech made by the Prime Minister on November 8 to indicate to you that the Prime Minister felt it was permissible in a public speech to refer to what had taken place in council; and, as I told him in the letter which I wrote to him on November 14:

> Regarding privy council secrecy, I feel I ought to point out that your own speech of November 8 contains references to matters treated, debated and resolved in council discussion, and I am sure these references would not have been made had you not considered that they were permissible.

Now, as regards those references in the Prime Minister's speech to which I will refer, I am finding no fault with him, but I ask him and I ask the house to find no fault with me if I dealt in my statement of November 12 with the same matters that the Prime Minister had already dealt with in his radio speech of November 8—matters which took place in council. I have here the pamphlet of his speech of November 8, and on page 5 I quote:

> Colonel Ralston's report to the government—

That must have been a report to council.

> —disclosed an immediate problem which had to be faced.

That certainly is giving the contents in a negative way of a report to council.

> That problem—

That is, the problem which Colonel Ralston had reported.

> —is to find the means of speeding up the flow of fully trained infantry reinforcements—

That must all have been in the report.

> —to meet, not an actual shortage—

Which would indicate that the report had indicated that there was no actual shortage.

> —of reinforcements now but a possible shortage in the next few months.

Now that in brief immediately puts on the public record what the Prime Minister says that Mr. Ralston reported to council, and I submit—and I had no difficulty in coming to a conclusion—that if it were permissible for the Prime Minister to publish that summary to the public, it was equally permissible for

Mr. Ralston to publish what he did say to council in connection with these very matters; otherwise it would mean that someone would state that So-and-so did not say so-and-so in council, and the other man would be barred absolutely from contradicting it because of council secrecy. A statement of the negative is just as much a statement of what took place in council as a statement of the positive. If there is a statement that Mr. Ralston disclosed, not an actual shortage of reinforcements, an opportunity must be given for the man whose statement is referred to to say what he did say. Also, the term "possible shortage in the next few months" gives, I should think, the individual referred to an opportunity to say what he did say about that.

On page 6 I read:

> Colonel Ralston had grave doubts of our ability to keep up the flow of reinforcements in the next few months by voluntary means.

Where was that said—in public or in council? That is a statement of what took place in council.

> He considered therefore—

And this must have been in council.

> —that he had no alternative but to recommend that draftees should be sent overseas as reinforcements.

I am skipping a part of the paragraph.

> Days of anxious deliberation were devoted to an exploration of all possible alternatives.

All that must have taken place in council. Then he goes on:

> The recommendation made by Colonel Ralston was not accepted.

Which of course was in council. Then on page 7 I quote again:

> Let me give you some facts and figures which were before the government in reaching its decision.

Then the Prime Minister proceeds to give to the public what he says are the facts and figures which were before the government in its deliberations. Those are all matters which were "treated, debated and resolved" in council, and those were all made public by the Prime Minister to the public of Canada. I do not think one can be reprimanded for dealing with the same matters and giving one's own version of what took place.

I have not much more to say on that because I shall be dealing with the matters to which the Prime Minister referred in his address, but the two things that struck me as needing correction were, first, the statement in effect that Mr. Ralston had reported that there was no actual shortage of reinforcements and, second, the statement that Mr. Ralston had reported that there was a possible shortage of reinforcements in the next few months. Both those statements, I felt, left an impression which was not in accordance with what I had stated. With regard to the matter of an actual shortage at the time, I have indicated to the public, as I indicated to my colleagues, that there was an actual shortage, that the reinforcement pools were down very much, if not wholly depleted. You cannot say that there is not a shortage simply because you may have fifty men on one side of the ledger or the other, so far as the strength of units is concerned, because in both theatres of war they are supposed to maintain pools, and the situation which I reported was a short-term position in November which showed that they were nothing more than just about square in actual unit strengths with nothing for the pools, while the situation in December showed that, taking all the men who would be available in the reinforcement pools and everywhere else, trained men in the United Kingdom and in both battle areas, and adding them all together, there would still be a considerable shortage before you could fill up the strength of the units, without allowing anything at all for the pools. It seemed to me that was a situation which indicated an actual shortage of reinforcements, and second, indicated that the "possible shortage in the next few months" was really a "probable shortage at the end of December." These were the two points that I made in the statement which I issued to the press; and I make no apologies to the house or to my former colleagues in the cabinet for having done that in view of the fact that the Prime Minister attempted to epitomize my report to council in that short paragraph to which I have referred. In other words, Mr. Speaker, I think in this debate so far and especially in the Prime Minister's speech the other night the doors of the privy council have been pretty well opened and there is not very much that has taken place there, which one recollects, that has not been revealed to the house and to the public. What I wish to say is this: that what is all right for the Prime Minister of Canada, I am sure he will admit, ought to be quite all right for a humble ex-minister.

Mr. ROWE: All right for Canada, too.

Mr. RALSTON: One of the other points is the matter which was mentioned in the Prime Minister's speech and which was contained in his correspondence, namely, the fact that there had not been sufficient notice to the cabinet or to the war committee of the reinforcement situation and of the likelihood of N.R.M.A. men being required. I am dealing with this

now as an extraneous point because I do not think it has anything to do with the debate. In the first place and in the last place I submit that it is wholly irrelevant to the question which this house is called on to decide. The question is whether or not troops for reinforcements are going to be sent. If there was something wrong, something reprehensible, if there was bad faith on the part of the minister, that is a thing for which he should incur the odium and the opprobrium which come from it. But to say that has anything to do with the debate and should be introduced here is, I think, wholly wrong. But I do wish to say that in connection with some of the statements made the Prime Minister is not quite accurate and I should like to correct them in justice to the officers and in justice to myself. He said that there was nothing before the cabinet or the war committee at any time up to August of this year, suggesting that there would be any further need for reinforcements overseas. I think I have quoted him correctly. Well, Mr. Speaker, *Hansard,* which I have in my hand, gives it differently from the way I took it down and perhaps I am wrong about this. I thought the Prime Minister said that the cabinet had nothing at any time up to August of this year suggesting that there would be any need for further reinforcements. I see that *Hansard* at page 6597 says:

> As far as the government is concerned, there was nothing before it at any time up to October of this year which suggested that there would be any need for conscription to provide further reinforcements overseas.

I think the Prime Minister is wrong about that. In June I brought to the attention of the war committee advice which had been received from the chief of staff that further forecasts had been made into 1945 and that they would indicate the necessity for a heavier call on reinforcements. He did consider that we were all right up to October, but he pointed out that the question would arise as to whether we would have to break up a formation or send N.R.M.A. men over. He considered that we could await developments of the war before reaching a decision, and he suggested additional efforts, mentioning infantry particularly. Then steps were taken by the three defence ministers to arrange so that air force and navy recruiting would be slowed down for the benefit of the army. That was in June, 1944, and the Prime Minister suggests that so far as the government is concerned there was nothing before it with regard to the need for conscription, no suggestion that there would be any need for conscription to provide further reinforcements up to October. The Prime Minister has forgotten that telegram. I think I mentioned it at another session.

[Mr. Ralston.]

He said we received direct assurance on August 3 that there was no need for considering the question of additional reinforcements for service overseas by compulsion. I think those are his exact words. Yes; at page 6598 of *Hansard* the Prime Minister is reported as having said:

> The government was given the most direct assurance at that time by the chief of staff, with the Minister of National Defence present, that there was no need for considering the question of additional reinforcements for overseas by compulsion.

All I can say to you, Mr. Speaker, and to the Prime Minister is that I have quite a distinct recollection of that meeting, and I myself—and I can only give my word for it—am satisfied that the reference to reinforcements by compulsion was not used in any way on that occasion. My memory is just as fallible as anybody else's, but I am quite satisfied—and I have made some inquiries about it—that the Prime Minister is mistaken in connection with that, and that there was no discussion at that meeting with regard to reinforcements for overseas by compulsion. There was a proposal at that meeting to constitute an infantry brigade by combining certain existing units in Italy; that is to say, they were existing units and it was proposed to put them into a brigade instead of having them operate as they were operating at that time separately or within other formations. The proposal involved something under six hundred additional, and it might involve up to March, 1945, something like nine hundred additional reinforcements. It is quite true that the chief of staff in making that recommendation and in making his recommendations to the war committee that day did report the over-all reinforcement position as entirely satisfactory. I am sure that he did so in the very best of faith. The Prime Minister has been good enough to acknowledge that, because at page 6600 of *Hansard* he says:

> Along with the rest of my colleagues I have accepted these representations in the best of faith, just as, I believe, they were given in the best of faith.

I want to stop here to say that I inquired about the formation of that brigade when I was in Italy, and the corps commander there assured me that the casualties suffered by that brigade operating as infantry had been no higher than the casualties which had been estimated for them when they had been operating as separate units.

The chief of staff at that time indicated that the only part of the reinforcement problem which concerned him at the moment was reinforcements for the French-speaking infantry battalions; and the chief of staff's explanation, both to the Prime Minister and to the

war committee and myself since that time is that the unexpectedly high proportion of infantry casualties which have occurred threw his calculations and expectations out and that the fact that this high proportion continued so long rendered it impossible for him to re-establish the pools by remustering from other arms. I wish to say this for the chief of staff at Canadian military headquarters, General Stuart; I know of no officer in the Canadian army with a finer reputation or who has more loyally, more faithfully and more efficiently carried on his duties. He has recognized what the policy of this country was. He has endeavoured to carry it out to the very best of his ability. He has remustered men; he has seen that N.R.M.A. men were put in the place of general service personnel; he has pulled general service personnel out of every position from which they could possibly be spared, and replaced them with either low category men or men of the N.R.M.A., and generally he has endeavoured to make the voluntary system work to the very limit. He was in charge in England at the time, in August. He had to be vested with that responsibility there. He accepted that responsibility and in my judgment made the very best contribution that an officer could make to meet that situation over there. It was absolutely essential that the administration be left in his hands and in the hands of Canadian military headquarters. It could not be done from here. I know General Stuart feels that if he had to do over again what he has done in the last year, in endeavouring to maintain Canada's army and generally in connection with the administration of Canadian military headquarters, he would do exactly the same thing.

The Prime Minister also mentioned the Quebec conference and suggested that some notice should have been given at that time if there was an apprehension with regard to the reinforcement situation. I point out first that the Quebec conference had not the faintest thing to do with the battles going on in Europe. The Quebec conference was a meeting between the representatives of the United Kingdom, the United States and Canada with respect to Pacific operations. I have examined the minutes of the war committee and there is not a reference—except one that has anything to do with Europe. That concerns Italy, and it has no reference to reinforcements or to anything which would affect reinforcements. There is no reference whatever to any thing or any subject which was brought up which would give an opportunity or afford a place for the discussion of reinforcements if an apprehension existed. As a matter of fact, of course, reinforcements would be a domestic matter which would be discussed at meetings of the war committee. We held meetings of the war committee every week, and that was the place to discuss the matter of reinforcements or anything else which had to do with the Canadian army.

So much for the Quebec conference. At the same time, however, I had a report that the Prime Minister had made some statement which I felt might indicate some change of policy with regard to N.R.M.A. men. This is mentioned in the correspondence, so that I am not disclosing anything I should not. I went to the Prime Minister at Quebec with regard to that very matter, because I have always been insistent that the N.R.M.A. men should be held as potential reserves; and I was assured by the Prime Minister at that time that what he had stated in 1942 still stood with regard to N.R.M.A. men and the possibility of their being used as potential reinforcements. I mention that to indicate that perhaps I have been a nuisance more than anything else in connection with this matter, mentioning it so frequently, but certainly if there has been any red light to hold out I have endeavoured to hold it out. In September, after the conference, a situation did develop which gave me concern. A report came from overseas as to the number of infantry reinforcements on hand. I was disturbed by it. I made calculations with regard to how many would be in Italy and how many would be in the United Kingdom. I should pause here to say that we in Canada do not keep the records of the pools in the United Kingdom and Italy. Those are dealt with in the United Kingdom, because they are close to the battle line; they know what the needs are; they know what the forecast of activity is, and they are the ones best able to judge what dispatches should be made to Italy and what dispatches should be made to the United Kingdom. I endeavoured to make a calculation, and I took that calculation with me when I went to Italy.

As I say, a situation did develop in September, after the Quebec conference, as I was advised by the then adjutant general. I did not withhold that from my colleagues. I was at the war committee, I think the day before I left for the United Kingdom, and at that meeting of that committee there was a discussion about the N.R.M.A. men. I advised them there that on account of our heavy infantry casualties I could not consent to the release of any trained N.R.M.A. men,

that they must be maintained in order to provide against the uncertainties then existing on account of that report.

Mr. HANSON (York-Sunbury): On what date in September?

Mr. RALSTON: That was September 22, I think; and a day or two before that at a meeting of the cabinet I believe the matter did come up incidental to some other matter which had been mentioned there. Those are the matters to which I refer, and they indicate that the situation was not altogether unmentioned to the cabinet, although I admit quite frankly that had the situation been as I discovered since, and as I reported it to the cabinet after I came back, certainly I would have reported it at once. All I can say is that the fact that I did not know it and did not report it sooner means that I did not sooner recommend the action that I did. I would have done it just that much quicker had I known what was the situation.

I want to say that there was a telegram which came to me in August and which I did not bring to the attention of the cabinet. It is my own fault. I brought it to the attention of the cabinet when it came to my attention the second time. It was a telegram which advised that there was a serious shortage in the strength of the infantry units and that remustering was rapidly going on. It indicated that two-thirds of the shortage would be made up in six days, I think it was, and the balance in about two weeks, and asked me to authorize the use of general duty infantry tradesmen for the purpose of helping to clear up the situation on account of these heavy casualties. If I remember correctly it was a Sunday morning, and I simply initialled the telegram and handed it back to the chief of the general staff. The telegram concluded by stating that everything would be all right in three weeks. As a matter of fact, if I had known as much then as I know now I would have realized that this meant it would be unlikely that the pools would be built up, although if it had come to my mind at all I would have thought that the men who were being trained in England would be coming in again in three weeks, and that this was simply a situation to be tided over at that time. I say quite frankly that I did not tell the cabinet about it. There was no possible reason for my withholding it, but I want to mention all these matters so that the house may have no doubt as to the exact position. I did bring it to the attention of the cabinet when it was brought to my attention again, but that was after I had come back. As a matter of fact, I brought it to the attention of the cabinet when I asked for approval of the paying of the infantry tradesmen.

I want to say that the department has carried its own load in connection with the administration of the army, as every department has to do. The department has tried to solve its own problems. I have hung out the red light whenever I thought it was necessary, and I think some people have an idea that I have been almost too anxious to hold out the red light sometimes, that perhaps I have cried "wolf, wolf," when there was no wolf. Nevertheless I have consistently maintained the position, as the Prime Minister was good enough to say the other night, that I could not undertake that the Canadian army would be always wholly reinforced by volunteers, but that the time might come when N.R.M.A. men would be utilized. I have not hesitated to say that in this house time after time, I think in the minds of some people almost *ad nauseam,* because I wanted it distinctly understood that this was what I was banking on. The Prime Minister has been good enough to indicate that; and I feel that he and my former colleagues will accept my assurance that I have not withheld anything from them which I considered required attention from the cabinet or the war committee. As soon as I was really concerned about this matter I told them promptly. I cut a trip which would have taken six or seven weeks, at least, down to three and a half weeks. When I got back to London from the continent I stayed only three days, in order that I might come home immediately. On October 13 I wired the Prime Minister to let him know I was coming, having left Canada only on September 23, and asking if I might have an opportunity of meeting my cabinet colleagues at once, indicating to him generally what was the nature of the trouble. I say it is all very well to be wise after the event. But I can only say that if I had had hindsight I would have recommended this action just that much earlier. After having said all that, I am coming back to this—and hon. members may wonder why I am dealing with it so fully. I did not expect the Prime Minister would have made so much of it himself. But the Prime Minister took time the other night—and quite a bit of it—to impress upon the house the fact that the cabinet had not known about this matter, and made a very positive statement about it. I believe in justice to myself and in justice to my officers I at least ought to make an explanation about it, even though it is a matter which is irrelevant.

I understand the point the Prime Minister was making was that it came as a great shock, and it took the cabinet longer to consider it. I am only pointing out that at least a month before I had mentioned it to the war committee, directly, I had indicated that there were heavier infantry casualties, and that in view of the uncertainty of the situation these men might be needed. I had gone over and I had found that uncertainty had become a reality.

I think all hon. members will remember what I have said in the house from time to time. I have stood in my place and defended the voluntary system. I have worked just as hard as I possibly could to support it. I started out in 1942 at the time of the plebiscite, speaking about it. As a matter of fact, before that one hon. member on the other side mentioned it just on the eve of a recruiting campaign, and I think I was the first man on this side of the house to stand up and take a member in this house to task for having advocated conscription in the earlier days of the war.

Mr. BRUCE: I have reason to remember that.

Mr. RALSTON: I have ever since defended the voluntary system. I wish to say that if in fact the voluntary system has failed, as I feel it has failed, so far as being a dependable source for infantry reinforcements at least—and do not understand me to say that it has failed entirely, but failed to be a dependable source for infantry reinforcements for the army at this stage of the war, and having regard to what is ahead of us—that does not make me take back what I have said with regard to the desirability of having a voluntary army, if we could have one. The very fact that over 500,000 men have enlisted voluntarily in the Canadian army, and that in these there are 42,000 N.R.M.A. men is some indication someone has done some work in connection with the matter. Then of course, as someone has reminded me, there are enlistments in the navy and the air force. The air force is something in the neighbourhood of 200,000, and the navy about 75,000.

This is not the main issue in this matter—the matter of notice to the cabinet. But it did come as a shock to the Prime Minister, and I can understand that, with the many things he has to consider. Those who are running the departments have these matters laid on our shoulders, and we endeavour to carry them. I wish to say to you that it came as a shock to me, too, when I went to the battle areas. And when I came back to C.M.H.Q. and went over the figures there with the officers, and found what I believed was a situation requiring radical measures, I came home and so reported. So much for the reference the Prime Minister has made to what I said to the cabinet.

I wish now to mention a matter which gave me some real concern. The Prime Minister in his statement—I really do not know why he did it; I am at a loss, frankly, to understand it, because it is not like him—said:

> I took great care to ask one colleague after the other would he take the responsibility that was mine. I asked the minister of defence himself, would he take the responsibility of heading the government and putting through this particular measure? I was told by him that he would not. It is very easy, may I say, to oppose a position hitherto assumed by a government and to propose new measures, but unless men are prepared to back their policies by taking responsibility for their enactment and carrying them out, they have no right, if members of a ministry, to leave a ministry in circumstances where as a consequence of their action the whole structure is almost certain to collapse.

That is the strangest doctrine I have ever heard enunciated in this house. If I were not respectful of the Prime Minister I would call it just plain nonsense; I will call it rhetoric, instead. I do not think anybody could imagine what the effect of a policy of that kind would be. In the first place if there was any impression that the Prime Minister asked all his colleagues, since he has told what took place let me say that he asked three colleagues. He did not ask any more. I do not know whether the fact that—

Mr. MACKENZIE KING: I say to my hon. friend at once that I asked if any member of the cabinet would take the responsibility.

Mr. RALSTON: I am corrected. What I am saying is that he asked three colleagues, specifically.

Mr. HANSON (York-Sunbury): That was when he was trying to bluff them.

Mr. RALSTON: And the Prime Minister in his speech gave the impression that he was in genuine search for a successor. I want to say that nothing of the kind occurred. The Prime Minister was not in genuine search for a successor. He asked a purely hypothetical question, going something like this, "If I went down to the governor general to-night and offered my resignation, and recommended you to take on, would you accept?" That was rather hypothetical. As a matter of fact I said "no", and neither of the others consented. After he had asked the other two I said, "I assume you are only asking that out of

curiosity?" And in the course of discussion he indicated that he had not intended to go to the governor general, at all.

Mr. HANSON (York-Sunbury): Just bluff.

Mr. MACKENZIE KING: I say to my hon. friend that we were discussing very seriously at the time whether the government could be carried on, and the only reason why I asked the question was that I wished to make sure as to whether or not I would have to continue to carry this load under the circumstances.

Mr. RALSTON: I say to the Prime Minister it was not so taken by the members who were asked. When I asked the Prime Minister if he was asking out of curiosity, he either assented to that or indicated that he had not any intention of going down to ask the governor general.

Mr. MACKENZIE KING: No, that is not correct.

Mr. RALSTON: I wish to say this, that I am going into this matter because in reading the castigation by the Prime Minister of Canada what does he say? He says:

> It is very easy, may I say, to oppose a position hitherto assumed by a government and to propose new measures, but unless men are prepared to back their policies by taking responsibility for their enactments and carrying them out, they have no right, if members of a ministry, to leave a ministry in circumstances where as a consequence of their action the whole structure is almost certain to collapse.

Let us see what the situation was? Was anybody opposing a position hitherto taken by the government? I was proposing to carry out the policy of the government, which was the policy of sending N.R.M.A. men, if necessary. I was not opposing any position which had hitherto been taken by the government.

Then the other suggestion is that I was proposing a new measure, a measure which had not been proposed or had not been contemplated by the government. I was not proposing any new measure. I was proposing a measure which had been forecast by the Prime Minister himself in 1942. It was a measure stating that conscription should be imposed, if necessary. When the Prime Minister of Canada rises in his place and takes me to task for having indicated that I would have to resign if the policy were not carried out, I submit he is taking a position which is absolutely untenable. It simply means that if a man proposes to carry out the policy of the government and his colleagues do not agree he must stay in the government or else be prepared to accept the prime ministership of Canada. I say that that position is a position which cannot be upheld or supported. It means that a man joining the government enters into an obligation that once there he has to stay, no matter what policies are adopted, even though it means repudiating his own convictions and pledges. The only way he can get out is to agree to accept the prime ministership and form and lead another government.

I am speaking strongly about this because there is not very much in the Prime Minister's speech to which I have any objection. He puts his point of view and that is all right. But it is something else again when the Prime Minister in a casual conversation makes a quick interjection at a cabinet meeting and asks somebody whether he will accept the prime ministership and then rises in his place on the floor of this house and says that a man should not be left in the cabinet because he did not accept that invitation, because he did not say, "yes." I submit that is doing that member an injustice with regard to which I think he has a right to defend himself.

Mr. MACKENZIE KING: May I ask my hon. friend one further question? Did I not at a subsequent meeting of the cabinet say that if the government felt that they had to take the course of introducing conscription at that stage I was quite prepared to resign, and that I would like to know if any of them would be prepared to take my place?

Mr. RALSTON: The Prime Minister can make his own statement with regard to what took place at other meetings of the cabinet. I am discussing the meeting of the cabinet, the procedure of which the Prime Minister disclosed. I am not discussing any other meetings of the cabinet.

I say that that proposition is not a proposition which can be upheld. I want to say further that I am complaining now of the Prime Minister having brought this up, having held this against me and having told the people of Canada that I was derelict in my duty because, having made a statement to this house and having undertaken a certain policy which I believed was the policy of the government and although my colleagues would not agree I must stay in the cabinet unless I was willing to take the responsibility of forming a government on a casual invitation such as I have described.

I want to say that if the proposition were that a man had to stay in the government or else be prepared to form a government and lead a party it would be a serious deterrent to men undertaking cabinet responsibilities. It means that cabinet marriage is till death or defeat or acceptance of the prime ministership

doth us part. That would be the individual's position. On the other hand, the Prime Minister could cut the knot at any time and transfer his affections elsewhere.

I am speaking with regard to my own position. Mr. Speaker, the matter of assuming further responsibilities is for the individual man according to his own conscience or his own sense of his own capabilities and shortcomings. It is not a matter of a rule to be laid down by the Prime Minister or to be dictated by anybody else. I undertook the task of Minister of National Defence at the request of the Prime Minister on the tragic death of my friend, the late Norman Rogers. I have carried on the job and given my best to it. Whether I have succeeded, history will have to judge. I confess that I should have liked to finish the task, but that has not been possible.

I know a few of my own weaknesses. One of the many perhaps is that I am not flexible enough. I was born that way. I am too old to change. I have not any ambition but to be a good Canadian, and I know my place is not on the dizzy heights of leadership but in the more humble valleys working with my fellow citizens. I have no inclination, much less aspiration for preferment in public life, and such modest services as I have given have been from a feeling of duty and a hope that I am contributing something, within my capacity, to this land of ours. I neither felt nor feel any duty to take on responsibility for which I am convinced I am not suited.

I am saying this in case there is any more answer needed to the Prime Minister's snap invitation. I have dealt with it in that way. I have been serious about it, because, as I said a moment ago, I felt that as a colleague I was entitled to something better than that from the Prime Minister in view of all that has taken place between us. I understand, of course, that he had his tremendous difficulties, but I had mine.

The situation which I had been facing in the last two months meant the most serious and vital decision of my whole public life. If I may be quite frank about it, when I did make this recommendation I foresaw that there would be resentment from my friends, that there would be a good deal of, shall I say chortling or at least some satisfaction on the part of my political opponents. Worst of all, I would not have the opportunity of finishing the job which I had taken on. But I had to make that decision, and I am saying that in the presence of the Prime Minister to let him know, as I know he does know, that I have had some difficulties as well as he.

When I left the cabinet it was not with any sense of any dereliction of duty, or that I would have to stay and form a ministry. It was made quite clear to me that the place for me was not inside, but outside the cabinet.

I do not think I am going to take much of the time of the house with the matter of the resignation. The Prime Minister has dealt with it at some length himself. It was all dealt with in the correspondence. It has been gone into thoroughly, but there is one impression which the Prime Minister left which I should like to clear up. The impression which I gathered was that he indicated that the difficulty between us and the point on which we parted was a question as to the time limit which should be given for the appeal which was proposed to be made in connection with N.R.M.A. recruiting.

I mention this only for the purpose of clearing this up once and for all if I can. It is quite clear from the correspondence that that was not the issue on which I felt I had to leave the cabinet. The basis of my resignation was the refusal to accept my recommendation. I have no complaint about that, since the cabinet had a perfect right to refuse it. When the question of making an appeal came up I put before my colleagues two points; one was a practical one, namely, the practicability of the appeal and the delay which would follow and the likelihood of success. The other point concerned the policy. We discussed the matter for some time. I do not need to go into the details here because I shall go into them later on in connection with another point.

We discussed the matter of the appeal for some time. I pointed out the necessity of having these men at once. The time which would be taken in making an appeal; the experience which we had had in the past; the fact that an appeal was nothing new, that the department had been constantly making appeals to N.R.M.A. men; the fact that when you enlisted an N.R.M.A. man you could not be sure that he would be a trained infantry man, he might be a gunner, an army service corps man or something else; the fact that the man might not be physically fit—all these things had to be taken into consideration. It made for uncertainty and delay which was extremely dangerous from my point of view having regard to the urgent need which I knew existed.

We had made arrangements in the hope that the recommendation would be accepted in time for a sailing on November 27, but that necessitated the taking of some preliminary action by way of medical examinations on November 1. I pointed out that if that were delayed it meant a delay of another

month. Well, we discussed that matter; the appeal was still pressed, and I asked for overnight to consider that matter. Then I wanted to know, where do you go from there? Supposing the appeal is made, what is the policy of the government? Is the policy of the government that if the appeal is made, and fails; in other words, if there are not sufficient general service men to send the number, 15,000, I had asked for, is it the policy of the government that N.R.M.A. men be sent? And I could get no assurance on that point at all.

Further than that, I found that the government as a whole, certain colleagues excepted, did not consider that the government was bound to that policy by the Prime Minister's speech in 1942. The Prime Minister interjected there, I think, or indicated that it was all a matter of the heart that a man put into it, that that was really what was the important thing, that he had been consulting General McNaughton and that General McNaughton felt that he could get these men by voluntary means, and he mentioned something about a previous resignation of two years ago which had not yet been withdrawn. I rather got the impression that he thought he might accept that, but he did not say so in so many words and went on to speak of General McNaughton again and that he was willing to take on and that he thought he should be invited to do so. Of course I promptly indicated to him that I would send him my resignation at once.

That is the conclusion of the story of the resignation, and I hope that the matter will not be rehashed again, because it is not at all important. I am out of the government, as far as that goes. I have been allowed to serve this country—and I thank the Prime Minister publicly for it, as I did in my letter of resignation—at perhaps the most serious and crucial time in her history. I have appreciated that. I have appreciated the associations that I have made. I have no regrets whatever. To me it seems that the matter of my resignation or the exact circumstances of it are neither here nor there, but that also seems to have had to be discussed all over again the other night, along with these other side issues I have referred to. What I thought was much more important was the question of the need of these men and how they should be sent.

These are the matters, although they are really outside the general issue, to which the Prime Minister referred and to which I felt I had to refer.

I wish now to refer to a statement which the Prime Minister made again the other night in connection with this matter of shortage. I want to correct it, because I am afraid the house and perhaps the country may get the idea that there is no shortage until the end of the year. As reported at page 6599 of *Hansard*, he said:

> I want to make clear that the minister assured us that, as far as the records showed, the probability was that a critical situation would not arise until the beginning of the new year, but that he thought it might become acute at that time.

I am afraid that I have again to take issue with the Prime Minister. I was more concerned than anything else about the immediacy and urgency of the shortage. I remembered the discussions which had taken place and the statements which had been made. I recall the discussions which took place in cabinet. I presume that it is my fault that I did not make it clear, but I do remember some of the discussions, and there is no doubt in my mind but that I made it clear beyond peradventure that an actual shortage existed owing to the fact that the pools were down and that we were just on the thin edge. I remember having pointed out that there was a short term as well as a long term problem. I remember that it was said, "Well, we are doing pretty well if we keep them up to strength." I explained the pools and why they were formed. I remember that the chief of staff's own memorandum mentioned that the 15,000 were wanted for an infantry pool. I remember that he also mentioned the fact that he wanted to send to Italy so many men for the purpose of forming a pool there, and so many men to France. I remember that I took occasion on almost the last day to read to council a memorandum from the present adjutant general on the necessity for maintaining pools, and I endeavoured to impress on everybody concerned that there was at present an actual immediate need to build up the pools, not just a probable "critical situation which would not arise until the beginning of the new year." The point was that we could not meet the need immediately because we could not get those men over soon enough, but if we took prompt steps it would reassure our men and our commanders.

With regard to the Prime Minister's statement that there was a possible shortage in the next few months, I have already indicated that a probable considerable shortage was ahead in December and that it was getting worse every month from then until May. I pointed out that the units would be down in strength, not

in the next few months but in the next eight weeks, and that the units went down further each month.

I submit that the statement by the Prime Minister on Monday gives an entirely wrong impression. What we have to show to this house and to this country in order to get support for the sending of these men is, not what the situation is if we get the 16,000, but what the situation will be if we do not get them. That is what I had been endeavouring to show to the Prime Minister and to council and, so far as I could, in the statement I made to the press in correction of the Prime Minister's statement, and that is what I want to refer to now, in order to come to what is really the heart of the matter, namely, the situation with regard to our need.

Here are some of the conditions which make these men necessary. First, the reserves or the pools of trained infantry reinforcements which had been established overseas have been almost if not entirely depleted to the point of exhaustion. Additional infantry reinforcements are needed at once to reestablish them. Second, the forecasts show that we are sailing so close to the wind that it would appear that by the end of January not only shall we be without reserves, but our infantry units themselves will be in the aggregate slightly under strength. When I left the cabinet the figures showed that there would be a considerable shortage by the end of December; I mean a shortage in the strength of the units themselves, with no pools whatever. I referred to this in my public statement of November 12. I understand that since that time the estimates of casualties have been revised downward and the departure of certain detachments being remustered in the United Kingdom has been hastened, so that now the estimates for the end of December show an aggregate surplus; that means, a surplus over the strength of the units, not over the strength of the pools. It means some surplus to apply to the pools, which, however, would disappear in January, even after using up all the trained infantry now available. That means there would be no pool whatever of trained infantry reserves at the end of January.

When I left the cabinet I forecast that we would have a small deficit even at the end of November. That would be within a month after the statement made by the Prime Minister. In other words, when I retired we faced a situation where we might reasonably expect to have just about enough men to fill units to the end of November, but with no real reserves. During December the position would get worse, and at the end of December not only would we have no pool, but the units themselves would be under strength, and the unit strength in the aggregates would grow weaker month by month in 1945. The only substantial difference between the figures compiled before I left the cabinet and the figures of the day before order in council P.C. 8891 was passed is that any actual shortage in units strengths develops, under the new figures, in January instead of December. The point is that even on the revised figures there is a substantial shortage for December because the aggregate surplus is far too small a number to provide sufficient pools in the battle areas in the United Kingdom.

The tight position now forecast for January or February gets tighter each month of 1945, and by the end of May we find ourselves with the units under strength to the extent of several thousand and with no trained reinforcements immediately available. To use the minister's expression, we shall be "far more than going into the red—quite deep". Any reinforcements which might be prospectively available have to be earmarked to meet prospective casualties.

Now these statistics may change. They have changed since I left the cabinet. They are, after all, statistics. They can never be proved or disproved. What they do show is that in reinforcements for infantry we are working with no "backlog", instead of having an adequate reserve as we have for every other branch of activity either in war or in business. The fact that we may have paper figures which would show that we might from time to time get together enough men in the aggregate to bring the units up to strength if they were concentrated in one area is not good enough. We must have a margin and a substantial one.

Would we think for instance that our medical people were doing their job if the stores of, say, anaesthetic were maintained only on the basis that the quantity kept on hand would just about serve the average number of patients who would be expected per day? Would we not expect them to add twenty-five per cent or fifty per cent to be sure that some wounded soldier would not be placed on the operating table only to find that he was one more than was expected, and that he would have to wait until they sent to the stores in Rome, or perhaps until a ship came in bringing additional supplies from the United Kingdom? You say that is absurd. Is it any more absurd than to try to comfort ourselves with the statistical conclusion that at the end of any month our units should be pretty well up to strength, subject to "ifs"

like the following: if the casualties are no higher than expected; if casualties are incurred in numbers and times to correspond with the days when reinforcements become available; if the convoy arrives on time; if it brings as many as are needed; if the other battle area does not ask for some of the men we are expecting; if there are no interruptions or delays in training; if some of the training is omitted; if those who have been wounded and are counted on as returning from hospital are sufficiently hardened; if restriction of leave is imposed; and if there is no sickness, absence or other wastage among the reinforcements. Mr. Speaker, it is those "ifs" and some more which make reinforcement pools or reserves absolutely necessary.

The need for these additional reinforcements did not arise from having suffered more casualties in the aggregate than had been forecasted. The need arises because the casualties incurred by the infantry have been a very much higher proportion of the aggregate casualties than had been estimated, and the estimates for the future are based on that experience. Those estimates of casualties had been made on the most careful calculations based on experience in various theatres and in consultation with the war office. It has turned out, and this applies to our allies as well, that while the estimates with regard to the other arms of the service have been adequate, the basis of those estimates for infantry casualties has proved from actual experience to be in error.

I want to stop here to emphasize the necessity for having adequate reinforcement pools or reserves overseas, both in the United Kingdom and in the battle areas, and in that connection to say something of the actual conditions which I found while in Italy, northwest Europe and the United Kingdom.

It can be stated without qualification that reserves or pools of trained reinforcements are a fundamental part of the organization of any field army, just as much as reserves of ammunition or equipment. An army cannot just depend for reinforcements on the periodic arrival of ships and the number they carry. There must be some substantial cushion to provide for numberless contingencies which must be guarded against. The reinforcement reserve in the United Kingdom is the heart of the reinforcement organization overseas, and it supplies the smaller pools in the battle areas. These battle area pools are absolutely essential. The pools are intended to provide a reservoir directly behind the forward area from which reinforcements can be drawn promptly as casualties are incurred.

[Mr. Ralston.]

Reinforcements are sent from the United Kingdom pool to the battle areas periodically. In Italy, they are received only once a month; in northwest Europe once a week. These periodic dispatches of reinforcements may not come in time or in sufficient numbers to be available to replace current casualties. Arrival of reinforcements may be delayed. Losses may at certain times be exceptionally heavy. It is most desirable that losses be replaced quickly. If they are not replaced, there are less men for the job, with the consequent additional strain. If they are not replaced, morale is bound to be lowered. It is all very well to say that units may be filled up by the end of the month or the end of the week, but what about the days and nights in between? And so pools of reinforcements in the battle areas ensure that reinforcements are available to the units when needed. It ensures that they are not dependent for their reinforcements on the arrival of a convoy, or the uncertainties of how many the convoy will bring due to shortages in the United Kingdom or in another battle area.

It means everything to men in the line to see new men come in beside them to fill the gaps while the battle is on. The men can understand shortages if they know that there are no reinforcements available, but it is different—and I found this particularly in Italy—when the men know that we have these trained infantry men of the N.R.M.A. in Canada who can be made available.

In Italy I visited the reinforcement unit and most of the infantry battalions. I talked with the men themselves, and time and again I got that same story—about having to go back in the line repeatedly, or not having leave, or being short-handed, when trained N.R.M.A. men could be made available to give them relief.

At the end of September, just before I left Italy, the pool of trained infantry reinforcements was down to between ten and fifteen per cent of what had been planned, and infantry reinforcements were so scarce in the United Kingdom that the only addition they were getting was in the monthly convoy to arrive in about two weeks, bringing not even enough trained infantry men to meet the casualties which would have been incurred in those two weeks.

The corps commander in Italy pressed strongly that the pool be reestablished in the area sufficiently strong to relieve the tight situation and ensure prompt replacement of day-to-day casualties.

In northwest Europe the acting army commander impressed on me another reason for

maintaining an adequate pool in the battle area; that even well-trained reinforcements coming into the line for the first time have to be helped and advised by their battle experienced comrades. He made the point that if the unit is allowed to get down in strength through reinforcements not coming in promptly it puts an added strain on men in the unit to absorb a large number of new men coming in all at once, and fighting efficiency is lowered.

In a word, casualties should be replaced promptly as they occur so that there would be smaller numbers to be absorbed, instead of allowing shortages to accumulate and expecting a weakened unit to absorb a large total at one time. This was another reason making it so necessary to reestablish an adequate pool immediately available behind the units. Fighting efficiency calls for continual instead of periodic reinforcement.

The acting army commander also explained to me that shortages in the infantry battalions were generally due to casualties suffered by the rifle companies of the battalion. He pointed out that the fighting personnel of the rifle companies numbered only about sixty per cent of the battalion and that, although a shortage might appear to be a small proportion of the whole battalion, it would be a much heavier proportion of these fighting personnel, with a corresponding weakening effect on the capacity of the battalion for aggressive action.

The acting army commander pressed very strongly for a minimum infantry pool at a figure which I considered entirely warranted.

I found that on account of the heavy infantry casualties, the infantry reinforcement pool which had been established in France on D-day had been completely exhausted, and that at one time there had been aggregate shortages in the units themselves of over 3,000. This had been gradually overcome in aggregate numbers, but not in individual units, by vigorous efforts to retrain men from other arms as infantry. No pool had been built up. The week I was there, there would be sufficient infantry in aggregate numbers available in the area to bring the units up to strength. To do so would leave only about ten per cent of what should have been on hand to provide the pool for which the acting army commander had asked. Some people have the idea that striving to keep units up to strength means trying to achieve an ideal condition. They think of experiences in the last war when units held the line with strength substantially reduced. Experience in the last war is no guide. In the last war battles were short, the objectives were limited and long static periods intervened. In this war a battle is a series of continuous offensive operations, or, to put it the other way, a battle is a continuous series of offensive operations. That makes it most necessary that units, while they are in the battle, be reinforced on the move to keep up the momentum of the operation and each unit's fighting efficiency. That does not mean that units are kept in the line a longer time than they should be. They are withdrawn and replaced constantly by other units. It only means that, while they are there, the activity is more intense, and to support men and the success of the operation the ranks should be filled up promptly.

Just here I wish to mention one point with regard to the reinforcement system. An impression that I feel sure is wrong has got abroad with regard to the system which is in practice overseas. I am speaking now both of Italy and of northwest Europe, because the system in Italy was copied in northwest Europe. There is the idea in some quarters that when the battalion itself wants men it requisitions the brigade, and the brigade requisitions the division, and the division the corps, and then the corps requisitions the echelon. Well, that is absolutely fallacious. What is done is this: the reinforcements generally are under the reinforcement group which is directly under the second echelon, the second echelon being located fairly well back. That reinforcement group is fairly well up but in, shall I say, a comparatively secluded and safe place. The reinforcement group throws off forward battalions of infantry, artillery, army service corps, and so on at the army road-head. From there again there are sent further forward into the corps area or into the divisional area companies of reinforcements to be directly behind the units so that they will be available, not to be sent from away back at the group, but available immediately to be sent to the different units themselves. The requisition does not come from the brigade to division to corps to army; the requisition comes direct from the unit to second echelon which has charge of the distribution. Second echelon immediately advises the people having charge of these men up in the corps or divisional area to release direct to the unit. In other words, in requisitioning men the unit by-passes brigade and division and corps and army, and requisitions straight back to second echelon, and in filling the requisition second echelon gives orders direct to the people in charge of the reinforcements, away up in the forward area behind the units,

and these men are released direct to the units. That is how speedily it is done under the system we have. All that you need are two things, transport and men, and you will get your reinforcements very quickly indeed. We had a situation in France at one time where the group was so far back and the forward troops were moving so fast that it took about six days to get the reinforcements up. When I was there the reinforcements were in the forward reinforcement battalion within about ten miles of the front line. The reinforcements in the corps and divisional areas would be even nearer to the front. Please do not get the idea that units get down in strength and have to wait a week for all these requisitions to go back to the brigade. There is a complete shortcut between the units and the second echelon which has charge of all the reinforcements.

I have spoken of Italy and I have spoken of France. Now a word about the main pool in the United Kingdom. That pool has to be kept up, so that it can supply and maintain, and, if the need should arise, supplement the battle area pools. The pool in the United Kingdom, through the battle area pools, has to be sufficient to provide against shortages in strength which may be anticipated for a month or two ahead; it has to meet the successive and increasing monthly shortages in strength anticipated in 1945; it has to meet unexpected situations when battle casualties may be more than estimated; it has to meet the additional wastage due to increased sickness in the winter months; it has also to provide replacements for men with long service overseas who may be given well deserved leave, and generally it has to afford assurance of man-power against all the other contingencies I have mentioned. The plain fact was that under the stress due to the unexpectedly high proportion of infantry casualties it had not been possible, with the volunteer resources available, to reestablish any adequate pool of trained infantry in the United Kingdom. Nor on the estimates presented by the department were there prospects of any such infantry pool being established unless large numbers of trained N.R.M.A. infantry men were utilized. All the infantry reinforcements which could be made available have had to be sent forward just as rapidly as possible from the United Kingdom to the battle areas to replace casualties. The result was that the infantry units of the Canadian army were operating not with any adequate pool of trained available reinforcements immediately behind them, but rather on a hand-to-mouth system dependent on what could be supplied direct from time to time with the precarious uncertainties of retraining, shipping, sickness, and the impossibilities of accurate distribution between the two battle areas.

Further than that, as indicated, it looks now as if by the end of January there will be no pool at all. From then on there will be a shortage in the aggregate strength of the infantry units which will increase month by month. When I was talking about the pool I was talking about the aggregate pool, and I was not content to make plans based on leaving the infantry units of the Canadian army in any such risky position with regard to reinforcements. We do not take chances on ammunition and equipment. We make excellent and right provisions for ample reserves. You cannot afford to take chances when human lives are at stake. Furthermore, we have to remember that in Italy to-day there are over ten thousand men who have been overseas for more than four years and in the battle areas more than six months. I talked with many of these men. I told them I would give the matter of leave attention as soon as I returned. When I got back the plan for leave was worked out in consultation with my officers. A day or two before my retirement word was received that transportation arrangements could be provided. The plan was awaiting the opportunity to be presented to the war committee at the time I resigned. Since that time I understand it is the same plan which has been approved and announced by my successor.

These men in Italy deserve the utmost consideration, and if the sending of these N.R.M.A. men as reinforcements can help to relieve the strain on them, then I think we are in duty bound to send them.

These are some of the conditions I found in the field. That is a bit of the background from which I felt we must plan for the future.

I consulted General Eisenhower; I consulted General Sir Henry Maitland Wilson; I consulted General Montgomery; I consulted General, now Field Marshal, Alexander and I consulted General McCreery as to the future and I consulted our own commanders as well. Before I finish I am going to mention a word with regard to the prospects of the future course of the war.

After visiting the battle areas I consulted with the chief of staff, Canadian military headquarters, General Stuart. He and his officers had been making every endeavour to meet the changed situation in infantry by re-mustering from other arms, and had succeeded in providing sufficient numbers of trained

infantry in northwest Europe to create a small surplus over the unit strengths. He found, however, that by this process he was not able to reestablish pools and at the same time keep units up to strength. He had reviewed the situation with his officers, and before I went to Belgium I had been over the whole position with him.

On my return from Belgium on October 12 we had further conferences, examining the figures and endeavouring to assess the needs, and the possibilities of meeting them with the resources at hand and what were estimated to be prospectively available. As a result of these conferences, I cabled the Prime Minister on October 13 indicating my apprehensions about the reinforcement situation and that I was coming back to Canada immediately. I left for Canada on the 16th, arriving on the 18th, accompanied by the chief of staff, Canadian military headquarters, and saw the Prime Minister that afternoon.

On the 19th the chief of staff, Canadian military headquarters, made a written report to me that, after going over the situation, the only solution which he could see was to find an additional 15,000 trained infantry reinforcements to add to the total infantry reinforcement pool overseas on or before December 31, 1944. He also asked for a certain addition to each of the monthly dispatches of reinforcements from Canada in 1945. He recommended that if the numbers required could not be found in the general service personnel in Canada, the terms of service of the N.R.M.A. personnel be extended to include overseas service in any theatre.

In view of my observations in the battle areas, and after most careful consideration of the figures and of all the relevant factors, I placed this recommendation of the chief of staff, C.M.H.Q., before the war committee at a meeting held the same day, October 19, which was continued on the 20th, and then before a special meeting of the cabinet on October 24. The question then arose as to the source from which these trained infantry men could be obtained before December 31. Here was the situation. Fifteen thousand trained infantrymen were needed at once to build up the overseas pool. Commencing January 1, 1945, a certain additional number of trained infantrymen were needed to be included in the ordinary monthly dispatches of reinforcements from Canada. The chief of the general staff, General Murchie; the adjutant general, General Walford, and their officers made an exhaustive examination of all possibilities of finding the 15,000 trained infantry reinforcements for the pool and the monthly increase for the first six months of 1945, as required by the chief of staff, C.M.H.Q. They were able to provide only sufficient to meet the monthly increases. This was accomplished by demoting non-commissioned officers and utilizing infantry tradesmen, although paying them respectively at the rates for N.C.O.'s and tradesmen for a certain period; by accelerating dispatch of certain infantry; by dispatching certain other arms for retraining as infantry in the United Kingdom. Only about seven hundred of these would be available in the battle area in January and the bulk in February and March. The net result was that this additional 4,500 did not provide anything towards the 15,000 pool, since it would just meet for a five-month period the additional monthly increase that had been asked for by the chief of staff, C.M.H.Q.

The chief of the general staff suggested two possible courses of action. One was the reduction of infantry battalions from four rifle companies to three, making corresponding reductions in the strength of the units in other arms. The other was the disbanding of one infantry division. He stated a number of weighty objections to either of these courses. He pointed out that the adoption of either of them was a matter of government policy, and that before a decision was reached to accept either of these suggestions it was essential that the field commanders be consulted. I agreed with the objections of the chief of the general staff to either of these courses. I considered further that when trained N.R.M.A. men were available, Canada's duty at this crucial period of the war was to support our men in the line, and that our obligation to them, to ourselves and to our allies was not to relax but to go on with the task to help shorten the war.

The third suggestion made by the chief of the general staff was to extend the terms of service of the N.R.M.A. personnel to permit their dispatch overseas. While recognizing that it was a matter of government policy, he stated that, based on purely military considerations, the adoption of this course in his opinion would meet the requirements which the chief of staff, C.M.H.Q., had put forward, both as to numbers and without disruption of the organization and fighting efficiency of the Canadian army. To make a long story short, every available source from which trained infantrymen might be procured was examined, Canada, the United Kingdom and the battle areas themselves. The conclusion was that we had exhausted those possibilities, as far as immediate need was concerned.

As is well known there must be ten soldiers, or nearly that many, in the lines of communication, at the bases, in support and in the various services which are vital for the purpose of servicing the troops to every man in the front line, but generally speaking most of those ten men do not meet the specific standards for the front.

I thought that perhaps when my successor took over he would find some possible source of supply which had been overlooked; but, from what the house knows, I think he has come to the same conclusion that I did. So when people ask me why a few thousand infantrymen could not be supplied from the many, many thousands of soldiers in Canada and the United Kingdom, while I could go over the figures and tell them where all these men are situated, what they are doing and what their qualifications are, I think the short and quick and, I hope, convincing answer is that the present Minister of National Defence, with his experience, has made the same inquiries and has become convinced that men are not available from these sources to meet the immediate problem.

It was under these circumstances, Mr. Speaker, that I considered I had no other alternative but to recommend that N.R.M.A. personnel be made available, and I did so. There were 8,000 N.R.M.A. infantrymen who could be ready for combat at an early date, and 8,000 more who could be ready in a month's time. In addition, there were 26,000 N.R.M.A. men considered suitable material as infantry reinforcements who could be remustered and trained as infantry. I thought no time should be lost in getting them to the United Kingdom. The immediate position was that there was a lack of reserves. We were living from hand to mouth. The prospective position was that there would be not only a lack of reserves but shortages in strength even before these N.R.M.A. men could reach the battle areas. The best estimate was that at least two months would elapse from the time it was decided to send the men until they could reach the battle areas. That is, if the decision were made, say on November 1, the first 8,000 men could not be available in the battle area until between January 1 and January 15. Every day that went by meant one more day in which the infantry units of the Canadian army would be without assurance of adequate reinforcement provision. In the hope of favourable action, and in order to have everything in readiness for sending these additional trained infantrymen overseas at the earliest date possible, I had tentative arrangements made for a special sailing near the end of November. The whole matter was thoroughly discussed at many meetings, both of the war committee and of the cabinet; my recommendation was not accepted and, as the house and the country know, my retirement as minister took place on November 1.

Let me recall here that these 15,000 men would be, as it were, a lump-sum addition to our reinforcement reserves. The need could not be met by the gradual dispatch of these men on the monthly instalment plan. They were in addition to all the general service men who could be provided by the regular monthly dispatches, and they were in addition to the extra 4,500 which had been found by the chief of the general staff. The only source from which to get them was from the trained N.R.M.A. infantrymen whom we had been holding in Canada as potential reinforcements.

That was the situation before the cabinet. It was under these circumstances that it was suggested that a further appeal be made to N.R.M.A. men to enlist. I want to point out what the house already knows, since it has been discussed so much, that there was only one group sufficiently trained to qualify to meet the urgen need, and that was the N.R.M.A. infantrymen. I must confess I felt that the appeal would be impracticable and futile. The only question was whether or not the appeal ought to be made in order to say that every effort had been put forth. This is what I told my colleagues when we were discussing the appeal. A little while ago I said that I made two points. One was the practical point; the other was the question of policy, as to what would happen if the appeal failed. In the Department of National Defence we had a good deal of experience with regard to the enlisting of these N.R.M.A. men. Altogether we had enlisted about 42,000 of them. Most of these had enlisted in the early stages of training while, as one might say, they were in the receptive stage and had not acquired fixed ideas. We had enlisted 6,500 since D-day; 2,915 in June, and they were down to 850 by October. The total number we had enlisted from April to October was 10,016, or an average of something like 1,400 a month. But it must be remembered that these N.R.M.A. men whom we enlisted were not all infantry; they were artillery, army service corps and every arm of the service; they were men in A category, men in lower categories for other services, categories too low for infantry, and so on. So that from the over-all members of N.R.M.A. men who enlisted we cannot judge very much as to how many infantrymen we might get.

Well, we had attempts at recruiting regiments. We appealed in particular to a French-speaking regiment, offering that they should go overseas if 500 enlisted; that was the usual offer we made. A very few enlisted. I want to say that was not confined to the French-speaking units. We had exactly the same experience with an English-speaking unit. Perhaps a few more offered to enlist, that is to say conditionally, if 500 went over, but in each instance I can say that we had less than fifty unconditional offers of enlistment.

There was a good deal of talk in this house about the experience we had had out west in connection with the brigade which went to Kiska. We had there a brigade which had gone on offensive operations, which had been with the United States troops, and which had been regarded as top-hole, so far as troops were concerned. These men deported themselves magnificently, and there were very few desertions when they sailed. They got along splendidly when they got there, and went through their training manoeuvres in the Aleutians. But those men who were prepared to take on that Pacific operation, on the morning they landed at Kiska, just happened to find that the Jap was not there.

There was a group we thought would be interested in, and anxious perhaps to go overseas, if they could go as a unit. Well, what did we do? We put on a campaign—and I assure you, it was not any sideshow. We had three V.C.'s there—Major-General Pearkes, Colonel McGregor and Major Triquet. We had padres, officers, N.C.O.'s—everybody—to see these men and to interview them individually. Each battalion was vying with the other to see how many men they could get to enlist to go over. Out of a total strength of, I believe, 2,432, the total enlistments which we got from the brigade amounted to 769. That was a three weeks' campaign. And these were not all infantrymen; it included men in other arms of the service who belonged to the brigade, as well.

We knew only too well the likelihood—or rather the unlikelihood—of any possible campaign which would produce 15,000 trained infantrymen, or anything approaching that number.

Mr. HANSON (York-Sunbury): What was the date of that enlistment campaign for the Kiska men? It was a year ago, was it not?

Mr. RALSTON: About May.

Mr. HANSON (York-Sunbury): Last May?

Mr. RALSTON: Yes, last May. In that case what we finally did was this: we enlisted men from other units on the west coast, filled the Kiska units up, and they did go over as a brigade. They had worked so hard in the campaign that we thought they might go over, and we did send them over as a brigade.

I only mention this to the house—and may I add that the government knew that this was the experience we had had. It may be that we were dumb recruiters. It may be that we did not know our business, and that our officers did not know their business. Certainly they tried, and they gave a report in connection with the whole operation which indicated what the difficulties were, a report which, it seems to me, would be helpful to anybody who was going to undertake a special campaign again. The house will not forget, however, that the campaign has really been going on continuously and the N.R.M.A. men we have been enlisting month by month have been the result of continued faithful efforts.

I come back to this: we had that experience. In order to get just as much information as possible as to the possible prospects of fresh endeavours, we communicated direct with the general officer in each of the districts of the Pacific command, to ascertain from him what he thought of the possibility of a campaign—a campaign not on a military level, but one in which the Prime Minister would take part, in which the Minister of National Defence would take part, and in which other ministers would take part. The campaign was suggested for ten days. I suggested it for ten days, and he suggested no campaign was any good for ten days. Finally he said that he thought if the campaign went on for three weeks, with all these other agencies engaged that it might be possible—he could not promise anything—but he would say that at the outside you might get 1,500 trained infantrymen.

That was the situation, and those were the reports which we had. Those were the reports we had to consider in connection with this appeal. On the other hand was the fact that every day which went by meant that these men were just one day later in getting to the battle area. These men could be coming in in dribbles of ten on one day, twenty on the next and fifty on the next, and you would not be able to handle it administratively. You would have to wait until the last man came, or until you got at least 1,000 or 2,000. The result was that it did seem to be administratively impracticable, and the prospects of success seemed absolutely negligible. That was the situation.

Hon. members know what took place. General McNaughton came in, and he felt that these men could be got by voluntary

enlistment. He made a speech at Arnprior in which he indicated the desire to get volunteers. At that time he did not mention the N.R.M.A. men at all. Later he spoke at Ottawa. At that time he did mention N.R.M.A. men; his remarks were not addressed directly to them, but he was saying that encouragement would be given to those men to come in.

Then the Prime Minister made an address on November 8 in which he did address these men and their families directly, and asked for their support. The D.O.C.'s came in on November 14, and a report was made and the matter discussed. I think the minister felt that he got some encouragement from that, because he made an announcement that the conference had considered the subject, and that there was confirmation in his mind of the idea that these men could be got by voluntary enlistment. That was the position with regard to the matter of the appeal, about which I referred when I mentioned my resignation.

The minister had advised the Prime Minister on October 31 of his belief that the men could be obtained by voluntary enlistment. I knew the experience we had had—and the government knew, too. The minister took over on November 2. He knew that we were specially short of infantry, and that untrained infantry would not do. He would know that if our troops were out of the line now they would probably be in in January, and that these troops would be most useful to them; and if they were to be obtained by voluntary enlistment the enlistments had to be rapid and effective. The speech at Arnprior was on November 5, I believe it was, and then he spoke again in Ottawa either on the next night or on the night following that.

Then, as I say, on November 14, the D.O.C.'s came in. That means that nearly a month after I came home the first really active step was taken to get N.R.M.A. men to enlist voluntarily. As I have already said, if these men were sent on November 1 they would not get to the battle area, to be of much use to reestablish pools which were going to be short in December.

As I have said, after conference with the D.O.C.'s the minister in a press statement indicated that his belief was confirmed more than ever in continuing the voluntary policy to provide reinforcements. That was on November 17. But within a week, namely on November 23, the minister came to this house and advised us that the D.O.C.'s had told him frankly that they had not much hope that our requirements would be met, but that they had loyally undertaken to make another effort. Then he went on to say:

> This they have now done, and I must admit that the results have not been adequate. I am advised that there are very many N.R.M.A. men who will not volunteer under present circumstances but who are quite willing to be sent overseas.

I was not in that campaign at all; but I want to say this that the Prime Minister did mention—and I do not think he was quite fair to the officers—that the officers had not cooperated—

Mr. MACKENZIE KING: Some of them.

Mr. RALSTON: Yes, some of them. I do not know about them all. But I know some who would cooperate to the very limit, no matter what you asked them to do, if it were for the army. And I do not think, with regard to the great bulk of the officers—and not only the officers, but the staffs as well—that the government, or any of us, can have any complaint with the way in which they endeavoured to carry on, under the conditions which I have described.

The Prime Minister also mentioned the big interests or the big influences. Well, as he knows, probably the biggest influence or perhaps the most important was the Canadian Legion, which felt that they could not take part in the campaign. They had their own reasons for that. I assure you that I never had very much of the support of the Canadian Legion in connection with volunteer campaigns, but they did not take the strong attitude which they took in connection with this campaign. There were practical conditions which were fairly well known and which were I think fairly well appreciated.

It all adds up to this: I felt that from November 1 until November 14 no step was taken to get the district officers commanding together, the men who knew more about this thing than anybody else. I felt that that was a very serious delay which could hardly be explained. I came home and perhaps I was too anxious about this thing, but I did have it on my soul and I did believe that these men ought to go. I still believe that they ought to go and I believe that they could have been gotten away on November 27 if action had been taken promptly. We had the whole programme and the whole time table worked out.

I do feel badly that the first address which was made by the minister was simply an address indicating that the best hope was the voluntary system and asking everybody to help. I am not criticising the minister; I

am not saying this harshly; I am simply saying what I felt. I felt that the only place to go for these men was the camps in the west, because that is where the men were.

It seems to me that the first thing that should have been done in connection with the campaign was for the minister to have flown out there immediately to gather his officers together. That was not done. The Arnprior speech was made and then the Ottawa speech, and then the Prime Minister's speech was made on November 8. As I say, that appealed to these men, but you cannot do recruiting at long distance, either for general service or for N.R.M.A. men. It is like an evangelistic meeting; you have to have hand to hand work. Apparently it was felt that every effort and every expedient had been exhausted. I felt that there had been a series of delays and that is what concerned me in connection with the matter—and I am speaking very mildly. I had considered that if there were to be prospective success a very large number of men had to be obtained by a certain time and it had to be short.

I felt that neither the Prime Minister nor the minister recognized the necessity for the promptness of action which was essential in order to meet this urgent situation. I want to credit the minister with this: after three weeks, when he found that his advice in connection with this matter was wrong, he said so forthrightly, both to the house and to the government.

On November 23, the same day the minister spoke to the house, order in council P.C. 8891 was passed and laid on the table of the house. It authorized the minister to dispatch overseas to the United Kingdom and/or to Europe and/or the Mediterranean theatres such personnel in such numbers as may be approved by the governor in council who are serving under the N.R.M.A. or who are or may be from time to time hereafter required in the opinion of the minister for training, service or duty within the localities of service I have just mentioned.

The number of 16,000 was expressly provided by the order in council. It provided for the further approval by the governor in council for the sending of those who might hereafter be required in the opinion of the minister. I had asked on October 19 for 15,000 men immediately. The question arises at once whether, if such action had been taken by the governor in council while I was still minister, I would have accepted it, and the answer is that undoubtedly I would have accepted it, not because I considered it was satisfactory or a proper way to deal with the matter but because, above everything else, I was concerned in getting those 15,000 men just as quickly as possible.

I would have felt that as the minister responsible for the administration of the army I could not afford, in the interests of the troops themselves, to have rejected such action, but I certainly would have registered the strongest protest possible against the half-hearted, piecemeal method adopted. I would have pointed out that, once the decision was made to secure the service of N.R.M.A. men, once it was extended overseas, that decision should not apply to any one group of men in the N.R.M.A. but should apply to that force as a whole. To apply it just to part of the force was to perpetuate the system of two different armies for Canada.

That was inherent so long as the N.R.M.A. were obligated only for service in Canada. There was then a clear and uniform distinction between all N.R.M.A. men and volunteers. The former were for service in Canada and the latter were for service overseas, but the moment the principle was accepted that N.R.M.A. men were for overseas service, then in my view it should be carried through by actually obligating all the men for overseas service and helping to remove the rankling distinction which would be even more pronounced against those who still retained the status of service in Canada only.

I would have pointed out that the result would be to create an additional division in the Canadian army. First, there would be general service men for service anywhere. Then there would be N.R.M.A. men for service in certain designated theatres. Then, there would be N.R.M.A. men for service in Canada only. All the difficulties that have existed, not only in administration, discipline and the utilization of non-commissioned officers, but in the sense of discrimination where there are different areas of service, would be multiplied. Further than that, there would be complaints of discrimination in selecting certain N.R.M.A. men and extending the scope of their service, while leaving others with only the obligation to serve in Canada.

This was not my idea alone. It was envisaged by the Prime Minister in 1942. When he was asked a question by Mr. Douglas, he replied, as reported on page 4564 of *Hansard*:

> When the government decides that it is necessary and advisable to resort to conscription as a method of raising men for service overseas, an order in council will be passed dealing with members of the forces as a whole. It will not be a matter of passing a series of orders in council, but one order in council will cover the entire force.

My second objection would have been that if the N.R.M.A. men are to be used overseas, they should be subject to exactly the same scope of service as the general service personnel. I believe that these objections hold good to-day, and I urge upon the government just as strongly as I can the adoption of the procedure which the Prime Minister promised would be adopted, that of passing one order in council and making it applicable to the whole force.

Notwithstanding these objections, it was so important beyond anything else to have these men immediately that I would have accepted the action taken and battled out, if I may use that expression, the objections I have stated in an endeavour to secure the method which I consider should have been adopted.

I come now to the motion and amendment before the house. I did not know there was a subamendment and I have not seen it. My one objective and determination, and I may say struggle, from the day I arrived home from overseas has been to get additional trained infantry men overseas quickly to reinforce our magnificent fighting men. That still is my objective whether I am in office or out of it. In the midst of all the confusion and contradictions and upsetting incidents of the last five years I have been determined to keep my eye on the ball. I considered, and so recommended, that it was necessary to send N.R.M.A. men for that purpose.

My immediate objective was to get the additional 15,000 men from the N.R.M.A. trained infantry. To-day, if the declarations of the Prime Minister and the Minister of National Defence mean what I understand them to mean, the sending of 16,000 additional men from N.R.M.A. as rapidly as they can be dispatched is assured, and the principle is laid down by order in council that N.R.M.A. men are to be available for reinforcement purposes, and it is said by the minister that further numbers will be sent as required. I do not think the principle is laid down by the order in council itself that they are all included in the order in council, but the principle has been established by the order in council that N.R.M.A. men are available, and the minister has said that further numbers will be sent as required.

That result has been achieved by a combination of circumstances unique in the history of this dominion. Public opinion has made itself felt so powerfully that it could not be disregarded. The resolute stand of certain former colleagues in the cabinet has put that mighty influence into positive action. Any part that I have had could only succeed because of the vigorous and staunch support of those two forces.

[Mr. Ralston.]

I am far from satisfied with the delay which these three weeks have cost and with the lack of a sense of urgency which has been shown. I am far from satisfied with the piecemeal method that has been adopted or the halting attitude it indicates. I have already stated my objections to that method. But, now that at last action has been taken, I am determined that neither my dissatisfaction nor those objections are going to deflect me into doing anything which may in the slightest delay further the sending forward of these reinforcements.

With that paramount objective before me I have considered well how I should vote on the motion before the house, and on the subamendment—which, I understand, has been ruled out of order—and the amendment, in order to get the one thing accomplished which matters most. I can speak now only of the amendment and the motion.

I can say this regarding the amendment. I have already indicated my opinion of the advantages of the method it proposes. I believe the time has come when the proper course is to make all N.R.M.A. men subject to the obligation to serve overseas. I have registered that opinion. But to vote for the amendment is far more than registering that opinion. The amendment is, in fact, a motion of want of confidence because if it were carried, the government's motion would be lost; and the government, instead of driving ahead, as it must do, to dispatch the 16,000 reinforcements from the N.R.M.A. and the further reinforcements required from time to time, would cease to function, and the whole matter of dispatching these men, which I have so earnestly advocated, would be thrown into the realm of uncertainty and suspense.

I have come to the conclusion that I will not by my vote permit that to happen. I have worked too hard in my humble way to help to bring about the changed policy of the government to jeopardize or give any excuse for delaying the prompt dispatch of these 16,000 men overseas. If the amendment were carried, I confess that I cannot, and I doubt if anyone can foresee clearly or with any reasonable certainty what would happen about the sending of these men. There would follow attempts to form a new government, the probable necessity of any new government having the assurance of the support of the house, and the delays and uncertainties which are inevitable in a course of that kind. Or, instead of the formation of a new government there might be dissolution of the house and a general election. Either one of these alternatives, while some people might regard them as preferable to the present situation, would constitute in my

judgment a definite deterrent to the quick dispatch of these reinforcements. That action, in my opinion, and I think in the opinion of the great body of members of this house, and of the country at large, is at the moment the supreme consideration. I was not asking for a change of government at this crucial period of the war. I wanted reinforcements and I wanted them quickly. I was not asking for a general election to plunge this country into acute political turmoil for the next two months. It was reinforcements I wanted.

If this house supports the amendment it renders abortive, for the time being at least, all that has been won, and the goal—the sending of these men who are urgently needed overseas—which is now directly in sight, will be lost in the thickest of confusion and political controversy. I want to be practical, and to vote against the motion either indirectly by voting for the amendment or by voting "no" on the motion itself, would, in my opinion, be voting for delays and confusion and greater uncertainty in the sending of these needed reinforcements for our troops overseas.

To put it bluntly, I think that, unsatisfactory though the method is, action is more important than method, and I believe that these men will be dispatched more quickly and more certainly if this house completes the action which the government has at last taken, by approving the motion, than by any other course which the house can take at the present time.

With the powers under this order in council sanctioned by this house, there can be no excuse that trained men are not available. There can be no excuse for straining at getting the last volunteer or for curtailing such privileges as would be granted when manpower is adequate, and there can be no excuse for not extending further the provisions for leave for men in the battle areas, with long service overseas. There is one thing more, and that is that I doubt if the minister's programme of dispatch is sufficiently rapid to provide all he should have to reestablish reinforcement pools as quickly as that should be done, having regard to the conditions which face him now and in the near future.

He will be held responsible for accelerating the dispatch in every way. And one other point I am assuming, unless the Prime Minister states otherwise, that if the government motion carries, the future orders in council specifying additional numbers of men will be passed and put into effect without any reference back again to this house for a vote of confidence or other approval.

Mr. MACKENZIE KING: That is correct.

Mr. RALSTON: I take that to be clear from the minister's statements to the house.

I have mentioned these points specially, but what I want to emphasize is this, that this house and the people of this country, and I myself, will hold the government—and particularly the Prime Minister and the Minister of National Defence—to strict account for carrying out vigorously and without wavering their declared intention to reinforce the army with well-trained men from the N.R.M.A. to the fullest and fastest extent possible.

It is on this understanding and for these reasons, and one other, namely, the confidence which I have in certain of my former colleagues, who have contributed in no small degree to the changed attitude of the government, that I shall vote against the amendment and for the motion.

Mr. Speaker, the war is not over. Our efforts in the days before us must not be relaxed for a moment. A desperately stubborn enemy faces us in Italy and northwest Europe fighting on every hill, before every village and for every farm. We must go all out to beat him back into his corner, and the more he is cornered the bitterer will be his defence until he is finally overcome.

Such pauses as have occurred in the advance into the Low Countries have been the inevitable result of a fast-moving campaign handicapped by lack of full facilities for supply. There is no thought of retiring to winter quarters and digging in.

Mr. Churchill said on November 15, "The new fact that stares me in the face is that extremely heavy fighting is continuing week by week and will certainly last for a long time". General Eisenhower on November 21 said, "There is a job here for every man fit for battle that we can bring in, and it's up to every man back home to give him everything he needs—that is my prescription for victory."

That prescription must be for us all. There is no easy road to peace. The German army has proved that it can absorb terrible punishment and still come up fighting. Our men in Italy have a saying that they are always attacking the last hill, and that when they reach the top they always find that the Germans have built another behind it.

We must jostle him, hurry him, harry him, pound him, give him no rest, give him no time, give him no chance to build up successive lines of resistance. We must keep him on the run. It is not an easy task. It is one that will require the last ounce of strength that we can put forward. Driving him into his corner is not enough. We must build up

all the weight, all the power and all the determination we can muster for the knockout and victory and peace.

Just for a moment, Mr. Speaker, I wish to say a word about the Canadian army. There was placed on to-day's *Hansard,* so that it might become for all time part of the records of this parliament, the story of the great exploit of Major David Vivian Currie, which won for that young Canadian army officer the empire's highest battle honour, the Victoria Cross. Leading a mixed force of tanks, infantry and men from other units, with all his officers either killed or wounded under repeated attack by German tanks, German guns and other German formations, for three days and three nights this officer rallied and led his men, visiting them, advising them, encouraging them, and at the end he had the supreme satisfaction of seeing that his task had been accomplished. The position had been held and the escape route of a large number of Germans cut off.

That officer was born with no silver spoon in his mouth. He was, in civilian life, an automobile mechanic and welder. He is typical of the Canadian army, an army of civilians, who have turned themselves into soldiers and who in the process bring honour to themselves and glory to the land of their birth.

That citation, Mr. Speaker, which stands on *Hansard,* factual and formal though it is, impressed one thing on our minds with stark and striking reality. That one thing is the fierceness of the struggle in which our men and our allies are engaged. This man had to fight alone. All his other officers were killed or wounded. Alone for three days he and his gallant band of Canadians had to face the full might of the enemy's attack. It is because such attacks are being made and will continue to be made until the power of Germany is finally broken that I press the urgency of the situation that now confronts us, that I urge this house to lose no further time in taking the steps necessary to give our men overseas the utmost assistance and support. It was because I had seen for myself the conditions under which our men fought; it was because I felt that no one should ever be able to say that we had failed in our duty to these men, that I took the position which I did on my return from my last visit overseas. When this war is over, and when men like Major Currie and those fighting with him in all three services return to Canada, the destiny of this nation will largely have to be shaped and directed by them. They will have to take their places in the public affairs of this dominion. The tasks of peace will fall to their younger and stronger and fresher hands. They will be great tasks, tasks calling for every last item of strength and skill and courage. When they lay aside their arms and assume the duties and responsibilities of civilians and citizens I and we all want to be able to look them in the face and say ,"We did not fail you." I want and we all want them to feel that Canada was worth fighting for and worth living for—worth, if needs be, dying for. We want these men to feel, when they return, that they have come back to a land which was proud of them, a land which appreciates their heroic service, a land that has proved that appreciation not by words only but by its deeds and by its actions on their behalf and in their support.

If you will permit me, Mr. Speaker, since probably this is the last time that I shall have an opportunity of addressing the house on matters of this kind, I should like if I might to put on *Hansard* a message which I sent to all ranks of the Canadian army and civilian staffs and also a recognition of the services of the officers. This was the message I sent to all ranks of the army and civilian staffs of the Department of National Defence everywhere:

> On relinquishing the duties of Minister of National Defence, I want to express to all ranks of the Canadian army and to the members of the civilian staffs my most sincere appreciation of their whole-hearted devotion to duty during the arduous time of preparation and through the fiery tests of battle.
>
> To our fighting troops, I pay highest tribute and send humble admiration for their endurance, their courage and their amazing achievements in the face of unprecedented difficulties. With them I remember also the skilful and self-sacrificing labours of medical officers and nurses and the devotion of the padres and members of the auxiliary services.
>
> To those who have toiled without reserve in the less spectacular but highly important tasks of organization and training and supply, I express deepest appreciation. Their work has been to fortify Canada's men and women on the battle lines.
>
> As my distinguished successor, General McNaughton, takes over the responsibilities of the department, I confidently ask every man and woman to give to him the same unflagging help and intelligent industry that has meant so much to me and to Canada during my four and a half years of office.
>
> There may be many long days and many rough places before the enemy is completely overcome. The Canadian army will never falter until the task is done. I am proud indeed to have been associated with this grand company of fighters and workers for victory. Good luck, great success, and my warmest thanks to you all.

I want, if I may, to put on record my sincerest appreciation of the work which has been done by the officers of the Canadian army. The accomplishment of the army in the field stands out as a magnificent example of hard fighting in the most difficult circumstances, but I wish to speak more particularly at the moment of the faithful work of the staff and

others responsible for counsel and advice in our endeavour to support the men in the battle areas. From the officers in the lines of communication back through the administrative training establishments overseas and from there back to Canada and throughout the country, all have worked faithfully and tirelessly and with no other purpose than to see to it that the men in the battle positions wanted for nothing that could be supplied them. The burden of this work has fallen most heavily on the shoulders of the chief advisers. But everywhere throughout the administrative staffs, officers and men have worked long hours, often with no apparent recognition but always unselfishly and with high purpose to ensure that men, ammunition and supplies were available when they were wanted and when they were needed.

To the army commander, to the former chief of staff at C.M.H.Q. and the officers who worked with him, to the chief of the general staff and the heads of the branches at national defence headquarters, to the general officers commanding, to the district officers commanding and camp commanders in Canada and to all the officers and men who have loyally carried out the work under their direction, I extend my warmest and most heartfelt thanks.

As regards the men of the Canadian army, I have seen them at close range. I know their walk and their talk. I know their bearing. There is no swaggering, but there is quiet confidence born of having proved themselves and the fact that they know it. I visited the men in Italy who have been there for sixteen months. Over ten thousand of them lead with four years overseas service and more than six months in the battle area. These men and their comrades have gone from Pachino to Rimini. By day and by night, over rough, tough ground against a battling enemy they have kept on driving forward. Mile after mile and height after height have been taken. Sometimes the assaulting battalions have only gotten half way up, but their comrades came through and completed the task. Even with ranks thinned they never wavered. To-night they are in the midst of the ditches and the hedges and the dykes of the soaked Po plain. They are fighting on and holding down German divisions. If they did not fight on, those enemy divisions would add to the strength of the hun forces which their comrades would have to meet on the threshold of Germany.

In northwest Europe the army has had a succession of holding, gruelling, fighting and dearly won successes: Caen, Falaise, Trun Gap, Bois de Londres, the occupation of Dieppe, siege of Calais and Cap Gris Nez and that most intricate difficult operation on the Scheldt, every foot desperately contested, and every enemy resistance overcome. The way was finally paved to the use of the key port of Antwerp as the base of great operations.

In Italy and in France, in Belgium and in Holland, and on the edge of Germany, sometimes under strength, but with indomitable courage, they have endured the strain. The days will come soon when the great battles—the last we hope—will be fought. And, Mr. Speaker, there will be gaps in the ranks. Those gaps cannot wait for the men to be trained and transported to fill them. I tell you and you know it, and this house knows it, that on the estimates there will not be enough trained volunteers to fill those gaps. But we have in Canada to-day the trained infantry men who have all these years been enrolled as potential reinforcements for such a time as this. They have never said they would not go. They say they will go when they are sent. They were to be sent if necessary, and the responsibility for making the decision for them is on the shoulders of every hon. member of this house. Part of them are to be sent now. We are assured by the minister that the rest will follow if required. He has assured this house that while he still hopes the voluntary method will be effective—I am quoting his words now—"my first duty, my first purpose is to maintain our forces overseas to the strength which has been decided; and those forces will be maintained by any method." Again I lay it on the government, and particularly on the Prime Minister and the Minister of National Defence, Mr. McNaughton, that there be no halting and no delay in providing amply for the needs. We cannot escape it; not only the N.R.M.A. men, but our own men in Italy, Belgium and Holland are awaiting the decision of this house. I said, Mr. Speaker, that there would be gaps in the ranks. Each man in this house has the responsibility for saying by his vote whether those gaps will be filled.

Hon. R. B. HANSON (York-Sunbury): I am sure this House of Commons to-night has found itself for the most part in the utmost agreement with the great speech which the hon. member for Prince (Mr. Ralston) has just concluded. I am satisfied that the reactions which I myself had to that speech will in a large measure be the reactions of the country when they read it to-morrow. I was pleased indeed that the remarks of the hon. member for Prince were, for the most part, altogether moderate, because after the

attempts that have been made from time to time during the last four or five days to shoulder upon him responsibility for a situation which everyone of us, I am sure, now agrees exists, he might have been forgiven if he had shown considerable heat and resentment. I must say that for myself I do not think I could have shown such forbearance or Christian spirit as he exhibited. That merely illustrates the difference in temperament between us.

Certain things have emerged from this speech which, I am sure, will commend themselves to the country, and, I am satisfied, to the membership of this house. One of those things is that beyond peradventure infantry reinforcements are needed and needed badly and are now overdue; that is to say, the preparation for sending them over, and the country will hold responsible for that delay and for any bloodshed that occurs as a result of that delay two men, the Prime Minister of Canada (Mr. Mackenzie King) and the present Minister of National Defence, Mr. McNaughton. Make no mistake about that. Six precious weeks have been lost.

There are other portions of the speech to which I desire to refer, and perhaps to analyse at some considerable length. I crave the indulgence of the house at this hour, ten-thirty by the clock, to ask for the adjournment of the debate. I could go on, but I confess to you, Mr. Speaker, and to the hon. members of this house, that I have been greatly stirred by parts of the speech of the former Minister of National Defence. I have a keen desire to analyse that speech to do him justice and to commend portions of it—and it will be the major portion—in which he laid the position before this parliament. Therefore, sir, I propose at this time, with, I believe, the concurrence of the Prime Minister, the adjournment of the debate.

Mr. MACKENZIE KING: I would just like to say to my hon. friend that when he asked me if I would be agreeable to his not continuing very long I indicated to him that I would be pleased to meet his wishes. That was before he had made the remarks which he has just made concerning myself. May I say to him that I will be only too pleased to be a little more considerate of him than he has been of me to-night. I give him the privilege of adjourning the debate.

Mr. HANSON (York-Sunbury): I am quite willing to go on.

On motion of Mr. Hanson (York-Sunbury) the debate was adjourned.

[Mr. R. B. Hanson.]

On motion of Mr. Mackenzie King the house adjourned at 10.30 p.m.

Thursday, November 30, 1944

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*CONSCIENTIOUS OBJECTORS

Mr. ROSS (Hamilton East):

1. How many conscientious objectors are there in Canada?
2. How many in each province?

Mr. MITCHELL: I can answer the question now; I happen to have the figures here. The total number of conscientious objectors in Canada is 9,329; by provinces: British Columbia 668; Alberta 1,101; Saskatchewan 2,129; Manitoba 2,820; Ontario 2,551; Quebec 26; New Brunswick 2; Nova Scotia 29; Prince Edward Island 3.

BUSINESS OF THE HOUSE

REFERENCE TO DEBATE ON PRIME MINISTER'S MOTION

On the orders of the day:

Mr. DANIEL McIVOR (Fort William): I would like to ask the Prime Minister a question without notice. As the Prime Minister has spoken, as Colonel Ralston has spoken, as General McNaughton has spoken, and as the leaders of the opposition have spoken, is it not now in the best interests of all concerned that the debate be concluded? Is it not a waste of time and money to continue further?

Right Hon. W. L. MACKENZIE KING (Prime Minister): It is not for me to take away the liberty of any member of parliament, but I have no doubt that hon. members will see the wisdom of the question asked by my hon. friend and will be anxious not to prolong the session unduly.

THE WAR

POLICY OF THE GOVERNMENT IN MAINTAINING VIGOROUS WAR EFFORT—CONTINUATION OF DEBATE ON MOTION OF THE PRIME MINISTER

The house resumed from Wednesday, November 29, consideration of the motion of the Prime Minister (Mr. Mackenzie King) that this house will aid the government in its

policy of maintaining a vigorous war effort, and the proposed amendment of Mr. Graydon, and the amendment to the amendment of Mr. Quelch.

Mr. SPEAKER: I wish to make a ruling on the amendment to the amendment, submitted by Mr. Quelch seconded by Mr. Shaw.

The motion before the house is:

That this house will aid the government in its policy of maintaining a vigorous war effort.

Mr. Graydon moved an amendment as follows:

That all the words after the word "that" to the end of the question be struck out and the following words substituted instead thereof: this house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice.

Mr. Quelch moved an amendment to the amendment. The first paragraph of the subamendment is as follows:

The unqualified assurance to our men on the battle fronts that they will receive at once ample material supplies, and adequate reinforcements; and the use of all persons in any of Canada's armed services in any theatre of war in which they may be required.

It has relevancy in that it refers to the motion and the amendment, but it is qualified by the other sections of the subamendment which deal with policies following the war, and have no relevancy either to the main motion or to the amendment. One cannot approve and disapprove the same document and the amendment to the amendment must be considered in its entirety.

Paragraphs 2, 3, 4 and 5 of the amendment to the amendment should be brought before the house in the form of a substantive motion. The object of the motion is to aid the government in its policy of maintaining a vigorous war effort. The amendment to the amendment deals with matters which are intended as peace-time policies.

I would refer to a decision by the Hon. Mr. Black, the Speaker, on May 4, 1934, page 640 of Beauchesne's third edition, which decided that on a motion to appoint a select committee for the purposes of considering the accounts of a government-owned railway, an amendment to empower the committee to consider also the accounts of a private company is out of order and should be brought before the house as a substantive motion.

On May 21, 1940, I gave a ruling which will be found on page 647 of Beauchesne's third edition. I ruled an amendment out of order on the ground that an amendment must not raise any question which can only be raised by a distinct motion, after notice.

The amendment to the amendment which we are now considering raises questions which can only be raised by a motion after notice.

Yesterday I ruled the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) out of order, and the opinions which I then gave are equally applicable to the amendment to the amendment which we are now considering and I would repeat if the house accepts the subamendment the main amendment would be eliminated and the only question before the house would then be the main motion as amended by the subamendment. The result would be that the mover of the main amendment would be deprived of his right to obtain an expression of opinion either original or in an amended form by the house on the policy stated in his amendment.

For these reasons I rule that the subamendment is not in order.

Hon. R. B. HANSON (York-Sunbury): I rise to-day to take part in a debate on a subject which is one of the most important that has ever been brought before the house or the country. I do so because I realize that tremendous events are now taking place and that the possibility of good or ill that may flow from the deliberations in this House of Commons at this special session may be of the greatest importance. I hope that what I may say to-day will be wise and judicial. I trust that I shall not be offensive even if I speak strongly.

I rise first to say that the issue before this house and the country—and in my view the only issue—is that which relates to steady reinforcements for the armed forces overseas, and that no other issue should be allowed to becloud it. Notwithstanding the invitation of the hon. member for Fort William (Mr. McIvor) to curtail the discussion, I believe it is imperative and in the national interest that the views of my colleagues and myself should be fully presented to this house. I reaffirm the fundamental principle that is embodied in the amendment to the resolution now before the house, namely, that reinforcements for our armed forces overseas should be pressed to its ultimate and logical conclusion without limitations of any character or equivocations or reservations, mental or otherwise.

I wish to say further that the offer which was made yesterday by my colleague, the hon. member for Dufferin-Simcoe (Mr. Rowe) on behalf of the leader of the National Progres-

sive Conservative party, to cooperate with any government that will fully implement the policy of adequate and immediate reinforcements, still stands, and it is not a mere political gesture.

In the course of his speech on Monday the Prime Minister (Mr. Mackenzie King) said that the convulsion in the country was an engineered convulsion. So far as I am able to ascertain from the facts I deny that assertion from A to Z. I say that the convulsion which has swept over this country in the last three or four w eks, and which is still foremost in the heart and mind of every member of our community who is thinking about it—and I believe that includes the entire population of this country—is based upon a condition that has been growing in intensity ever since D-day. I think this whole thing started because of reports given by servicemen overseas in letters to their relatives. I know that in my own community reports were received from men in the northwestern European theatre of war to the effect that reinforcements then on the ground were wholly inadequate; and I certainly believe the communications which I myself have received from overseas, notwithstanding the position on paper, notwithstanding the theoretical position that has been given to us in secret session and open session, indicate that there is and has been inadequate provision in the northwestern European theatre of war to meet the ever-increasing casualty lists that are flowing in daily. I suggest that the only organized campaign which focused the attention of the public on this immense issue was that which flowed from the Canadian Legion. If there is any body of public opinion in this country that has the right to focus attention on so vital an issue as this, surely it is the veterans of the last war, who know what reinforcements mean, and whose position cannot be better emphasized than was done by the magnificent speech of the hon. member for Prince (Mr. Ralston) last evening.

To say that there is a cabal among certain elements of this country outside of this house who want to seize the reins of power is to say something that could not be farther from the truth. If that were so certainly some communications would have been had with the membership of this party. I want to give assurance to this house and to the country that none of us has ever been approached to form a conspiracy simply for the purpose of getting rid of the present Prime Minister. What public opinion outside of this house has done —and expression has been given to it by the great metropolitan newspapers of Canada—is to focus attention on a critical situation which we now know existed, and which still exists and will not be adequately taken care of by the right-about-face policy of the Prime Minister and those of his cabinet colleagues who have turned face with him.

I listened to the Prime Minister's speech with the utmost attention. I shall have something to say about it presently. During the course of that speech I asked myself this question when he was making a plea, not directed to me especially but to his own faltering followers, to the effect that they should vote confidence in him.

An hon. MEMBER: They will.

Mr. HANSON (York-Sunbury): Possibly they will. But he was making a plea to his followers to vote confidence in him, not on the policy that was in effect on November 22 when he put his motion on the order paper. What was the policy then? The policy then was a continuation of the voluntary system of reinforcements for the army overseas. Is there any dispute about that? That was the fundamental basis of the resolution of confidence that is now before this house. Then something happened, to use the words of the hon. member for Quebec South (Mr. Power)—and I regret that he is not in his seat—in a matter of moments, and a right-about-face was made by the Prime Minister and the majority of his colleagues. A position was taken which the hon. member for Quebec South felt he could not support; that was, they reversed the traditional policy of the Prime Minister and his government which had been in effect since before the war started. They dumped into the debris of past history the policy of voluntary enlistment and adopted, after a gunshot wedding, the policy they had derided for five long years. In the light of that I ask myself this question. How can I vote confidence in a government which has one policy at half-past six Thursday evening and another policy, diametrically opposed, at half-past ten of the same evening?

Mr. CLEAVER: Read *Hansard* for 1942.

Mr. HANSON (York-Sunbury): I have read *Hansard* for 1942; I helped make *Hansard* for 1942, and that brings me to a point which I might as well deal with now. In January, 1942, I had the honour of moving in this house a resolution which I have under my hand, which definitely declared the position of this party with respect to this great man-power question that has been before this country ever since that time, and that has been bedevilled by the actions of this government from time to time. We made it abso-

lutely clear that the time would come—and the time has come—when this whole question of reinforcements necessitated by casualties overseas would have to be met man-fashion, and that in our view, having regard to the position which undoubtedly would develop but which did not develop for several years, in due course of time this country would find that the voluntary system would fail and resort would have to be had to the only other alternative. What was the position in 1940? Up to the fall of Dunkirk the war effort of this government was a moderate war effort in accordance with the pledges that were made to their supporters in the province of Quebec.

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): Absolutely. If you do not believe me I will page the hon. member for Beauharnois-Laprairie (Mr. Raymond) and he will give you day and date. I am not going to thresh over that old straw, except to follow it up by saying that after Dunkirk there was an entire reversal of the attitude of the government, and very properly so. That was brought about by two reasons. The first was the force of public opinion in Canada, which was shocked at what was taking place on the continent. Then I venture to claim the credit, along with my colleague the hon. member for Yale (Mr. Stirling), for having had a very large measure of success in reshaping the policy of this government.

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): All right; hon. members may laugh, but as long as I live I will never forget the day my colleague and I interviewed the Prime Minister and made certain requests or demands whatever you wish to call them, and out of those requests and demands there evolved the mobilization act. I asked the Prime Minister to take authority from the parliament of Canada to assume any and every power that might be absolutely necessary for this nation to wage total war, on the theory that not only was this country itself in danger but that civilization was in danger and that the enemy ought to be met and defeated in the only theatre of war where we could make an effective defence of our own country as well as of the principles of liberty and civilization to which we all adhere.

We got the mobilization act, but we got it with a hamstringing limitation that outraged patriotic public opinion in Canada. Public opinion flared up against that limitation. What was the result? The result was the plebiscite. I venture to say that if the Prime Minister had asked this house to be released from that limitation his request would have been granted unanimously. Perhaps I am too optimistic in saying that, but I know that as far as this party is concerned unanimous consent would have been given without reservation. Well, we had the plebiscite. The Prime Minister said that the plebiscite gave his government no mandate for the inception of a policy of conscription. On the face of the technical aspects, I agree. On the face of the question submitted to the electors, technically speaking that is correct. But the reaction of public opinion to the vote, from one end of Canada to the other save and except one portion of this nation, was that the government had a green light and a mandate from the people of this country to go ahead and put into effect a man-power policy that would result in the total utilization of all our forces, our man-power forces, in every field of human endeavour that was necessary to win this war. The Prime Minister resisted that mandate in and out of season, in and out of his cabinet. From his own standpoint he was justified, because the Canadian army was not in action and up to D-day the casualties were very limited.

I well remember the debate on bill 80. I well remember the stand taken by the Minister of National Defence for Naval Services (Mr. Macdonald) on that occasion. I well remember the speech made by the hon. member for Prince (Mr. Ralston). I well remember the speech made by the Minister of Finance (Mr. Ilsley), and I well remember the speech made by the hon. member for Quebec South. All these hon. gentlemen endorsed the principle for which we were contending at that time, but in order to preserve the solidarity of the cabinet and because at that time the pressure for reinforcements was not as great as it would have been had the casualties been greater, they were content to let the situation ride on the theory that when it became tense; when the situation became such that reinforcements were required, the necessary order in council would be adopted by the government of this country, and these men of the home army I shall not insult them by calling them zombies; I never have done so publicly—would be utilized to the fullest possible extent as a result of the conditions that would then exist. That was the meaning taken by the hon. member for Prince from the Prime Minister's statement, "not necessarily conscription, but conscription if necessary." If necessary why? Not because of conditions in Canada; not because of conditions in the Liberal party in Canada or certain supporters of the Liberal party, but because of conditions in the actual theatre of

war, where men were going to be needed urgently and in full measure. That was the understanding of ninety per cent of the people of this country in regard to the Prime Minister's reservation.

The Canadian forces went into action in Italy some thirteen or fourteen months ago; I have not the exact date in mind. A very much larger force had the honour and the glory of taking part in the invasion of north-west Europe. I knew then in my own heart—and I am sure every hon. member in the house who is true to himself, his own thoughts, his own reason and his own convictions was in the same position—that the sternest part of this great European war was about to begin, and that that was the only theatre of war in which this great battle would be waged and won. I knew in my own heart, as I am sure the former minister of national defence knew in his, that when that great day came, the casualties suffered by the gallant Canadian army, and especially the infantry branch, would not only carry sadness to a great many homes in Canada, but would also place additional responsibilities upon the government of the day to see to it that the position of our fighting men was taken care of to the utmost extent of the capabilities of the Canadian people.

That is what I am striving for to-day. I am not going to thresh out here this afternoon the old question of conscription, because I have neither the time nor the desire to do it. We already have conscription. And by the same token the principle of conscription was written into the laws of this country before parliament was summoned. I point to the Militia Act, the terms of which are invoked by the order in council now before parliament. The principle of conscription is inscribed in the mobilization act, now that the limitation is taken away from it.

Let us not deceive ourselves by saying that this is a debate on conscription. Conscription is an accomplished fact; it is the law of Canada and the will of the Canadian people. Now we have before us this one problem: How shall we give effective support to the law of the country and the will of the great majority of the people of Canada? Immediately we are faced with this problem: How shall we fully implement the law, and action under the law?

That was the issue round which the battle waged in the cabinet. I know what the oath of a privy councillor is; I know it is a most searching oath. But the lid was opened first, to a degree, by the Prime Minister in his radio speech, and then by the hon. member for Prince. And surely the hon. member for Prince was justified, as he claimed, in lifting the veil further. Through the correspondence we have had revealed the issue raised within the cabinet. But I suspect that only half the story has been told. I suspect that we do not know all of it, and that we probably never will. I am not pausing now to ask that it all be told; but I do know that the minister of national defence of that day parted company with his colleagues on a matter of profound and fundamental principle.

I shall not allude to the manner of his going. Some say he was kicked out; possibly it can bear that interpretation. But I prefer to say this—and to say it in his honour—that when he found he could not carry the convictions of his leader in the policy which he advocated, one which he knew was fundamental and absolutely necessary, man-fashion he resigned his portfolio, although it was the wish of his heart to carry the war effort through to its conclusion. That privilege was denied him. It was denied on what grounds? On the ground that the Prime Minister determinedly set his face against full implementation of the pledge he made to the country in June of 1942.

Mr. CLEAVER: That is not true.

Mr. HANSON (York-Sunbury): You say it is not true? Will you be good enough to keep quiet and let me continue?

Some hon. MEMBERS: Sit down.

Mr. HANSON (York-Sunbury): Mr. Speaker, I demand that I be permitted to proceed without interruption, especially from a backbencher.

Mr. CLEAVER: And the hon. member's remarks about the plebiscite are equally untrue.

Mr. ROWE: Let the Prime Minister speak for himself.

Mr. HANSON (York-Sunbury): I have only a few minutes more in which to speak, and I desire to utilize them to the best of my ability.

Mr. SPEAKER: I do not understand that. I take it that the hon. member is acting leader of the opposition, and that therefore his time is not limited.

Mr. HANSON (York-Sunbury): If the house is good enough to grant that, very well; but I did not understand it. I am in the hands of the house. Of course if I have the privilege of speaking longer I shall not proceed at such great speed as I have. I find it very trying to speak so rapidly.

Mr. SPEAKER: The leader of the opposition spoke to the main motion. Now the acting leader of the opposition is speaking on the amendment.

Mr. HANSON (York-Sunbury): I am grateful to Your Honour.

An hon. MEMBER: The leader of the opposition moved the amendment.

Mr. MACKENZIE (Vancouver Centre): And so did the leader of the opposition speak on the amendment.

Mr. MACKENZIE KING: He moved it.

Mr. HANSON (York-Sunbury): Well, if I have not full concurrence of the house—and I gather I have not—I shall try to obey the rule. For that reason I desire that there shall be no interruptions, and especially from those irresponsible members among the back-benchers. Of course I understand that old game—the game of throwing a speaker off his trend of thought. I have tried it myself, sometimes with success, and also sometimes without success. I do not know whether I have the consent of the house to proceed beyond the time allotted to me, but—

Some hon. MEMBERS: No.

Some hon. MEMBERS: Yes.

Mr. HANSON (York-Sunbury): I am in the hands of the house. If I am denied my privilege in connection with this speech, I shall have to be content.

May I now make some few observations in connection with the speech delivered yesterday by the hon. member for Prince. If ever any man in the course of a deliberate debate and argument proved the premise laid down by this party in its amendment, then certainly the hon. member for Prince proved it to the hilt yesterday. He showed, as our amendment points out, that the only thing that matters is the immediate and constant reinforcement of our armed forces overseas. He did it better than I could do it, because he has full facts and information which are denied to me, except as I get them from him and from other members of the government who have that knowledge within their breasts.

Before I proceed further, Mr. Speaker, I suggest that my position as to the time I am permitted to speak should be regularized. I should like to know whether I have the privilege of going beyond the forty-minute rule.

Mr. MACKENZIE KING: It would be a misfortune if the hon. member were left with any grievance, and I personally would let him have as long a time as he likes.

Mr. SPEAKER: If it is the wish of the house, the hon. member may continue beyond the forty minutes.

Mr. WHITMAN: I have no objection to that; but I do suggest that he withdraw the term "irresponsible" as he applied it to the back-benchers.

Mr. HANSON (York-Sunbury): I shall be very glad to do that.

Mr. WHITMAN: I think it applies to the hon. member who is now speaking.

Mr. HANSON (York-Sunbury): I would not include the hon. member for Mount Royal. When I made that observation I was speaking only about the hon. member who was interrupting me.

Mr. CLEAVER: And I would ask the hon. member for York-Sunbury to withdraw a misstatement of fact, one which I do not think he made intentionally. I know he would not want the record to be incorrect. He said the plebiscite vote was definitely a mandate for conscription. I would like to refer him to his own broadcast—

Mr. HANSON (York-Sunbury): I did not say that at all.

Mr. CLEAVER: —where he said:

> You are not called upon, by this plebiscite, to declare for or against conscription for overseas service.

Mr. HANSON (York-Sunbury): I did not say that at all; I did not say any such thing. What I did say was that after the plebiscite vote was over the public assumed that it was a mandate and so expressed themselves through the public press.

Mr. CLEAVER: You assured the public that they were not voting for conscription. I have a copy of your speech.

Mr. MACKENZIE (Vancouver Centre): It is in the record.

Mr. SPEAKER: Does the house agree that the hon. member shall be allowed to continue?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Yes.

Mr. HANSON (York-Sunbury): The Prime Minister gave very grudging consent on the theory that he did not want me to have a grievance. I shall have no grievance if I have to sit down after forty minutes, because I find that my physical capabilities are not sufficiently great to allow me to sustain a big effort like this for any greater length of time. But I do thank the house and I thank

the Prime Minister for allowing me to proceed, because there are some things I still desire to say, though not at any great length.

When I was interrupted I was referring to the speech to which we listened last night. I asserted, and I reassert now, that it proved the premise laid down in the amendment moved by this party to the motion at present before the house. The hon. member for Prince did that better than I could, because he has fuller information. Is there any doubt in the mind of any hon. member in this house who heard that speech, is there any doubt in the minds of the public generally who have now read that speech, that the hon. member for Prince, the former minister of national defence, was right in the position he took, and that the Prime Minister was wrong in the position he took? Remember that the Prime Minister's position, as indicated by his radio speech and the exchange of correspondence with the hon. member for Prince, was based upon the theory that the government's policy was to be a continuation of the voluntary principle. The hon. member for Prince demonstrated beyond peradventure that that policy of voluntary enlistment had failed. Any man who assumes that he did not prove the proposition which he laid down, which he supported by evidence that has not been controverted here, is wholly at fault, if my judgment and intellect are to be trusted. I want to say to the Prime Minister that his radio speech and the communications he had with his former Minister of National Defence were, in the light of the speech of the hon. member for Prince, based upon false premises, upon premises which he cannot substantiate here.

As a lawyer who has for many years been accustomed to producing evidence in court I think I know something about the question of the weight of evidence and the credibility which should be attached to evidence. It is my view, and I hold it without equivocation or reservation, that the hon. member for Prince proved last night, and in the interchange of letters, beyond peradventure that which I am striving for to-day, that is, the establishment of the principle of reinforcements and more reinforcements now for the men who are fighting overseas for you and me. The situation outlined by the Prime Minister in his radio speech and in his correspondence was intended to support and uphold a position which he changed in a matter of minutes. For what policy are we now voting?

Mr. ROWE: There may be another before the vote.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): I could not vote confidence on the basis of the policy of the government on November 24 because that was a negation of the facts as we knew them then and know them now. That position has been abandoned. Why? Has it been abandoned on a question of principle? I put that to the Prime Minister. Did he abandon his support of the voluntary system because he believed that the voluntary system was no longer a good system? The answer cries "No" to high heaven. He reaffirmed his faith in the voluntary system in the speech he made to this house on Monday afternoon last. Was it on the basis that General McNaughton, himself a declared believer in the voluntary principle, could do the impossible? General McNaughton was very frank with us in the house. Of course he would be frank because he is not a politician—yet. He will rapidly become one if he stays in the company he is now keeping. I have no doubt in the world that General McNaughton was sincere when he expressed the opinion to the Prime Minister, and subsequently to the public of Canada, that he could get volunteers for the reinforcements so urgently needed overseas. I do not question his sincerity in that connection; all I question is his judgment. I will go further and say that when he made the statements he did at Arnprior and at Ottawa, General McNaughton had been away from the front for over a year; he was out of touch with public opinion in the country, and he had not the true facts of the position before him.

Mr. ROSS (Souris): He said so himself.

Mr. HANSON (York-Sunbury): Subsequently in this chamber he admitted in manfashion that his information was wrong, and he reversed his position. The government suddenly, in a matter of minutes, to use the language of the hon. member for Quebec South (Mr. Power), reversed its traditional policy and decided to work under the order in council that was laid on the table on Thursday last. That certainly was a sudden conversion. Talk about the conversion of Saul of Tarsus; Saul had nothing on the Prime Minister of this country. I have never known as complete a reversal of policy in the whole history of this Dominion of Canada. I defy you to find a parallel for the proposition which has been presented here.

They were either right on November 22, or they were wrong. They were either right on November 24, or they were wrong. According to the Prime Minister, and according to the statement made by General McNaughton, they came to the conclusion that they were

wrong in their premises, and they then took up the policy that they had derided for years; they adopted it as their own child. They did this notwithstanding the fact that they had both given expression to the conviction that the policy was in every respect a bad policy for Canada. They became the foster fathers of this policy.

I ask the right hon. gentleman and I ask the members of this house: how can you trust those two men to put into effect a policy of great national import when they have both declared that they have no belief in it, a policy which the Prime Minister has condemned for years and years? How can I vote confidence in a government which is putting into effect a policy in which the leader says he does not believe? The two things are incompatible. All you have to do to get the answer is to state the proposition. There cannot be any faith in a government which, at the point of a gun levelled against them by members of the cabinet itself, some of whom I am looking at this very afternoon, reverses itself overnight. What faith can this country have that the government will put such a policy into effect and carry it through to a successful conclusion, without evasion, without equivocation or discrimination? It just cannot be done; the people of this country understand that it cannot be done, and I would like to prophesy that it will not be done.

I regret more than I can say, and I say this more in sorrow than in anger, that the member for Prince who made such a valiant defence of the principles and objective which he espoused, and who last night established beyond peradventure the soundness of the position that he advocated in the cabinet and outside—I regret that he has retired to Torres Vedras and that he is not going to carry through. That is not like the member for Prince! The member for Prince has always impressed me as having great determination. If you do not believe that, just look at the shape of his jaw! I have always understood from my study of physiognomy that a man with a jaw shaped like his had great determination in his make-up, and I am sure he has. But I regret to say that the member for Prince is not carrying through. The country expects something more from him. He realizes that the carrying through of the policy which he extracted at the point of a gun from the Prime Minister depends upon certain colleagues of his in the cabinet, and I am just afraid that those colleagues have not enough strength or power in the cabinet to see that that policy is carried through. I am afraid that when the meeting of this house is over and there comes a lull, when things are quieted down in the country, as the government hopes they will quieten down, the policy of reinforcements laid on the table on Thursday last will be more or less forgotten.

I have read and reread that order in council, and I say that it is not a clear, distinct and unequivocal statement of the principle which the member for Prince asked for. The member for Prince asked that all these N.R.M.A. men be made available for active service overseas in the theatres of war—all of them, not merely 16,000. He asked that all of them be made immediately available. Has he got that? I suggest that a proper interpretation of that order in council shows that it is directive and not mandatory, that it may be implemented or may not be fully implemented in spite of the declaration made here last night and by General McNaughton; and if the government can get enough of these home defence troops to volunteer they will be used, as General McNaughton told us in his first statement, which impressed me as the truth, only to make up the deficit. There is no assurance in the order in council or anywhere else that the rest of these N.R.M.A. men who are physically fit will ever be utilized in the active army of this country—and that is what we want. We want this order in council to go all-out, and we want the government to implement it on that basis. I venture to say to the Prime Minister that the public will not be satisfied with anything less. If that is negatived by the government it will only be transferring the battlefield to the country, because the veterans of this war, and I am sure from my information the men overseas, want that and just that and nothing less than that, and will never be satisfied with anything less than that.

And so I tell the Prime Minister that we intend to press with all the force and all the vigour at our command to have him go all-out in the utilization of the home army men so that there never may be any doubt that there will always be a reservoir from which reinforcements may from time to time be dispatched overseas to take care of critical situations on the battlefield which I am afraid are only just beginning. Is there anybody within sound of my voice to-day who believes that this war will be over in January, February or March?

An hon. MEMBER: The Prime Minister.

Mr. HANSON (York-Sunbury): I do not believe the Prime Minister in his heart believes that. We all hoped it would be. Certainly

I hoped it would be. I have loved ones over there, like everyone else in this house, and we all hoped that we would see them again. But there is no certainty as to when victory will come. Take a map and sketch a circle around Germany and you will agree with me that the battle zone to-day is just on the perimeter of fortress Germany. The heart of Germany, shattered as it may be by the gallant bombings of the R.A.F. and the R.C.A.F., is still unconquered and our men have a long way to go before they march into Berlin. The casualties will be heart-rending to many. The thought I have in the back of my mind is that we must never in word or thought or by lack of action desert them, and we can only fully support them if we have an order in council passed that will once and for all make these men available as reinforcements in any theatre of war. I am not including Japan as one of those theatres of war, because that is another consideration altogether. I am reminded, however, that Canada was one of the first of the belligerent nations to declare war against Japan, and that Canada probably has done the least among the allied nations to make war on Japan.

An hon. MEMBER: What about Kiska?

Mr. HANSON (York-Sunbury): I know about Kiska. The intention was good—

An hon. MEMBER: And Hong Kong.

Mr. HANSON (York-Sunbury): Do not mention Hong Kong, because it only conjures up sadness and sickness of heart. Hong Kong was a tragedy and I do not want to refer to it. I allocate no blame at this moment for Hong Kong, because history will reveal, when the true facts are made known, who was responsible for Hong Kong. In the meantime I am placing no responsibility. Why? Because the facts have never been fully disclosed to the Canadian public.

Now I want to say a word with respect to the Prime Minister's position. The Prime Minister insinuated that nobody but himself could carry on government in this country. The Prime Minister stated in effect that it was King or anarchy. The very implications of that statement are an insult to every member who sits on this side of the house and an insult to the intelligence of the Canadian people. I say to the Prime Minister very frankly, I resent the statement that only he can give stable government to this country. I say to him that some of his colleagues were capable of forming a government if he would step aside, and, if they refused to do so, then I state very emphatically and distinctly that the king's government would have gone on. It would have involved certain eventualities. Well, worse things might happen than those eventualities. Speaking for myself and myself alone, because I have not canvassed the situation with my colleagues, I hold the view that this whole position will never be settled or clarified until the people of Canada clarify it. In my present state of health I may not be there, but I hold that view and those who believe as I do will be there to put it before the public when that occasion comes, whenever it may be. However, I am dealing with the present situation.

I wonder if the Prime Minister thinks that this group of eighteen old tired men he has around him represent all the brains in this country. With the possible exception of one or two who I think are very able men—two of the best men have gone—I wonder if he thinks that any one of his colleagues could not be dispensed with overnight without a ripple in the national life of the country. I look at the Postmaster General (Mr. Mulock). I do not single him out for any particular purpose, but I wonder what would happen if he were to resign his seat to-morrow. Do you think the clocks would stop or the mails would cease to go? Do you think there would be any national calamity if the Secretary of State (Mr. McLarty) were to go back to Windsor and resume his law practice? I do not think anything would happen. He would probably be happier. The hon. member for Hamilton West (Mr. Gibson) holds, I believe, rather strong views on this question of reinforcements, on this policy to which his leader has come. I wonder if any great national catastrophe would take place if he were to disappear from our midst. I do not think it would be much of a loss, and I do not say that with any disrespect. I jump now to the Minister of Mines and Natural Resources—

Mr. CRERAR: Mines and Resources.

Mr. HANSON (York-Sunbury): Mines and Resources. He has pretty nearly run his course in the political sphere anyway, and I think he would welcome retirement from the Prime Minister's cabinet, provided of course he was adequately looked after. And then I turn my attention to the Minister of Public Works, who has had the courage to come into the house this afternoon.

Mr. FOURNIER (Hull): Mr. Speaker, I wish the hon. member would withdraw that word "courage"; and I do not mind my motives being judged by the hon. gentleman's party.

Mr. HANSON (York-Sunbury): I withdraw it. We will not waste time over it.

Mr. FOURNIER (Hull): We are not wasting time. You should withdraw it, as a gentleman.

Mr. HANSON (York-Sunbury): I hope I am a gentleman, and if it is offensive I will withdraw it immediately. I will say that he has seen fit to come back and occupy his seat rather than sit behind the curtains, and we welcome him.

Mr. MACKENZIE KING: I do not think any of my colleagues need any defence at the hands of anyone, but I would ask my hon. friend whether in extending to him the extra time that has been given him this is the way he is showing his appreciation of that courtesy.

Mr. HANSON (York-Sunbury): The Speaker has ruled that I am entitled to the time, and I thought it might relieve the tension—

An hon. MEMBER: Your time is up.

Mr. HANSON (York-Sunbury): I know where that interruption comes from. That is the only contribution the member for Kings ever makes to these debates. I thought it might relieve the tension and add to the gaiety of the nation if I were to review these gentlemen briefly for the edification of hon. members and of themselves and myself, and I would not like to be shut off because I was just coming to the cabinet representative from my own province. The cabinet minister from New Brunswick has elected to stay with the government. I wonder if he has heard from the people back home.

Mr. MICHAUD: I have heard from the people back home, and so has the hon. member for York-Sunbury.

Mr. HANSON (York-Sunbury): I did not catch what the hon. member said. If the Prime Minister objects I will not go over the whole of them, but I will gather them all into an omnibus and say that with the exception of two or three valiant souls over there, holding two different views on this particular question, if the whole of them were to disappear there would not be a national catastrophe, and they could be replaced from among the eminent gentlemen who perhaps ought to be occupying some of the seats they now occupy.

I am about through. I wish to say this to the house and to the country, that there is only one issue before the Canadian public today. It is this: Shall we stand behind the men whom we have sent overseas? Have we confidence in a government that has reversed its traditional policy and adopted a policy which it does not believe in and which I do not believe it intends to implement? How can I vote confidence in a government of that character? My conscience would not let me do it, and my constituents would not let me do it either.

My last word to the hon. member for Prince is one of regret. He said he could not vote for the opposition amendment, and the reason he would vote for the affirmative motion before the Chair was that to adopt the amendment would delay reinforcements. I deny the truth of his premises. There have been war-time elections in Australia, in New Zealand and in the United States—a very bitter one there within the past few weeks. I do not remember a more bitter presidential campaign than that which ended on the seventh day of November in the neighbouring republic. I ask in all seriousness, did that interfere with the operations of the high command in Europe and Asia and in other theatres of war?

Mr. RALSTON: That was not on an issue such as there would be in this election, namely, the issue of conscription for sending needed reinforcements overseas immediately.

Mr. ADAMSON: The presidential election was fought on the personal effectiveness of the war effort of the President. If we had an election now it would be on the personal effectiveness of the Prime Minister.

Mr. HANSON (York-Sunbury): I am very glad that the hon. member for Prince has made the statement he has. He qualifies his position on this basis—

Mr. RALSTON: I do not qualify my position.

Mr. HANSON (York-Sunbury): He suggests that I should qualify my position. Do I understand that? He suggests that on this basis, that because this election would be fought on the question of reinforcements for overseas service.

An hon. MEMBER: No; on conscription.

Mr. HANSON (York-Sunbury): The battle of conscription is over long ago. That is settled. We have it. I page the hon member for Richelieu-Vercheres (Mr. Cardin) as to whether that question is not settled as far as the statute law of the country is concerned, and implemented to a degree by the order in council before us. His answer will be undoubtedly, yes. There is no doubt about that legal position. That battle is settled. The only issue now is that full implementation shall be given to the policy that the government has now adopted.

The former minister of national defence had grave doubts as to the sufficiency and efficiency of this order in council. I shall not take the time of the house to analyse it as I had intended to do. He had grave doubts last night as to the sufficiency of the order in council to carry forward a steady stream of reinforcements out of these N.R.M.A. men before and after the 16,000 approved and now authorized go overseas. That is why he put the Prime Minister under questioning. If hon. members will turn to page 6677 of *Hansard* they will find what he said. He served notice on the Prime Minister that with the powers of this order in council sanctioned by this house there can be no excuse for trained men not being available. Here are his words:

With the powers under this order in council sanctioned by this house, there can be no excuse that trained men are not available. There can be no excuse for straining at getting the last volunteer or for curtailing such privileges as would be granted when man-power is adequate, and there can be no excuse for not extending further the provisions for leave for men in the battle areas, with long service overseas. There is one thing more, and that is that I doubt if the minister's programme of dispatch is sufficiently rapid to provide all he should have to reestablish reinforcement pools as quickly as that should be done, having regard to the conditions which face him now and in the near future.

He had grave doubts as to the efficiency of the order in council from the point of view of time. I think that is a fair interpretation of it. Then he went on and raised a note of warning to the Minister of National Defence, his successor in office. He said:

He will be held responsible for accelerating the dispatch in every way.

Then he went on:

And one other point I am assuming, unless the Prime Minister states otherwise, that if the government motion carries, the future orders in council specifying additional numbers of men will be passed and put into effect without any reference back again to this house for a vote of confidence or other approval.

The Prime Minister answered:

That is correct.

On what basis does he make that assumption? There is no undertaking by the Prime Minister or the Minister of National Defence that a further order in council will be passed at the expiration of the order in council sending over the 16,000 men or at any time. Parliament will be away and he will do as he likes. What I wish this government to do before this vote is taken is to give a solemn undertaking that the order in council—and this is what I asked the Prime Minister to do the other night—will be clarified, and that there shall be not the slightest cause for doubt as to the mandatory authority of the order in council to take every man that is necessary should the occasion arise, and before it arises, to reinforce our men overseas. It is because I think there is an equivocal position, among other reasons, that I propose to vote against this motion of confidence.

Mr. COLDWELL: I rise to a point of order. May I suggest, Mr. Speaker, that while the house gave the hon. member for York-Sunbury (Mr. Hanson) the opportunity greatly to exceed his time, if we are to be fair to all hon. members of this house the rule should be enforced. I do not know whether you made a ruling, sir, but I would draw your attention to the rule which states that the mover of the amendment having spoken and taken time, no one subsequently should exceed the forty-minute rule.

Mr. SLAGHT: Will the hon. member who has just concluded his speech permit me one question rising out of his remarks?

Mr. HANSON (York-Sunbury): Yes. I will not undertake to answer it until I hear it.

Mr. SLAGHT: I do not ask the question to embarrass the hon. member in any way. But speaking as the leader of his party and having regard to the amendment which reads:

. . . by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war.

I understood him to say that that did not include Japan. I ask him now whether it does include enforced service in Manchuria, China, Burma and India?

Mr. HANSON (York-Sunbury): The hon. member can take his own interpretation from it and I can take mine.

Mr. SLAGHT: I asked for yours.

Mr. HANSON (York-Sunbury): I am not under cross-examination here. I have been speaking under a great strain and I decline to submit myself to cross-examination at this time.

Mr. SPEAKER: In view of the discussion with regard to the extension of time, may I say that the hon. member for Prince (Mr. Ralston) spoke last night for over two hours, and the acting leader of the opposition (Mr. Hanson) spoke to-day for almost an hour and ten minutes. I take it the sense of the house is that no further extension will be given to any speaker. That being so I will enforce the rule.

Mr. ROSS (Moose Jaw): In connection with that point, is it a fact that once consent

has been given to an hon. member he may speak as long as he wishes after his forty minutes are up?

Mr. SPEAKER: There is no time limit set with the privilege of giving the speaker more than forty minutes. It depends very much on the taste of the speaker that he does not exceed what would be a reasonable privilege.

Mr. L. P. PICARD (Bellechasse): Sanity and reason are seldom present at the birth of great national or parliamentary crises. The present instance is a further proof that mass emotional outbursts may develop into a situation such as to cause certain steps to be taken in the governings of the nation which may in turn incite other people to react in a way such as to cause friction and unrest.

For five years now this country has been at war. For five years this parliament has, on the whole, heard few dissenting voices to a war effort as efficient as it could be made. For five years Canada's participation in the war, whether in the military, in the industrial, in the agricultural, or in the financial field, has been acclaimed by the united nations leaders as a most wonderful achievement, which has taken a young country from the ranks of the new-born nations into the status of a full-grown power which stands now fifth in importance in military and economic strength. This has been done, Mr. Speaker, because the country as a whole understood not only that Canada's participation in the war was unavoidable, but that it was necessary in order to safeguard the nation against tyranny and slavery. This has been done because the country was whole-heartedly behind the methods followed by the government up to now in its management of the war.

Let us first look at the Canadian accomplishment in the military field. As in all other countries, the navy and the air force were on a voluntary basis; yet Canada has enlarged its navy a hundredfold and its naval personnel numbers to-day about 90,000. The R.C.A.F. grew rapidly on a voluntary basis under the guidance of the former minister of defence for air (Mr. Power) and has become one of the most efficient weapons of the allies. The commonwealth air training plan, also under the authority of the former minister, has been a source of strength of the air forces of Britain and of all the other parts of the commonwealth. This is all part of our country's achievements in the last five years, and it was done without any form of compulsion. In passing I may say that the personnel of the air force now numbers about 200,000. As to the Canadian army proper it numbers at present about 400,000 men for general service, which means service overseas, all enlisted by the voluntary system.

After the fall of France we put on the statute book a measure prescribing compulsory service for the defence of Canada in Canada and the territorial waters thereof. Everyone in this country subscribed to this measure, because no Canadian has ever objected to fighting in the defence of his own country. The trouble in Canada started when the conscriptionist elements in the cabinet yielded to the pressure of the Tory press and forced the government to bring in bill 80. Events have proved that there was no real urgency in regard to that bill, since two years and four months elapsed after it was passed, over the opposition of myself and quite a number of other hon. members, before further pressure and the threat of a cabinet rupture brought about an order in council applying bill 80 to the extent of sending 16,000 men overseas between now and the end of January.

The whole country is in agreement as to the aim and duty of the Canadian people to do all they can to bring the war to a speedy successful conclusion. The only thing that has ever divided us is the method by which the Canadian army should be recruited for service overseas. In the last war this question split the nation asunder, leaving scars which took years to heal, some of which were still painful when the present war started. The same question split the British nation in 1916; the measure providing conscription in England was passed only eighteen months after the start of the last war, following a long debate which brought about the resignation of some members of the cabinet on the principle of conscription. In this war it is still the question that divides public opinion in many, if not all, of the British dominions; and the Tory press, the Orange lodges and the technocracy groups cannot blame the French Canadians or Quebec for the situation which exists in other parts of the empire.

I have often thought, Mr. Speaker, that my compatriots of English origin should be thankful for the presence of the French-Canadian element in this country. That is so not only because Canada was discovered, explored and settled by them; not only because, five years after the fall of Quebec, French Canadians refused to help the American colonies in their war of independence, though it might be noted that had they accepted American arms and agreed with

the suggestion of the emissaries sent from the Lafayette group in France and fought with the American forces, there were so few British soldiers in the country at the time that there might have been no Canada to-day. English Canadians should be thankful not only because we fought side by side with the British in 1812; not only for the contribution we have made generally to Canadian history, Canadian culture and the development and advancement of the country. They should be grateful to us, as an agent of unity among themselves, as a sort of national scapegoat on which to blame everything that goes wrong. Any isolationist doctrines preached in Canada must always be of French origin, according to the press. In the United States Colonel McCormick, Cissie and Joe Patterson, Hamilton Fish, Lindbergh and even the beautiful Clare Boothe Luce can always be called isolationists; there is never any attack on their racial group. In Canada, however, if some man of the type of Groulx or Laurendeau gives an isolationist statement to the press, immediately you see all through English Canada, "French Canadians against war effort." They blame it on the whole racial group.

In Britain, in Northern Ireland, in Australia, in New Zealand and in South Africa, people have opposed to the limit conscription during this war, and they have prevented the passage of measures imposing conscription for overseas service in some of the dominions, while in South Africa they have prevented the imposition of conscription of any kind; yet there are no French Canadians in those countries, there is no Quebec that can be blamed. In Canada a question which could remain only the subject of discussion as to the merits or demerits of a principle has become the cause of racial disunity and parochial prejudices.

Let us see first from official statements what opinions were expressed on the subject by leaders in the British isles and the commonwealth. Two years ago during the debate on bill 80 I gave many such quotations; to-day I shall give only one. In 1916 Mr. Asquith, the prime minister, was speaking in the House of Commons. At that time, sixteen months after the beginning of the war, he said:

> My objection to the employment of compulsion for the purpose of recruiting the army under existing conditions has not been based at all upon abstract attachment to a principle. It is based upon an entirely different ground, namely, that the employment of compulsion under existing conditions would forfeit what I regard to be of supreme and capital importance, that is,

[Mr. Picard.]

the maintenance of the national unity. That again is an abstract objection, but when translated into concrete terms—

I beg of my hon. friends that they note this. Many hon. members are smiling these days, when we talk of national unity, but this is not just an abstract expression. Mr. Asquith said:

> —when translated into concrete terms it means this; if you were to apply, I do not speak of any particular method, but any method of coercion or compulsion, without something in the nature, I will not say of universal, but of general consent, you would defeat your own purpose.

That was not the statement of a nationalist from Quebec; it was the statement of the prime minister of Great Britain during the last war.

When I spoke during the debate on bill 80 two years ago and gave the quotation I just read one hon. member asked: "Can you quote Churchill on this?" I had not under my hand the book in which I could find that reference, so I had to let it pass at that time. To-day I have it, however. On May 20, 1941, when Mr. Churchill was asked in the House of Commons whether he would not reconsider the question of conscription for Northern Ireland and whether he would make any statement about it, he replied:

> The question has for some time past engaged the attention of His Majesty's government, and I hope to be in a position to make a statement on the first sitting day after this week.

The next week, on May 27, 1941, Mr. Churchill said:

> My right hon. friend the member for Antrim had a question on the order paper about the application of conscription to Northern Ireland. I said a week ago that this matter had been engaging our attention. We have made a number of inquiries in various directions, with the result that we have come to the conclusion that at the present time, although there can be no dispute about our rights or about the merits, it would be more trouble than it is worth to enforce such a policy.

This is the statement in the British House of Commons by none other than the foremost leader of the allied nations in this war. Now let us go to Australia. Unfortunately we have not all the *Hansards* of Australia, but I believe hon. members will trust me if I quote from the *Journal of the Parliaments of the Empire*. After the first year of the war the government of Australia decided to recall all their troops, serving on all fronts, and to bring them back to Australia. They already had, as we have in this country, compulsory service for Australia. On February 12, 1943, they passed a law imposing compulsion for service in the southwest Pacific zone, but a few months later a proposal was made by a

member named Blackburn, who I do not think possibly could have been French, in these words, and I would ask hon. members to mark the similarity between Australia and Canada in this regard:

That this house, reaffirming the policy upon which the majority of its members were elected, oppose the imposition of any form of compulsory service outside of Australia and the territories of the commonwealth.

That was at a time when they had American armies and the American navy fighting alongside them in the Pacific. And yet people got up in the house and proposed that the application of conscription for the south Pacific zone be restricted, and that from now on they would all stay in Australia as it was when the conscription law was first enacted.

Again let me quote from the *Journal of the Parliaments of the Empire,* because we do not have the official report of debates of South Africa for these last years. Not later than March of this year Prime Minister Smuts declared this, as reported in the *Journal:*

The Prime Minister went on to speak of South Africa's war effort, and explained that while they had to-day larger forces in the field than at any previous period in the war, it was not easy to keep them up to full strength for various reasons. For one thing, they were volunteer forces. They could not conscript their armies, their people, as other countries were doing.

That was in a British dominion that has filled its engagements. There was no conscription, and no French Canada which prevented it.

Now we come to something of even greater interest, and more closely connected with the situation in Canada. I again quote from the *Journal of the Parliaments of the Empire,* where, under date of March 3, 1943, I find this, in summarizing the speech of Mr. S. G. Holland, leader of the opposition in New Zealand:

He had said before, and he repeated it, that there was no justification for the number of men under arms in New Zealand.

Then the Minister of Industries and Commerce for New Zealand, the Hon. D. G. Sullivan, is summarized in this fashion:

They were critical of the extent to which men were being used in the armed forces—there was a cry that not enough was being done. Now there had come a sudden change in the criticism, and they were told that the government had entered into too heavy commitments. . . . To-day—

And that was in 1943—

—it looked as if the security of the dominion was better than it had been and might justify some relaxation in the matter of military commitments. But they could not afford to relax entirely.

That was a year and six months ago. There was a member of the government speaking of relaxing. The government could not say what numbers of men they were going to allot to the various services, and that the rest of the people were to go into industry.

Now let us come to the causes of differences of attitude in Canada on the methods of recruiting the army—and not as much on the question of principle as on its reaction among certain elements in this vast country which comprise one-third of the population. I refer of course to my own French-Canadian compatriots.

I recall earlier that during the American revolutionary war French Canadians remained loyal. The same happened in 1812, when we fought side by side with our friends the British who were in Canada. But from 1812 to 1898 there has been no war in which Canada has been called upon to participate. For eighty-six years, for three generations of men there has been no war in which Canada, either for the empire or for its own defence, has been called upon to participate. Now, as you know very well—and it is a known historical fact—during those eighty-six years no encouragement was ever given to anybody of French-Canadian origin in Canada to join the army, for fear he might use unwisely some knowledge he would have acquired, despite what they did in 1812. But we have in a club to which I belong in Quebec, the Garrison club, a frame containing the names of men who were on the walls of Quebec on such-and-such a night in 1850. In that list there is not one French name. There have been a few sons of families who had not chosen to make serious studies in law or medicine, or one of the other arts, who went into the army and took commissions, but we had a very small number of militiamen. In fact I discovered the other day that one of my ancestors was in the army in 1792, and died while serving. I cannot be sure whether he died at war or not.

These things are to be taken into account. In 1898 when the South African war broke out there was little sympathy for it in French Canada. We now find that a large proportion of broadminded British people believe that the South African war was a war of conquest and an unjust war. Canada stood in the same position as it did at the start of the present cabinet crisis. Laurier was faced with a difficult position and menaced with a rupture of his cabinet, and he had to send forces over there. So far as the break up of unity in the country on military matters is concerned, that is the starting point.

That is the moment the trouble started. You saw Bourassa going around Quebec, spreading trouble, spreading nationalist sentiment and separatist sentiment. You saw this sentiment growing and growing in the elections of 1904, 1908 and 1911. In 1911 they succeeded in destroying Laurier in that province. Some of our opponents say that the Liberals are responsible because in Quebec the people are against conscription. I would ask whether or not the Liberals, by keeping for French Canada a political outlet in following a large national party, have not served the country well. If they had not taken the attitude they took in 1917 the whole of the province of Quebec would have gone nationalist and separatist, and we French Canadians would have suffered from it. Canada as a whole would have suffered. But due to the broadmindedness and the understanding of Laurier, who gave them an outlet in a national party, French Canadians were kept in a frame of mind which permitted them to collaborate in confederation, and they carried on for twenty-seven years in that fashion.

We are not responsible for conscription. That has been started by the nationalists, and by those people who believe that there should be two countries in Canada instead of one. But we of the Liberal party have fought against it. Laurier maintained national unity. He felt it was his duty to maintain a political outlet by means of a national party for French Canadians. And because of that attitude we were able afterwards to reestablish and reunite with the rest of Canada in cordial relations, and to play the part which has been played, under this government, from 1921 to the present.

I now come to the situation the government had to face prior to its passing order in council 8891. For five years, as I said before, the country has contributed an efficient war effort under the guiding hand of the Prime Minister. Yet for five years a powerful machine has been at work trying to undermine public confidence in the Prime Minister—and I say this, no matter what the hon. member for York-Sunbury (Mr. Hanson) may say. I say that it has been at work trying to undermine public confidence in the Prime Minister, and to convince the country that everything would go wrong unless a union government were formed, or unless a Tory administration were in authority. A rumour-spreading, lie-whispering, mud-slinging monster has run amok unscrupulously risking to wreck the whole effort of the country, and with only one aim in view: the destroying at all costs of confidence in the Prime Minister, and the promotion by all means of Tory Conservative interests.

[Mr. Picard.]

This campaign waged relentlessly has laid the foundation for the attacks repeatedly made in the house in the name of patriotism and national duty on the methods followed by the government in recruiting the army. Unable to attack the governmental record of administering the war effort without scandal and the squandering of public moneys; unable to find fault with the economic policies of the government; unable to deny the wonderful industrial production directed by the government, which supplied our armies and those of our allies with weapons of war; unable to attack the achievements brought about in the agricultural field by the wise planning of the Minister of Agriculture (Mr. Gardiner); unable to question the efficiency of the management of the air training plan and the R.C.A.F. by the former Minister of National Defence for Air (Mr. Power), or the splendid record of the Canadian navy, the Tory Conservative machine has pinned its hope of success on dividing Canadians among themselves on the question of conscription for overseas service. The old motto, "divide in order to govern," was again to the fore. No matter how much the welfare of the country would have to suffer, no matter how much the war effort might be hampered, the one question, the only question that was apt to divide public opinion in Canada had to be brought forward and made into a symbol of disunity. Distrust had to be sown in one part of the country against the other, and vice versa.

While in English Canada the Tory organization, supported by the Tory press, represented the government as not waging an efficient war effort, and acceding to the views of Quebec in the matter of compulsory service, in French Canada the people who through all their political life had been friendly to the Tories are masquerading as independents. They are accusing the government, and I use their own words, of "betraying Quebec." They criticize the whole war effort and accuse those of us who have supported all government measures exclusive of bill No. 80 of being tools of English Canada and of causing great harm to our racial group. You will see them probably during this debate doing the same thing and asking us to disapprove all that we have co-operated in doing in the execution of the war effort. They have campaigned against Godbout in the same way and have based all their attacks on Godbout's approval of the war effort. The present premier of Quebec, Mr. Duplessis, has said that if he had been premier at the time the N.R.M.A. would not have been enacted, that it was not necessary; that bill No. 80 would

not have been enacted because he would have been strong enough to prevent it. Now the cry is raised in Quebec: "Duplessis is back in power and the government has been forced to implement bill No. 80 and Duplessis could not prevent it."

We therefore have to face a monster with two heads and two bodies but with one common aim—to destroy confidence in the government in order to get into power.

I think I can say that most of us in Quebec of the Liberal faith have done our best toward the war effort. We have fought and campaigned to have all the measures pertaining to the carrying out of the war understood and approved by our population. The only point on which we differed from our colleagues of the other provinces was in connection with bill No. 80 and the latest order in council authorizing the sending of N.R.M.A. men overseas.

If I believed that when that order in council was passed the security of Canada was at stake unless we sent a few more thousand men overseas, I could have approved it and tried to have it understood in my province. But I cannot believe that, nor can I believe that without these few men the outcome of the war will be changed or even delayed.

The whole trouble is that our military experts want to make good the commitments they have made, even if they prove to be too large. I think personally, although I am not a strategist or technician in warfare, that the spreading out of our forces on two vastly different theatres of war was a great error of judgment. Instead of having two divisions in the Mediterranean area in Italy and three in western Europe, I think we should have had them all on the same front in a Canadian army. For one thing it would simplify the question of reinforcement pools, and, secondly, it would permit the keeping of three or four divisions in the line while one or two were withdrawn temporarily "to refit, to reequip, to rest, to recuperate and to refill the gaps in their ranks," as was said by the former minister of national defence for air.

By sending these divisions alternately to the front and withdrawing others, our men would not be subjected to the strain they have had to endure. The sending of 16,000 unseasoned troops will not change the procedure followed at present or make for more security for those who are now there. If we have taken too large a chunk of the front, let us be sensible and correct our mistake. With a population of twelve million, Canada has not at its disposal the vast reservoirs of men that the Russians or the Americans have, and cannot be expected to compete with them.

I am not in such bad company in saying this. As I stated earlier, the Minister of Industries and Commerce for New Zealand, speaking for the government, and the leader of the opposition, both spoke of relaxing their military effort because the country was no longer in danger. Canada is no more subjected to danger from the outside than is New Zealand. I admit that we have to do our utmost in other theatres of war to help bring victory about, but let us not do it in a way to endanger the success of the whole war effort, industrial, agricultural as well as military, by enforcing methods which do not, as Mr. Asquith said in 1916, meet with the approval of all the population or which, in the words of Mr. Churchill, speaking of northern Ireland, would cause more trouble than it would produce good results.

I personally am convinced that by order in council 8891 the government has taken steps that were not necessary for the security of the country or imperative for the winning of the war; therefore I cannot approve the action of the government in this regard.

Let us look at another element that entered into the decision of the cabinet and to which both the Prime Minister and General McNaughton have referred—the mounting wave of public opinion, growing into an hysterical panic in certain parts of the country, and provoked and kept alive by the Tory press. This is all based upon the wrong belief that unless the N.R.M.A. recruits are sent overseas, the sons and relatives of good patriotic Canadians will be incurring more dangers in the battle line. The creation of this artificial state of mind will bring grave responsibilities upon those who have built it up for political purposes. I would be the last to ignore the seriousness of such a condition prevailing in the country. I despise those who have brought it about, but I have sympathy for the government which has had to face it. I understand the difficulties, but I am forced to say in all honesty that if such a situation existed, if such an impasse had been reached when public opinion was dangerously split into opposite and irreconcilable views, if a change in policy had to be faced, it might have been better, in order to preserve the confidence of the nation in those whose business it is to run the country, to give way to others to apply such measures.

I say this reluctantly because I have more confidence in the Prime Minister than in any other man in public life, and I know that my constituents, except for the passing of bill 80 and order in council 8891, even now have more confidence in the Prime Minister than in any other leader. They believe he is a

good administrator of the nation, yet they cannot understand or excuse a man whose personal opinions are admittedly, even at this moment, favourable to the voluntary method, weakening under the pressure of his conscriptionist ministers. My fear is that this conduct will increase that tendency in the public of a province to distrust the statements and declarations of public men, while in the rest of the country it will appease but temporarily the worries of those whose attitude on this question has reached a state of hysteria.

I regret all the more that I feel compelled to say this to the Prime Minister because my whole mature life has been spent in the surroundings of this cabinet. I arrived in Ottawa in 1925 and I was here until 1930. I was here again from 1935 to 1940. All that time I was under the then minister of justice, the late Mr. Lapointe. I have seen the close association of Mr. Lapointe with the Prime Minister. I have seen them working in harmony and unity, whether in Canada in an effort to bring about better relations in this country between the component elements of the nation, or whether it was in London during the imperial conferences of 1926 and 1937. They then worked in unison to have this nation recognized as an independent state equal to Great Britain and united to the mother country only by bonds of a common allegiance to the crown.

I know the role the Prime Minister has played in the building of a strong and prosperous Canada. I consider that his imprint on Canadian history will be considered the most remarkable of modern time. I am convinced of his sincerity when he says:

> If there is anything to which I have devoted my political life it is to try to promote unity, harmony and amity between the diverse elements of this country.

I think history will recognize that that is so. I wish to say in passing that I am convinced that had not Lapointe's health been impaired and had not his death deprived Canada of one of its most able sons, his weight in the councils of the nation would have strengthened the will of the Prime Minister to prevent some of the measures which have divided us and at times taken our minds away from Canada's wonderful accomplishments in the war. Never has a man's passing away been so sadly felt, especially when we realize that his presence might have been such an agent of cohesion and of unity.

It is all very well to quote some of his words, but I want to say to the Prime Minister that other words spoken by him have had even a stronger influence upon his province. I need not quote them to-day, now

that conscription is law, and it is the duty of every good Canadian not to arouse people against the law of the land.

I regret to say, Mr. Speaker, that I cannot see my way clear to voting with the government on this occasion. I have said and I will repeat that I am taking this stand reluctantly because of my admiration and sympathy for the Prime Minister. I wish also to state that I am not doing this only to please the people I represent, because my proximity to public men, to which I referred a moment ago, has taught me that public favour is fickle and of little consolation if one's acts are not based on conviction. The attacks of the so-called Independents and the Nationalists in Quebec on the former minister for air, who made the painful but conscientious gesture of parting with friends on a matter of principle, are another proof that the value of one's actions is always judged according to a person's prejudices and is readily distorted for political motives. I am taking this stand solely because in conscience I think it is the only logical one for me to take.

I repeat that I have confidence in the Prime Minister. I will go so far as to state that I do not think that Canada could have at this moment a better leader. I am convinced also that he is best suited of any national leader to represent Canada at the peace table and to reorganize things in the post-war period. But as I said, I consider that voting for the main motion as it is drafted means an approval of all the government's actions up to the date of the vote, and that includes the passing of order in council 8891, and no sophism or specious reasoning can change this fact. Just as I have been opposed to bill No. 80, I am not convinced that order in council 8891 is necessary for the security of Canada or advisable at this stage of the war, having regard to conditions existing in the country. I cannot find it logical for me to vote for the main motion, and even less so, of course, for the amendment moved by the Progressive Conservative leader. But lest this attitude be construed as a disapproval of the efficient pursuit of the war, instead of just a difference of opinion as to the method of recruiting the army and an opposition to conscription for overseas service as provided for in bill No. 80 and in order in council 8891, I do now move, seconded by the hon. member for Rosthern (Mr. Tucker):

> That all the words of the amendment after the word "that" in the first line thereof be struck out and the following substituted therefor:
>
> "this house will aid in maintaining an efficient war effort but it does not approve of compulsory service overseas."

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, I do not propose to try to answer the arguments of the member for Bellechasse, (Mr. Picard) who has just preceded me and has moved an amendment. All I wish to say is that should the amendment be adopted by the House of Commons the effect would be that Canada would be deserting her boys overseas; and neither I nor any other member of the Progressive Conservative party in this house, nor any Tory so-called from coast to coast, has the slightest intention or deserting our lads overseas no matter whatever else may befall.

In this debate several members have been rather flippant in their remarks about Tories and Toryism. May I say to them and to this house and to the Canadian people that there is one thing about the Tories and that is that whenever the call to arms goes out, whenever this country is in danger, there is no doubt that the Tories in Canada will do their share and that their sons will give their share of the blood that has to be given. That is one of the main reasons why I am proud to be a Tory.

This afternoon I propose to speak as a representative of one of the greatest constituencies in Canada, a constituency which has already given hundreds of lives in this war and has thousands of young men overseas; also as a representative from a province which has given to the armed forces of this nation 45·8 per cent of its total male population between the ages of eighteen and forty-five—a percentage second only to that of the great little province of Prince Edward Island.

I speak also as an infantryman in the last war and as one who is vitally and personally interested in many of the young Canadians who are now in the infantry or about to go into the infantry units overseas and whose lives are in danger at this time, whose lives may be snuffed out needlessly if the wrong action is taken by the House of Commons on the issue before it to-day.

There are two things upon which the House of Commons and the country should insist now. They are these: in the first place, that the 16,000 N.R.M.A. trained infantry personnel should be dispatched overseas at once, instead of by monthly instalments extending through the spring months to next April. The latter course is the compromise plan that has been proposed by the new Minister of National Defence, Mr. McNaughton, and obviously it means that these fully trained infantrymen are not to be sent to the front as quickly as they could be.

The second is this, that before the house adjourns an order in council should be passed requiring all N.R.M.A. personnel, whether now or hereafter enrolled, to serve in any theatre of war. This is absolutely vital, because, over and above the 16,000 to which reference has been made, there are the 26,000 N.R.M.A. men who are fit to be remustered into the infantry and to go overseas to reinforce our infantry troops there. There are also young men who will be called up under the N.R.M.A. every day from now, and the position should be such that they too can be sent to reinforce the infantry. If this nation is to be certain of reinforcing its men overseas, then these 26,000 men and the new draftees are needed and they will have to go overseas. That has been made perfectly clear not only by the former Minister of National Defence but also by the present minister. These are the two points I wish to stress before the house to-day.

Now I plan to say something in support of my proposals. When the ex-minister of national defence (Mr. Ralston) came back from overseas he gave the government a warning. The whole story is out now, or at least there is enough of it to make the picture about as bad as it could be. He warned the cabinet that a substantial number of additional trained infantry were needed overseas. He did not say they were needed in the future; he said they were needed quickly. Repeatedly, in his statements to the public, to the press, and in his speech yesterday, he has stressed the time element and emphasized that there was great urgency. He pointed out that there was going to be a shortage overseas in the units at the end of December or early in January and he asked that N.R.M.A. troops be sent. That was the obvious thing to do, because these N.R.M.A. troops are the best trained infantrymen in Canada. They were and still are the only big block of trained troops available as a reserve either in Canada or overseas. In my own province of British Columbia we have had the sixth division. The men of that division have had training by brigades. They have had battle training and combat training of every description. One of their commanders said a week ago:

> We have the largest body of home defence troops here who have been trained purely for combat duty. They are in a high state of training and discipline and would be almost immediately ready to go.

The ex-minister had a plan to meet this situation. It was in the first place to send 8,000 fully trained infantrymen during the present month of November. They would have been on the high seas now if he had had his way and the support of the cabinet. He said last night that they were to sail from the

shores of Canada on November 27 and they would have been in the line early in January. He explained clearly that they would have made up the shortage in our units at the present time soon after January 1 and would have reestablished the pools in the battle areas.

The second part of his plan was to send 8,000 more of these men during the month of December. By that time they too would have been fully trained infantrymen. That would have meant that in all there would have been 16,000 fully trained infantrymen overseas before the end of the year. Then the remaining 26,000 in Canada were to be remustered under his plan and made available and trained as infantrymen so that they would be ready for overseas as quickly as possible.

In his speech last night, at page 6672, the ex-minister said with reference to these 26,000:

> In addition, there were 26,000 N.R.M.A. men considered suitable material as infantry reinforcements who could be remustered and trained as infantry. I thought—

And these are the key words.

> —no time should be lost in getting them to the United Kingdom.

So that he had a clear-cut honest plan for meeting the tragic situation in which he found our lads overseas.

What was done about it by the cabinet? One would think that any Canadian cabinet would have agreed at once to his plan, thereby giving the boys overseas the benefit of the doubt. We have always contended in the house that the lads who came back from the last war were entitled to the benefit of the doubt in connection with applications for pension, and so on. That of course was quite correct. How much more important it is that the lads now overseas doing the fighting and offering their lives should get the benefit of the doubt. But they did not get it; the government did not give them the benefit of the doubt. The government had a duty to make certain that these men overseas were adequately reinforced in time. And remember what it meant to take a chance in the way the government did take a chance. It meant risking tired men having to carry on without proper rest out of the line. It meant, as one press correspondent from Italy said the other day, that one volunteer rifleman had to try to do the job of two. It meant that wounded men had to go back to the line before their wounds were properly healed. It meant reinforcements being used who had not had full training or who were in a poorer state of training than men in the N.R.M.A.

[Mr. Green.]

I have here a letter from the Women's Auxiliary of the British Columbia Regiment, the Duke of Connaught's Own Rifles. The menfolk of these women are serving in Holland as the 28th Canadian Armoured Regiment (B.C.R.). This is a regiment with a wonderful record in the last war, the old 7th Canadian infantry battalion, one of the outstanding regiments of Canada. With reference to the situation of their husbands and sons, these women write to me:

> Our husbands and sons, as the 28th Canadian Armoured Regiment (B.C.R.), are fighting to-day in Holland. We know—

And these women are in a position to know, because they hear from their husbands and sons.

> We know they are understrength and we know too many of the costly expedients that have been adopted in an attempt to keep it and other regiments near establishment.

What was done by the cabinet? There was delay, there was talk, Colonel Ralston was forced out, General McNaughton was brought in. Then there followed three more weeks of delay. Finally the cabinet made a partial surrender and by this very act of surrender proved that Colonel Ralston was right. In fact there is not an hon. member in this house who can honestly say to-day that Colonel Ralston was not right. His stand has been justified time and again since we assembled here a little over a week ago. The cabinet made this partial surrender only after tremendous pressure from the Canadian people who will not brook uncertainty or delay in giving help to their boys overseas.

There has been quite a lot of talk about disunity in this issue. The suggestion is made that because one province feels one way the other eight should hang back and not press for adequate reinforcements for their boys overseas. If that is to be the law in Canada; if a minority can have that vetoing power over the majority when the lives of the sons of Canada are at stake then there will be no nation of Canada very long. We cannot have a nation if the minority is to have its way on a vital issue of this kind.

On the second day of this session the government brought in a plan which is set out in P.C. 8891. This plan permits them to send overseas a maximum of 16,000 N.R.M.A. personnel; but the real policy of the government was laid down by General McNaughton the other night and will be found at page 6534 of *Hansard,* and I draw the attention of the hon. members from my own province to this statement particularly. The real policy is as follows:

The policy is to have voluntary service, and there will be an extension of that principle only where it is necessary to met deficiencies in our army overseas.

I emphasize the word "only". This plan is a political compromise, Mr. Speaker. There can be no compromise with death overseas. That is out for our boys over there and I suggest that it should be out for the government in Canada.

Then to go on with the plan which was brought in by the new Minister of National Defence, General McNaughton: In the first place he arbitrarily postpones the shortage to the end of January or early in February. Colonel Ralston said that it would be at the end of December or in January. The evidence we have heard in the house proves conclusively that Colonel Ralston is right. The new minister says: "Oh, no, the shortage is at the end of January or early in February." He cuts Colonel Ralston's first 8,000 fully trained infantrymen almost in half, to 5,000, and they are not to be all N.R.M.A. troops. Some of those are to be general service personnel. Several times during his remarks General McNaughton made it perfectly clear that some at any rate of this first draft would be general service personnel. They are now going in December rather than in November. There you have another month's delay. It all adds up to this, that only 5,000 of those fully trained infantrymen who are so badly needed overseas now, instead of Colonel Ralston's 16,000, are to be available for the critical period. That is the difference between the plans of the former Minister of National Defence and the present one. It is a difference of 11,000 fully trained infantrymen available overseas where they are needed at once.

In the meantime the regular reinforcement stream is to go over. I suppose so many thousand will be going every month. One would have thought that General McNaughton would put in that stream the other fully trained infantrymen. Instead of that this reinforcement stream is to contain only general service personnel. That will be found in the general's statement on page 6571 of *Hansard*. All of this reinforcement stream are to be general service men who probably are not so well trained as the N.R.M.A. infantrymen in Canada, and many of whom no doubt will be such men as ordnance men or carpenters who have been carrying on really as tradesmen for two or three years. They are in no physical condition to go over right away. They have not the proper military training. They are being rushed over to fill the gap while these fully trained N.R.M.A. infantrymen are being left here. It will also include the young lads of eighteen and a half years who are being called up and rushed over because they had enough spirit to volunteer for service anywhere. That is what this wonderful new policy means in human lives.

Then under the compromise plan 5,000 N.R.M.A. men are to go over in January less certain general service personnel. We do not know whether there will be 4,000 N.R.M.A. men or 4,500 or 3,500. We have no idea how many there will be.

Mr. GARDINER: You got the figures the other day.

Mr. GREEN: We did not get the details of them. I do not want to be interrupted.

Mr. GARDINER: I should like to call attention to one thing. My hon. friend did get the details.

Mr. GREEN: I have the floor and I do not yield to the Minister of Agriculture.

Mr. GARDINER: My hon. friend did get the details the other day and he knows the exact figure.

Mr. GREEN: I have the floor.

Mr. ROWE: We have had three sets from the Prime Minister now.

Mr. GARDINER: And you will get another.

Mr. ROWE: The minister is jumping in and trying to justify them.

Mr. GARDINER: The hon. gentlemen got the figures which showed that the figures you are using are 5,000 out.

Mr. GREEN: The other 6,000 of this maximum of 16,000 are to go over on the instalment plan. We are to have 2,000 in February, 2,000 in March and 2,000 in April, which, of course, delays the finish of the movement of the 16,000 infantrymen. It may be, Mr. Speaker, that there is no intention of sending over all of the 16,000. Certainly there is no intention of sending them all over before April of next year.

Mr. McLARTY: As required.

Mr. GREEN: No provision whatever is made under the compromise plan for sending over the 26,000 who are to be remustered. Nor is there any provision for sending over those who will be enrolled from now on as N.R.M.A. personnel. Under the order in council there is no power to send these other men over. Before that is done there must be another approval by the cabinet. Perhaps there will have to be an approval for each additional 1,000 men. I should say that for all practical purposes it will be impossible to get such approval. The cabinet is hopelessly

divided on this question. Some of them are so bitter and determined about it that they can delay, or perhaps prevent the sending of one man over the 16,000. At best, even if additional men are sent, there will be argument and delay, and at that time there may not be a minister with enough backbone to resign because the right thing is not being done. Then the Canadian people will never know until it is too late how they have been let down by their own cabinet.

Obviously the proper thing and the Canadian thing to do is to provide that these 26,000 men and those enrolled in the N.R.M.A. hereafter can be sent overseas as reinforcements. They are absolutely necessary to make certain that there are adequate numbers of men in the reinforcement pools. This house can do no less than make certain. We have no right to gamble with the lives of our young men. General McNaughton himself stated that there would be a second shortage of men overseas late in the spring or in the early summer. That will be found at page 6520 of *Hansard*. He said:

> Should casualties continue at the higher rates, there is a possible prospective shortage of fully trained infantry, which may come late in January or early in February next.

And that prospective shortage is under his new compromise plan. Just yesterday we had Prime Minister Churchill warn us that the war would run into the summer. Some time before he had said "early summer". Yesterday he said, "Take out the word 'early' and leave it that the war will run into the summer." Everyone knows the terribly costly fighting there is likely to be in the interim.

Apparently the government is hoping for additional volunteers to meet that second prospective shortage. At the same page General McNaughton said:

> The forecasts have not as yet been carried through the summer, and all I can now say is that the situation then will depend on the rate of recruiting for general service in December and in the following months.

Yet it is almost certain that all the volunteers enlisting from now on will be required to keep up the regular reinforcement stream. So that I repeat, Mr. Speaker, and I submit that it cannot be disproved, that the new plan is obviously a political compromise. It is a cunning political subterfuge; and if it proves to be an inadequate compromise the mistake will be paid for not by the members of the cabinet or the members of this house, but with the lives of young Canadians overseas, through lack of adequate, trained reinforcements. This house and the Canadian people must never permit any government to gamble with the lives of our sons.

[Mr. Green.]

There is only one way to make certain of these adequate and continuous trained reinforcements. That is to do just as we have suggested in our amendment and require all N.R.M.A. personnel, whether now or hereafter enrolled, to serve in any theatre of war. This is what the great majority of the Canadian people want. This is what the majority of the members of this house want and what they would vote for if they were free of the party whip. The Canadian people have long since seen the folly and deceit of this two-army system. No government policy could have been more demoralizing to a people. For some time past the draftee army has been a huge, costly diversion to try to satisfy eight provinces and at the same time not offend Quebec. In both respects it has failed. The man-power policy of the present government has set province against province, the general service soldier against the draftee, and now the new compromise plan is setting draftee against draftee. The man-power policy of the Canadian government has brought about the meanest, lowest kinds of compulsion, both in trying to force these young men to go active and now in the treatment of the draftees themselves. It has brought about this situation, that with ample, fully trained infantry in Canada, it has allowed our boys overseas to go short of trained reinforcements and has forced into the line young Canadian lads not fully trained. Yet under the government's compromise policy the N.R.M.A. plan is to continue, if you please; we are still to have the two-army system. There is still to be the coaxing and the bluffing of men to go active. There is still to be all the bitterness, all the inequality of service and sacrifice, and this plan is to be administered by a government that has been greatly weakened by the loss of two of its key ministers and by the events of the last month.

I appeal to the private members of this house of all parties. We cannot go back to our constituencies leaving this question of reinforcements in the air, where it is now. We must make absolutely certain in the first place that all the trained infantry draftees are sent over from Canada at once, and in the second place that all N.R.M.A. personnel, whether now or hereafter enrolled, are required to serve in any theatre of war. This would mean that we would have only one army for Canada, and I hope then we would have an army in which all our young men are given equal treatment. This is the only way to make certain of adequate and continuous trained reinforcements for our army overseas.

In conclusion, Mr. Speaker, may I say the time has come, and in fact is long since past, for the government of Canada, the House of Commons of Canada and the parliament of Canada to adopt an honest, courageous manpower policy that is in line with the straightforwardness of the Canadian people.

Mr. W. A. TUCKER (Rosthern): Mr. Speaker, I must say I was surprised at the words of the last speaker, who suggested that he was proud of being a Tory because the Tories would always do their share and their sons would do their share of the fighting. I submit that this conveys the suggestion that the hon. member is proud of being a Tory because of that fact, and therefore conveys the insinuation that other parties are not ready to do their share, and that the sons of those belonging to other parties do not do their share of the fighting. If it means anything that is what it means; otherwise there would be no reason to be proud of belonging to the Tory party. It is the old story of wrapping themselves in the flag.

An hon. MEMBER: They have not pulled down the flag.

Mr. TUCKER: Neither has the Liberal party.

An hon. MEMBER: No?

Mr. TUCKER: No, and I will give my reason for that statement.

Mr. FRASER (Peterborough West): They have disgraced it.

Mr. TUCKER: As a matter of fact, Mr. Speaker, I doubt whether in the whole history of Canada any other administration have made as great a direct contribution, in the loss of members of their own families, as the present administration; and it ill becomes the official opposition to speak as they have through the mouth of the hon. member for Vancouver South (Mr. Green). I would remind them now, when they are talking in such brave language, that the official opposition went to the country in 1940 under a leader who was not beyond asking for support in the province of Quebec on the ground that there would be no overseas conscription. He took that stand as the leader of the party, and he was supported by his party. We had the spectacle after that of the acting leader of the party rising in his place in the house and, after being elected on that pledge, inviting the Prime Minister (Mr. Mackenzie King) to break the pledge and to vote for overseas conscription, without in any way consulting the people. That is not consistent with the language used by the last speaker. Why did their leader at that time take the stand he did, if it was not in order to try to preserve national unity? If it was all right for the late Doctor Manion, the leader of the Conservative party at that time, and under whom they went to the country on the issue of preserving national unity, is it not a proper procedure to-day?

After a great deal of anxious consideration I have decided to support and to second the motion moved by the hon. member for Bellechasse (Mr. Picard), that "this house will aid in maintaining an efficient war effort, but that it does not approve of compulsory service overseas."

During the 1940 election campaign I, in company with practically every member of the house, sought the support of the people on the understanding that if they would support our war effort they could rest assured that it would be conducted on a voluntary basis, and that there would not be conscription for overseas service. Not only did we have the assurance of our own leader to that effect, but also the leader of the then Conservative party took that stand, and so did the leader of the C.C.F. I thought I was quite safe in inviting votes in my support, as supporting the government in its war effort, but on the definite promise that there should not be conscription for overseas service. On that basis the support of the whole country was sought.

I well remember that in September, 1939, there was some worry as to whether or not the country could enter the war as a united unit, because of what had happened at the time of the last war when, after war was declared, conscription was imposed by the majority upon the minority. It was because of our experience in the last war that these explicit pledges were given to the Canadian people, in order that they might support the war effort unitedly on that basis.

Those pledges were given in this chamber, in my hearing. And when the premier of one of the provinces of this country attacked the war effort of the government and went to an election on the issue, some of the leading members of the administration went into Quebec and asked for the support of that province of the war on a voluntary basis. In that they achieved an overwhelming victory, and the people of this country from one end to the other applauded that action. No fault at all was found with it.

Then in 1940 we went to the country on the very same policy. I believe that when people make a deal with their eyes open that deal should be respected. If we have

gone into this war as a partnership on an agreed voluntary basis; if we have done our very best on that basis, and received the support of the whole country on that basis, then nothing short of actual danger to the country's existence, or a loss of the war, would justify our departing from that position.

Some people might say it was an unwise thing to do. But if at that time or in 1940 the British government had been asked whether it would rather have the support of Canada on a voluntary basis, through her declaration of war, or have Canada abstain from coming into the war because we could not unite in our effort and because we could not go in on an unqualified basis, but preferred to wait outside the war for two years, as did our great ally to the south, I venture to say that the British government would have said to us, "By all means come in on our side at this crucial time." I am satisfied that we went into it at that time as a united people, because we were able to come to that understanding. I am satisfied, further, that it was because we were at the side of Great Britain in 1940, when she was on the verge of suffering defeat; that it was because Canada stood at her side with the one trained organization in the British isles—the First Division, which was fully equipped and ready to operate, and which was the only organization in that position—and that it was because our airmen were in the skies and our navy in the seas, that the situation was saved. It was just that little bit of extra support, I believe, that did it. That was a crucial time, and I believe perhaps the decision of our leaders at the outbreak of war may very well have prevented our losing the war in 1940.

I submit, however, that to-day we are not in that crucial position—and I make that submission most sincerely. The two conditions which might have justified us in not living up to our pledge to the Canadian people to the effect that there would not be compulsion for overseas service, namely the conditions, first that our very existence as a country is in danger or, second, that we are in danger of losing the war, do not now exist.

Having given that pledge, and having received the support of our people, which perhaps enabled us to avoid losing the war at a crucial time, through our being at the side of Britain and our commonwealth, we are not now justified in departing from that pledge merely because we think it is preferable to do otherwise, now that the crisis has passed. I do not think that is a proper way to treat the Canadian people.

It is not a matter of balancing between what is better and what is not so good. If we are not absolutely in a position where, to save ourselves or to keep from losing the war, we must impose conscription, then I think we are in duty bound to adhere to the pledges we gave at that time. I do not think anyone would argue that we are not now assured of victory. I do not think the sending of those 16,000 extra men for the support of the infantry would make the difference between victory and defeat.

Mr. JACKMAN: Get over there and see.

Mr. TUCKER: I was there last time, and I offered my services and gave them for two years this time. I have given altogether over four years of my life in the service of my country. I do not want any such interruptions.

Mr. JACKMAN: Then you ought to know, in that case.

Mr. TUCKER: And I do know. I know how much harm conscription did when it was attempted at the time of the last war, and just how little good it did.

If I may be permitted to proceed without interruption—and it was quite uncalled for—I would say that Australia, which has been in greater danger than Canada has been, still has not seen fit to impose conscription on her fighting forces for service north of the equator. This means that they are not in a position to send by compulsion men to fight on the islands of Japan, where only Japan can be defeated. Yet Australia manages to keep her forces reinforced, despite the fact that she has not yet imposed conscription. In addition to that there is the fact that she has a far greater proportion of her troops who are not enlisted for overseas services than has Canada at the present time.

Let us now consider South Africa. She manages to fight her war and keep her troops in the field. And I suggest again that South Africa still is in greater danger than Canada is to-day.

Then, what about Northern Ireland? There, again, there is no conscription to send troops for overseas service. And in none of these cases so far as I know have specific pledges been given to the people that there would not be conscription for overseas, as it has been given to the people of Canada.

To insist that we must send 16,000 troops overseas in spite of the pledges we gave at one stage in the war, and to pretend that it is a matter of life and death when, as a result of actions in which we have taken part, hundreds of thousands of Europeans have been freed, and are now in a position to fight and

are anxious to fight is to raise an issue which is unjustified in the light of Canadian history. We are telling them that their efforts must be limited because we cannot give them the arms for which they are pleading. All those people are willing and ready to fight; there are probably 200,000 or perhaps 500,000 Frenchmen and Belgians who are crying out for arms and equipment in order to take their part in defeating the foe.

The argument for overseas conscription is based upon several different grounds. One is that if we do not pass this measure we shall not have adequate reinforcements for five divisions, or practically six divisions when you take into account the corps and army troops. The first thing I should like to suggest is that in my humble judgment the figures which have been given to me do not indicate that we cannot adequately reinforce those five divisions by using men who have already enlisted or are now enlisting, who are trained and ready to go. I am satisfied that a reasonable period of more or less non-active fighting and holding the line which Canadians might be permitted to do in the light of their tremendous exertions since D-day, the acquiring of the channel bases and the capturing of the Scheldt estuary, would enable that lag in infantry reinforcements to be overtaken.

We have been assured over and over again that the over-all reinforcement situation is adequate and satisfactory, that there have been more infantry casualties proportionately than casualties in the other services. We have been told that these people can be remustered and be ready after something like six weeks training. I submit that the deficiency with regard to the infantry could be made up by our troops remaining for a short time more or less inactive to rest as they are at the present time. They would not need to remain inactive very much longer to have a position where all would be well so far as the infantry is concerned. That is leaving out of account what can also be done by remustering.

The suggestion has been made that Canada is under obligation to have her troops fighting continuously in the line. I would call attention to the fact that the United States 9th army just went into action recently. There is no obligation upon an army to be fighting continuously day in and day out. The Canadian corps during the last war withdrew from the line some time in April, 1918, and did not go back until August 8.

Mr. GREEN: There were some divisions in the line all that time.

Mr. TUCKER: There was one part of one division in the line part of the time, but the bulk of the Canadian corps was out of the line. It was thrown in at the Germans with such strength as the spearhead of the allied attack on August 8 that it broke them. I fancy that we are entering a period on the western front when climate, mud and so on are going to restrict activities somewhat whether we like it or not. I make the prediction that if the finding of the general staff that the over-all reinforcement situation was satisfactory was correct, that there was sufficient provision for over-all reinforcements, then the present situation is such that with a reallocation of a proper number of men to the infantry there will be no difficulty about providing adequate reinforcements without sending over 16,000 draftees by compulsion. I am not alone in that thought. A member of the cabinet who has resigned, the former minister of national defence for air (Mr. Power), said this when speaking in the house recently:

> By all reports, the number required even of infantry, in which arm alone there is said to be a threatened deficiency, is comparatively small. The lowering of the rate of casualties by periods of comparative or total inactivity would wipe out the margin of deficit, if any exists, and restore the balance.

The former Minister of National Defence for Air undoubtedly has the confidence of the people of this country and I feel sure that we can accept his statement at its face value. As far as I am concerned no figures have been given me to show that those figures are incorrect.

There is another thing I should like to draw to the attention of the house. There is nothing magical about five divisions. I find it difficult to understand why at a time when we are actually sending back to civil life thousands and thousands of fully trained aircrew it is felt necessary in order to make a proper war effort to send over 16,000 unwilling infantry men. Put those aircrew men into bombers and fighter planes, and I submit that they will make a greater contribution toward the defeat of Germany than two or three times their number of unwilling draftees who are sent overseas by compulsion by virtue of the decision of this government.

If our only purpose is to make the greatest possible contribution to winning the war, why do we persist in reinforcing five divisions and demobilizing thousands of trained aircrew? It seems to me, and I have a right to this opinion, that it would have been far better to break up one of those divisions if necessary to provide reinforcements that way, and use these trained aircrew who would have done much more damage to Germany than

a division which might be broken up in order to provide reinforcements for the boys in the line or 16,000 draftees sent over by compulsion.

There is nothing unchangeable about having five divisions in an army. There is nothing set about it. It is a matter of our making our greatest contribution, and I suggest that the way to do that would be to make use of these men who are willing and anxious to fight instead of putting the emphasis upon these unwilling men.

This demand for conscription for overseas service is also made upon the ground of equality of service and sacrifice. Attacks have been made upon French-speaking Canadians and upon other Canadians of foreign origin. The suggestion is made that the only way to have equality of sacrifice is by the use of compulsion. Despite the fact that over fifty per cent of the people of Saskatchewan are of non-English speaking origin, that province does not need to take a back seat to any other province in her contribution to the war.

Of those who have been killed in action and who are presumed to be dead from the constituency of Rosthern that have come to my attention—and that is all I can speak of—to the total of fifty, the proportions are as follows:

	Per cent
English, Irish, Scotch and other English-speaking origin	26
Ukrainian	18
French-speaking	12
Mennonite	12
German	20
Scandinavian	4
Hungarian	8

I put these figures on the record to show that we are building up a nation of Canadians regardless of their racial origin. These figures show that under a policy of allowing people to offer themselves freely in the defence of their country there has been a response from all peoples regardless of their religious beliefs or racial origin.

Incidentally, Mr. Speaker, when I think of the thousands of young people of the Roman Catholic faith who have laid down their lives in the defence of their country in this war I deplore the activities of a certain gentleman by the name of Shields who is going up and down this country maligning the people of that faith, and I contend that men of all parties, not only of the Liberal party but of the official opposition and of all parties in this house, should make it clear that they disapprove these unwarranted attacks upon people of another faith who have made such a splendid contribution not only by their sweat but by their blood and sacrifice in the winning of this war and in sustaining and building up the country in time of peace.

As I say, the volunteer method was working magnificently in this country. No other country in the world of our strength, of our population and our wealth, has made the wonderful contribution that this country has made, and on a voluntary basis. Will anybody here say that, had we been faced with the disunity that an attempt to force compulsion at the start of the war would have brought about, we could have accomplished anything like the magnificent effort we have made in this war? Nobody will say that; and since we have gone into the war on that basis my regret is that there should have been carried on a campaign which did not start yesterday, when apparently there was more need than formerly for reinforcements, but was going on two years ago, yes, three years ago, since when there has been an insistent demand for conscription and attacks upon the Prime Minister because he would not impose conscription. The present opportunity has been seized upon because it was thought that at last the great Prime Minister of this country, who has led this country in a war effort that I say is unparalleled in the experience of all countries of the world for a country of our population and wealth could be overthrown, his party broken behind him, and he himself driven from public life. Incidentally I have no doubt that the forces of reaction which hate and oppose that great programme of social and humanitarian measures which the Prime Minister has laid before parliament this session saw in this agitation for conscription an opportunity of destroying the greatest Prime Minister that Canada has ever seen.

A great deal has been said about the home defence troops, and a great deal has been said in bitter criticism of them. Many of them are known to me. Some of them served with me while I served in the army in the present war. I know why a lot of them have refused to go active. It is because they were called up when they felt that they were absolutely needed at home. I know cases where the last boy at home in the family, with a brother overseas, has been called up, leaving the aged father and mother to attempt to carry on the farm alone. Some of them have brothers paratroopers, and others have brothers in different branches of the armed forces. I know their situation intimately. They considered that if they went active and went overseas they could no longer help their aged parents or families to make a living on the farm. They refused to go active. They believe that they never should

have been called up, and if it had not been for the activity of certain people in Saskatchewan who were not carrying out the government's policy but instead were calling people up from the farm who never should have been called up, hundreds of these young men who are in the home defence army never would have been called up at all. I know whereof I am speaking.

On January 14, 1943, a reinforcement arrived at one of the battalions on the west coast. They numbered 195, and at the time I made my canvass there were exactly thirty on fatigue and other duties, leaving 165, and of that 165 only seventeen were not farmers—and that in spite of the well-established policy of the government that young farmers should not be called up if they were needed at home on the farm. Of that 165, thirty-eight had already received postponements on the ground that their services were necessary on the farm. Yet they were called up and placed in the home defence army. That is one of the reasons why a lot of these boys, some of whom have brothers overseas, have refused to volunteer. I deplore the attacks on these boys, calling them zombies and all the rest of it, as most of them are fine young fellows.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. TUCKER: I wish to summarize some of the arguments which I used before the dinner hour as to why I oppose the government's policy as outlined in order in council 8891 providing for a limited measure of compulsory service overseas. I argued that such a measure was not absolutely necessary in order to defend the existence of our country or to achieve victory and that therefore it should not have been brought in at all.

In a country composed as ours is, so largely of minorities, the utmost good faith must be maintained in the treatment of those minorities, and if an undertaking is given to minorities and is to be broken without overriding and overwhelming reasons, then the very basis upon which a country is constituted as ours is, in large part of minorities, will be broken down and we shall not be united; we shall be a country made up of warring factions. I say therefore that, in view of pledges given at the commencement of the war, this measure should not have been introduced because there was no need for it from the point of view of defending the country against external enemies or for the purpose of achieving victory.

I also argued that it was very doubtful whether this measure ultimately would provide more reinforcements for overseas than would have been obtained had we continued with the voluntary system. What will develop in the days that lie ahead will in my opinion demonstrate the truth of that statement. I argued that if we break up the unity of this country, in which an amazing amount of work has been accomplished in our war effort, we shall not be able to make the same contribution to assisting the other united nations in winning that we have made as a united dominion. One of our greatest contributions has been in the direction of providing foodstuffs for our allies, providing shipping and munitions of war, and so on. On that basis we have made a contribution which I think transcends that of any other nation of similar population and similar wealth. If we disrupt our unity at this time, anything that we may accomplish as a result of that will not compare with what we could still do as a united nation. What we can do united would far outweigh any little good that might be obtained by securing a few more men, if we do secure them, for overseas service by the method of compulsion.

After all, each of us is entitled to his own opinion; but in the light of the figures given by the general staff with regard to the general reinforcement situation, if those figures are correct, I am not satisfied that there is any necessity for us to resort to this measure in order to make up the deficiency in infantry reinforcements resulting from a wrong allotment of men in the last four or five months. I am satisfied that a dispassionate examination of those figures will show that a reasonable amount of remustering, together with a reasonable chance given our troops to serve for a short time in a quieter part of the front, would have enabled us to meet that slight discrepancy in lack of infantry reinforcements without resorting to this policy of compulsion.

If we were to return to civil life thousands of men, many of whom have been taken from our farms, they could make a great contribution to the cause of the allies in the production of food and in providing other necessary supplies—the men who do not desire to volunteer to go overseas. In my opinion it would be better to have those men return to civil life than to carry out the proposed return, in effect, to civil life of thousands of trained aircrew men from the R.C.A.F. Those men in the air force who are anxious to take a real part in the war could be given a chance, and their contribution would far outweigh the

contribution that may be made through the dispatch of these men by compulsion for service overseas.

There is no reason to insist on having five divisions in the army at any cost, and a fixed and lesser number than we would provide in the air force. Our contribution should have been based upon an endeavour to do our utmost on the basis on which we started out and which we have carried on so successfully up to the present time. We could have made a greater contribution on that basis than we can by the introduction of this measure of compulsory service.

Then there is the question that we face a troubled world. We may have to face another such time as we faced in 1939. I hope that will never happen, but I did hope that we would meet this crisis if it comes as a united nation. Had we been able to do so we could have faced whatever the future had in store for us, with every confidence in our ability to meet the events that might come. Now, however, we have broken up the unity of the country, how badly I do not know. I hope that irreparable damage has not been done. Such damage may have been brought about but I hope not. At any rate it is very greatly to the credit of the Prime Minister (Mr. Mackenzie King) that he held out against this measure as long as he possibly could. History, I believe, has already recorded that the attempt at conscription in the last war was a failure and did more harm than good, and history will record once more that this attempt at conscription in the present war will have been an equal if not a greater failure. It was imposed upon a Prime Minister who saw its dangers and resisted it to the very last. History will give him the greatest amount of credit for the fight he put up in that regard. I repeat, I hope the damage that has been done, if any, has not been irreparable. I trust we shall be able to get together and co-operate, regardless of racial origin or religious creed, so that we can build up a country worthy of the volunteers who have gone forth to defend us against our enemies. To use the words of the former minister of national defence for air (Mr. Power) when he addressed the house last, I would express the hope and prayer that "with the advent of external victory and peace, peace and understanding may come within our own country."

Mr. SPEAKER: Since the hon. member for Bellechasse (Mr. Picard) moved his amendment to-day I have been considering the question of the relevancy of it. The amendment as moved by Mr. Picard, seconded by Mr. Tucker, was:

[Mr. Tucker.]

That all the words of the amendment after the word "that" in the first line thereof be struck out and the following substituted therefor:

"This house will aid in maintaining an efficient war effort but it does not approve of compulsory service overseas."

The first requisite of an amendment is that it must be connected with government administration. The amendment as proposed does not connect the government with the maintenance of the war effort. It is of no purpose to make such propositions in the house because they are in their nature hypothetical. The words I have already quoted from the amendment are, "This house will aid in maintaining an efficient war effort."

The amendment is not complete in its form. It is the expression of a general opinion which may be moved in any public body but has no connection with the business of the house.

The object of the house is to suggest, approve or disapprove of the government's policy. The amendment does not relate to government action, is irrelevant to both the amendment and the main motion.

For these reasons, together with those already given in connection with the amendment moved by the hon. member for Rosetown-Biggar and the hon. member for Acadia, I find the amendment out of order and I so rule.

Hon. P. J. ARTHUR CARDIN (Richelieu-Verchères): I am not without realization of the gravity of the situation and the anxiety which exists in the minds of many people in Canada, as well as in the minds of the hon. members who represent the people of Canada in this House of Commons, but I felt that I could not give a silent vote on a motion of this kind and that it was my duty to express my opinion in all sincerity and frankness and to make my position clearly known before the house and the country. I hope that I am well enough known by all hon. members of this house for them to understand that even if I use a certain amount of heat in the expression of my personal and sincere opinion it is not due to the fact that I have any rancour in my mind toward any hon. member who does not share my views, or that I want to exercise any kind of vengeance against anybody with whom I have been associated in the past. I cannot avoid becoming heated when expressing views at any meeting. I cannot imitate other people when they express their views coldly, calmly and without raising their voices. At times I envy them, and particularly the former Minister of National Defence (Mr. Ralston). I cannot bring myself to believe that being in

the situation in which he was yesterday, I could have reasoned my case as calmly as he did. Our temperaments are not the same. At times I regret that I have not the temperament of those who are capable of arguing their case as the former Minister of National Defence did.

It was refreshing, Mr. Speaker, to listen to a speech like the one which was delivered before and after six o'clock by the hon. member for Rosthern (Mr. Tucker). It is not very often that we French Canadians hear in this House of Commons an English-speaking voice defending the position that we are taking, expressing views which are similar to those that we entertain and using the same arguments that we ourselves are using in support of our own ideas. I thank him for the kindness of his speech, which, nevertheless was a very strong one from the point of view of reason and knowledge, as well as being an expression of real Canadianism. I congratulate him upon his frankness in expressing his point of view and upon having argued so well, so clearly and so energetically in support of it.

I also desire to congratulate the hon. member for Bellechasse (Mr. Picard), who made an excellent speech and who has expressed to a very large extent sentiments which are mine at this time as they were when I debated bill 80.

Now, Mr. Speaker, if it were permitted to an humble member of the House of Commons to congratulate you as a judge of our procedure; if it were permitted to a lawyer arguing a case before a court to congratulate a judge upon the wisdom of his decision, I would congratulate you upon the decisions that you have been rendering in declaring out of order the subamendments which have been proposed to the motion of confidence moved by the Prime Minister (Mr. Mackenzie King). In most cases what is the object or rather what is the effect of these amendments? I am sure they are proposed in good faith, but what is the result? It is purely and simply to becloud the issue and prevent the common people from understanding what is really at stake before parliament. I have had enough experience in this House of Commons to notice that the public do not always understand what is going on in the house, because of the beclouding of issues which is caused by numerous and successive amendments and subamendments, which most of the time drown the question under a lot of words and are only an enunciation of principles and programmes which are the very opposite of the object that those who have moved the motion have had in mind. I claim, Mr. Speaker, that if the rules of the house permit amendments and subamendments to a motion of this kind, in reason and in common sense, they should be modified to allow the government to be free to ask for a vote of confidence according to their wording of the motion, and then not have to face a vote of confidence on a motion amended expressing the views of opposing parties.

The government has come before the house asking for a vote of confidence. We shall vote on it, and we should vote on it the way it has been drafted, and not be afraid to say "yes" or "no" and express clearly the approval or disapproval of the government's policy. I see no necessity of an amendment to bring into the light the word "conscription". The word "conscription" is in the wording of the motion. The word itself is not there, but the spirit is there because the motion of the Prime Minister reads as follows:

> That this house will aid the government in its policy of maintaining a vigorous war effort.

"Its policy". What is the policy of the government to-day? A policy of conscription for service overseas. That is the policy of the government; and an hon. member rising in his place in this house and voting for the motion made by the Prime Minister would vote for the policy of conscription, because the policy of the government is a policy of conscription as it has been stated by the Prime Minister himself and as it is stated by the order in council which is before the house at the present time. There is no possible escape from that position. Those who are disposed to vote for the government and thereby vote confidence in the government on that motion should be able to face the situation squarely and not try to vacillate or hesitate and try to hide behind some amendment or subamendment. They should face the issue as it is. It is sufficiently important to deserve full consideration and a frank vote on the part of members representing the electors of Canada.

I am probably one of those who have been accused by some hon. members and particularly by the press, of not having properly led the province of Quebec, of not having given proper direction to the people of that province. They say that Quebec is in such a state of mind because of the attitude of her leaders. In a very humble way I have been for a certain time one of the leaders of public opinion in the province of Quebec, and before this House of Commons I have nothing to retract; I have no excuses to offer; I have nothing to take back from what I have told the electors of my province. What I said there was approved by the Prime Minister, with whom I was then

associated. What I said there was approved by the leader of the opposition during the last electoral campaign. There was no divergence of view as between Liberals and Conservatives in regard to conscription for service overseas. We all said that this policy was no good for Canada; that it had been a failure in the past and would be a failure in the future. Why agitate that question before those who are not well informed, and say that Quebec is in this position because its leaders have not been true to their duty? I have been true to my duty, as Sir Wilfrid Laurier has been, as Ernest Lapointe has been and as others have been. We have spoken the truth, and what we have said in the province of Quebec we have repeated on each occasion and at every opportunity that has been given us in other sections of Canada, with the same courage, the same conviction and the same feeling of a real Canadianism.

I feel somewhat proud, Mr. Speaker, to have been able to face the electors of the province of Quebec at certain times with policies which were not very popular. I remember the days of 1939. The policy of the government, which had decided to participate in the war, was not well understood at that time, and there was some agitation. The late Ernest Lapointe and your humble servant went to the province of Quebec to explain the position of the government; to aid our fellow-countrymen in understanding the situation; and what did we get? We got the approval of the province of Quebec, in favour of Canada participating in the war. It was not an easy task, let me tell you, to argue with our fellow-countrymen in the province of Quebec at that time, but we did it. We did not shirk our responsibility; we did not turn away from the task. We faced the situation as we found it, and we argued with the people of Quebec, with a large amount of success. Since that time we have continued to do so, and there has been no trouble in my province, even though a certain number of my compatriots felt that they had been unfairly treated, that they had been insulted, that they were being called zombies by people who were irresponsible and who never had the courage to face the electorate in any section of Canada.

Let me say this, Mr. Speaker. We are accused of not having furnished as many soldiers as other sections of Canada. My answer to that statement is that the flow of blood on the battlefield is never measured by arithmetical calculations. That is not the way to appreciate the sacrifices of a section of the population of a country. In Montreal the other night I made a statement which I am going to repeat now, because I am not afraid to repeat here anything I say outside the house. We have done more than you English-speaking Canadians of British descent. You have only obeyed the call of blood. You have answered the sentiments of your heart and mind. What we have done could only be done through reasoning, and judging the situation as a judge would do when deciding a case presented to him. It is not a case of reasoning with you; it is a case of sentiment, and I understand you. For a moment, if you wish to understand me and the French Canadians, reverse the picture, if you please. Try to imagine Canada as part of a French empire, with the descendants of British citizens in the minority. Can you tell me that if that French empire, of which you would be part, were in danger you would be as enthusiastic in defending that empire as would be the Canadians of French descent? To any man who would say that he would have the same views and sentiments I would reply that he is not sincere.

Think of the position in which we are placed. Think of the concessions which the French Canadians and their representatives have been making to bring about and maintain unity in this great land of ours. I have no time to enumerate them all, but go over in your minds the concessions that were made by Sir Wilfrid Laurier, by Ernest Lapointe and by myself, at the risk of losing support and, indeed, with the loss of support in certain quarters of my province. We are here in the House of Commons, all friends, and as members of a family capable of understanding the truth. Where are your concessions, you British Canadians, in favour of the French Canadians? What have you ever done to preserve unity between the two great races in Canada? Unity has been maintained owing to concessions made by French Canadians in this House of Commons and elsewhere. These are strong words, but they are the truth and no one can dispute them. The political history of our country is there to sustain my statement.

We are in a difficult situation, but it is no more difficult in the province of Quebec than in the province of British Columbia or in the province of Nova Scotia, where not very long ago, when soldiers were parading the streets of a city, a young girl called them zombies. One of them left the ranks and, with his rifle, broke the window from which that young girl was insulting the soldiers who were walking on the street. There is no more agitation in Quebec; there is less agitation in Quebec.

I know that for the last two of three days the newspapers have said that the troubles in British Columbia are attributable to a

few French Canadians who form part of the units that are there. Where is the reasonable man on this earth; where is the reasonable man in this House of Commons, who will say that the handful of French Canadians would be capable of making a demonstration, unmolested, in five or six localities in British Columbia, if the soldiers who are there with them did not have the same views, and if the people watching them did not share their views to a large extent?

Mr. CRUICKSHANK: No, no.

Mr. CARDIN: It would be impossible for a handful of French-Canadian soldiers to cause any trouble or create any difficulty in British Columbia if there had not been sympathizers among members of the majority in that province. The facts are there; you cannot deny them. When the first demonstration took place in Vernon the Canadian English newspapers said that over ninety per cent of the soldiers were of English descent.

There is no use in trying to evade the issue, and to throw the blame on us in the province of Quebec. That problem is largely political. And, Mr. Speaker, I have still ringing in my ears the speech of the man who has been doing a lot for the war effort of Canada, and without whom we would perhaps be in a worse position than we are at the present time. The Minister of Munitions and Supply (Mr. Howe) is not the lowest man in this house; he is not the lowest man in the cabinet of the Prime Minister, and he said, even in the United States, that this agitation was mostly political. I say the word of that man deserves consideration. That man deserves respect.

I have the greatest respect in the world for Colonel Ralston. He is a man of his word, an honest and sincere man. That is what I have said in the province of Quebec. So I believe. I know him well enough to say that. But I am under the impression that, even in the face of the wonderful record of Colonel Ralston, the record of the Minister of Munitions and Supply is still more important, and that he has done even more to help the war effort of Canada. He said it was political agitation. In all sincerity, and without wishing to hurt the feelings of anyone, I must say that I am afraid this has now become a political issue on both sides. I regret having to say that.

One thing has been made clear during this debate, and that is that conscription is here. It has been here since 1942, no matter what may have been said in my province. It has been here and it has been applied since 1942 in connection with the Aleutian islands. Conscription is the law of the land. The Prime Minister has said so in his speech, and there is no denial of it. It is here to such an extent that, in making his motion for confidence, the Prime Minister said to members of the House of Commons: You are not voting for conscription; it is a thing of the past; this is not the question to-day; you are just voting to-day to express your opinion as to whom you think would be best qualified to carry from now on the war effort of Canada. That is a clear indication, if one requires one, that conscription has been with us since 1942. It has been with us not only in principle but in effect. And, as I have already said, it has been put into operation in connection with the Aleutian islands, and other places where our troops have been sent.

I cannot understand why, after five years of our admirable contribution to the war, a contribution which has caused countries throughout the world to compliment Canada and to express their surprise with respect to our achievement, it becomes necessary, practically at the end of the war, to propose conscription, a policy concerning which we had been hesitating and vacillating for so long.

A few days ago the distinguished Prime Minister of Great Britain spoke. His words were brought to us by the newspapers, and also by a gallant soldier from the other side, the hon. member for London (Mr. Johnston), who spoke the other day. Mr. Churchill said in the House of Commons in London that the character—not the war effort—that the character of the war effort of Canada was admirable. That is what he said. It was a compliment to our system of voluntarily waging war, and it was that system which caused the Prime Minister of England to say that the character of the war effort of Canada is admirable.

It is, in fact, admirable. Why should we now change our policy? Oh, we have heard many touching words about the soldiers on the other side. Mr. Speaker, the soldiers on the other side have gone there of their own free will, and in glory. They have not waited for conscription. They have gone there, prompted by a conviction that was in them. They have volunteered to help their country and to help the empire and—if we want to speak poetically—to help assure the freedom of the world. But, Mr. Speaker, I hesitate to think that those who have been gallant enough to hasten to the other side voluntarily are now changing their minds and asking that others be sent to help them, through coercion. That does not properly represent the feeling of the soldiers of Canada on the other side.

Mr. CRUICKSHANK: Shame.

Mr. CARDIN: No, no, my friend, that is not "shame".

Mr. CRUICKSHANK: It is just nonsense.

Mr. CARDIN: If it is "shame," my hon. friend should have addressed the same remark to the soldiers of South Africa, to the soldiers of Australia and to the soldiers of Northern Ireland.

Mr. CRUICKSHANK: No.

Mr. SINCLAIR: No.

Mr. CARDIN: That may be your view, but you cannot get away from the fact that there is no conscription or coercion there. May I say to my hon. friend from Vancouver North (Mr. Sinclair): with your intelligence, with the brightness of your mind, with the great future that probably lies ahead of you because of the gifts with which Providence has endowed you, I am sure you will agree with me when I say that when standing in front of the monument of a volunteer hero one feels pride mounting to his heart, but when kneeling at the grave of a conscript a degree of sadness enters the soul.

Many of the men over there do not know what they are fighting for. Many of the people in the united nations do not know what they are fighting for. Fine words have been uttered, and compliments have been paid, but if you look at the bottom of things you will discover that most of the countries making up the allied nations are in the end—it may be a secondary consideration—looking after their own interests.

If I size up this situation correctly, it has been brought about, firstly, because of the necessity of reinforcements and, secondly, because of the agitation that has existed in Canada, which in the end penetrated into the cabinet. I do not know if these are his words as reported in *Hansard,* but if my hearing is correct I understood the Prime Minister to state that the word "necessary" had two meanings, one having to do with military needs and the other having to do with the inside situation.

Mr. MACKENZIE KING: "Advisable" was the word.

Mr. CARDIN: It is said that the crisis facing us at the moment is due to two main causes: first, the necessity for reinforcements, and, second, the trouble existing in the country and the necessity of avoiding crisis No. 2. Crisis No. 2 is the threatened resignation of a certain number of ministers who share the views of the hon. member for Prince (Mr. Ralston). The hon. member for Prince indicated that himself in the speech he delivered yesterday. Is it not an extraordinary spectacle to hear a minister who has resigned say: I am going to vote for the government and against the amendment of the opposition in order to expedite the sending of soldiers to the other side, and in order not to lose any time in sending reinforcements across the ocean; but I am not entirely satisfied; I am going to keep my eye on the ball; I am going to watch the government in this connection, and I rely on those in the cabinet who share my views to see that that policy is put into effect without any slowing down?

Is that not a most extraordinary situation? A man resigns from the Cabinet, leaving behind him three or four men who share his views and who, if necessary, will extend the crisis in which we are at the present time. So extraordinary a situation has never before existed in Canada and I doubt if it will ever exist in the future. Speaking for myself and for many other Canadians, I say that this country is entitled to know who precipitated the crisis, who caused the change in policy of the government, who brought about the decision which was given to us on November 23.

We were called here to consider a policy of voluntary service which was to be explained to us by General McNaughton. I have not the time to refer to the tragedy we witnessed when General McNaughton was forced to explain and justify a policy of conscription when it had been announced the day before that he was going to explain and justify a policy of voluntary service. The day after we came here we had a policy of conscription; that is what was explained instead of a policy of voluntary service. General McNaughton had to explain the policy of coercion and conscription which the government had decided to put into effect. Who was responsible for that? Was it those whom the former minister of national defence left behind him to watch the fort after he had decided to get away from the situation? The public of Canada ought to know who those ministers are who share the same views as the hon. member for Prince and who were ready to resign from the government. We ought to know them. They ought to stand up and take their responsibility before this house and before the country.

It is said that an election is to be feared. An election was held in the United States, as was said this afternoon, and elections have been held elsewhere. An election was held here in 1917 and no one was killed. Laurier fought for his policy in 1917. He was defeated, but he accepted his defeat gracefully. He did not lose any prestige in Canada; he was even greater than he was before. His name is

greater in Canadian history because he had the courage of his own convictions. The Prime Minister has quoted the words of Sir Wilfrid Laurier and the late Ernest Lapointe in an effort to justify his attitude, in an effort to justify this policy of conscription. He should have quoted the words of Sir Wilfrid Laurier and Mr. Lapointe in favour of the voluntary system and denouncing the very stand which two or three ministers have forced him to take and who threatened to resign if conscription were not put into effect.

Why are we in need of reinforcements? After the death of the late Norman Rogers, the Department of National Defence was divided into three departments, with a minister at the head of each. Those three departments competed for recruits for their particular services, and that is the cause of our trouble. We tried to do too much for a country of our size and population. As an hon. member from western Canada said the other day, probably we undertook too much. If that is the position, why not, like men, adopt a policy such as has been adopted by Australia and reduce the extent of our activities on the other side? Why should we try to compete in a race with Britain, the United States and Russia to win the laurels of victory, to try to win a crown of greatness, when in reality we are only a colony in the British empire, and are not, as I said when speaking on bill 80 in the House of Commons, really an independent and sovereign country? Why should we try to have a war effort which will be superior to the war effort of any other allied country participating in this war? There is no sense in that, Mr. Speaker. We have gone beyond our capacity. We have not enough material for the coat that we have been trying to put on the Canadian people. Let us be more generous to our own people; let us be more reasonable; let us act in accordance with what we can really do. Let us not be ashamed of doing what the Prime Minister of Australia did, when accompanied by his own general staff, he discussed with Mr. Churchill and Mr. Roosevelt and their respective staffs the possibility of reducing the numbers of Australia's armed forces in order to help the civilian and war industries of Australia. Why should we not take a similar attitude? That would have been the manly attitude, instead of following the impractical policy we are attempting to put into effect.

Something has been said about an election. Why bring up that issue at this time? Well, Mr. Speaker, can any member of this house be unaware of the fact that the government has been preparing for an election for the last six months and that all the documentary procedure necessary for an election is already in the hands of the returning officers? Even the ballots are there, ready to have the names of the candidates printed on them. The Liberal organization in Ottawa has been restaffed, and a man from the province of Quebec has been brought in from the eastern townships to prepare French-Canadian literature to be distributed in the province of Quebec. I have received a certain amount of that literature, preparing an appeal to the electorate. Why should we be afraid of an election? The sooner we have one, the sooner the clouded atmosphere in which we are now living and have been living for the past five weeks or more will disappear and the sooner we shall be able to follow a policy that will be in the best interests of Canada as well as in the best interests of the allied nations. I am not afraid of an election, whatever opposition may be reserved for me, whatever opposition I may meet from men coming from the party with which I have been for so long closely associated. I have not ceased to be a Liberal, but I contend that my party, alas, has been moving toward the other side, towards the imperial and Tory spirit.

My time is running short, Mr. Speaker, and there are many other things I had in mind to speak of, but I want to observe your ruling and show that I am an obedient servant of Your Honour.

Let me in conclusion say just a word about my friend and former colleague, the former Minister of National Defence (Mr. Ralston), and I am sure that he will pardon me for this reference. I listened to his address with very great attention. Without moving from my chair, throughout the whole length of his speech I followed it as best I could with my limited knowledge and understanding of the English language. He made a good speech, possibly not as good as the acting leader of the opposition (Mr. Hanson) suggested this afternoon, but on the whole it was a very good speech. At least it was the speech of a very sincere and trustworthy man, a man who, whatever his opinions may be, deserves the respect and the confidence of every member of this house, and I will be the first one to pay him that compliment. But when the Prime Minister raised the point that probably he, (Col. Ralston), had been a little slow in bringing before the Prime Minister and the cabinet the gravity of the situation I thought that part of my friend's speech was a bit weak. He did not bring forward anything very definite to show that he had long before informed the Prime Minister of the crisis that was looming up on

the horizon. He said that he did not want to disband the draftees. Well, he said that when I was a member of the government in 1942, when there was no request for conscription from the military authorities. All that he has brought to the house, except for the statement made on his return on October 18, are things that he has been saying since 1942, and there was nothing definite about them, nothing to justify the Prime Minister in thinking that there was a real danger threatening as a result of not having the necessary reserves for the reinforcement pools on the other side. I repeat that my good friend was a little bit weak in that part of his speech. Perhaps he can justify himself, in saying that his officers were not any more pressing in their demands. In my humble judgment that is the situation; he was not very strong in his argument in answering the Prime Minister on that point.

I want you, Mr. Speaker, to allow me just a moment or two more, and I am most appreciative of the kindness of hon. members in sitting and listening to me. I am not probably in age the oldest member of this House of Commons, but I am the only one who has been sitting continuously in this house for over thirty-three years. Let me say that I am older than the Prime Minister from the point of view of continuous sitting in this House of Commons. I have the profound satisfaction of having done everything I could to discharge the duties of my office, and to be honest with my fellow Canadians, to be frank with my people. And now, in the evening of my life, we have reached a time of crisis in Canada, the consequences of which I can very readily foresee. I have never taken offence when any man opposed his views strongly against mine. I have never taken offence when members of the House of Commons objected strongly to my views. We cannot always be of the same mind; we cannot always be of the same opinion; we cannot always entertain the same sentiments and feelings in our hearts and minds. Being human beings, we are bound to have differences among ourselves. But the best thing to do is to try to reconcile as much as is humanly possible the conflicting opinions that we hold and to try to unite in this country, and bring together as much, as is humanly possible, the different elements composing the population of Canada.

There are not only English-speaking and French-speaking people in this country. People of other races form part of the population and they have become good citizens of Canada and are ready to express real Canadian views. In the evening of my life, from the point of view of age and of parliamentary service, let me through you, Mr. Speaker, and from my place in the House of Commons, address just a word to the citizens of the province of Quebec and ask them, whatever may be their sentiments, whatever may be their feelings at the present time, to be calm, to take things easy, to reflect before acting, and to remember that they are not only citizens of the province of Quebec but at the same time citizens of Canada as a whole, who desire to see their country in the not distant future, and with the will of all concerned, become a great and independent country.

They are as much interested as I am, as much interested as others are in the future of our great land, and they should do all they can to help to build up, on the foundation of confederation, a great and prosperous country which, with the help of God and the concerted effort of those who are in authority, before long will be a country of which we shall be proud and in which we shall have great honour.

I ask my fellow-Canadians in the province of Quebec to be firm. They have a right to be firm. I ask them to be energetic. They have a right to be energetic, and nobody can deprive them of the freedom of speech, of the freedom of expression of their own opinions, even if they do not agree with the majority of the citizens of Canada. But they ought to express those opinions in all sincerity and in all honesty and be careful not to hurt too much the feelings of the majority of the citizens of this country. I know, from my long experience in parliament, that the people of the province of Quebec, the French Canadians, have many friends among the English-speaking population of Canada. They have many friends in all the provinces from one ocean to the other, who on many occasions have expressed that friendship, and their understanding of our situation, of our state of mind, of our mentality, of our point of view. I say to my French-Canadian compatriots: Be careful my friends, my brothers; be careful not to lose the advantage of the friendship which we now enjoy to a greater extent than ever before in the English speaking provinces of Canada. Let us speak openly; let us respect the opinions of others, but let us be careful not to cause any damage to property, not to injure the life of anyone. Let us await in calm and patience the hour when we shall be in a position to express as Canadians and as electors our opinion of what has been done to-day and what may be done to-morrow.

Having these sentiments in mind, I hope, with all the sincerity I am capable of, and pray from the bottom of my heart, that a guiding

light will appear upon the horizon of our country, to rise high in our sky and that under such a sign of salvation, men of good will may get together, dispense with the military caste, which is a source of trouble, and reach a brotherly understanding between Canadians of all races and creeds in making Canada a great and glorious country. That guiding light, I also pray, will help us to think of Canada first and always, before thinking of any other country, however great that country may be.

In the present crisis, which is causing so much trouble in the world, if you put aside the brilliant rhetoric of the leaders of the great allied nations, you will find back of their literary utterances, behind all their fine words, and more particularly at all the conventions that are taking place at present to deal with the aftermath of the war, the clearly expressed desire to promote the interests of their respective countries. Those great leaders and their followers are thinking of their respective countries first and are doing what is best, each in the interests of his own country. Let us imitate them and think of our country first of all and of the welfare and greatness of our beloved land.

Mr. MAXIME RAYMOND (Beauharnois-Laprairie) (Translation): Mr. Speaker, the Prime Minister, after having read to the house the order in council "directing" the Minister of National Defence to send to the various theeatres of war in Europe and the Mediterranian, 16,000 recruits already trained under the Mobilization Act, 1940, for the defence of Canada, requests parliament to support him by a vote of approval and confidence.

To enjoy the confidence of someone, one must deserve it. Could it be claimed that the government who do not fulfil their undertakings, who violate their most solemn pledges, deserve a measure of confidence? Surely not, and I shall quote the testimony of the Prime Minister himself in this connection.

On January 26, 1942, he stated, as reported in *Hansard*:

> The present unhappy state of the world is, in large part, the result of broken pledges. Nazi Germany has erected bad faith and the broken pledge into a principle of action.

And, on April 8, 1942, he added in a radio speech:

> It is the trust reposed by the people in the given word of the government that has maintained national unity.

In the Prime Minister's own terms, the present unhappy state of the world is the result of broken pledges.

Let us briefly review the pledges taken. I shall quote brief excerpts from speeches delivered in the House of Commons by the Prime Minister, in which he repeats his pledges concerning conscription for overseas service. Here is what he said on February 25, 1942:

> When the war came in Europe and this parliament met to decide whether Canada would enter the war or not, a declaration was made by the government of the day that, if Canada did enter the war, there would not be compulsory service for overseas, but that service for overseas would be by voluntary enlistment. . . . No more solemn undertaking could possibly have been given by the people. . . .

Mr. SPEAKER: Order. I cannot hear the hon. gentleman because of the noise in the chamber.

Mr. RAYMOND: And, on June 18, 1940:

> Once again I wish to repeat my undertaking, frequently given, that no measure for the conscription of men for overseas service will be introduced by the present administration.

On January 26, 1942, he recapitulated his pledges as follows:

Mr. DEPUTY SPEAKER: I ask hon. members to keep silence if possible, particularly those behind the curtain, because it is impossible to hear what the hon. member is saying at the present time.

Mr. RAYMOND:

> My colleagues and I . . . have made it equally clear that service outside Canada in the armed forces of Canada at sea, on land and in the air . . . shall be freely undertaken.
>
> Before war came, the government gave a solemn pledge that in the event of war, we would follow that policy.
>
> When the war came the pledge was solemnly reaffirmed. At the general elections during the war itself, that policy received the overwhelming approval of the people of Canada.

In the light of these statements, these pledges and these undertakings, is it possible to give the government a sincere vote of confidence which would constitute an endorsation of the order in council implementing conscription for overseas service? For my part, it would be breaking faith with my constituents.

The Prime Minister claims that he has been relieved of his pledges by the plebiscite. I have already proved to this house that such was not the case, and I have based my contention on quotations, some in particular from Mr. Lapointe's speeches. They represented a pact for the duration of the war, the fulfilment of which he could be relieved by the anti-conscriptionists alone. However, his claim is disproved by his own words since, on Monday last, he stated again that the plebiscite did not refer to conscription.

In that event, how could he be relieved, by the plebiscite, of his undertakings concerning conscription? He has no mandate to impose conscription; on the contrary, the elections of 1940 from which his mandate originates, directs him to avoid conscription.

The plebiscite has provided additional evidence of the small measure of confidence that may be given to the Prime Minister's statements.

During the plebiscite campaign, he formally stated over the radio on April 24, 1942, that the plebiscite did not refer to conscription, and he added:

> Surely you cannot allow parades of young men carrying banners and shouting "Down with conscription" to weigh on your decision, when this question is not even involved.

However, a few days after the vote, he introduced bill No. 80, implying conscription for overseas service, stating that it was a logical sequence to the plebiscite vote.

Sometimes he says yes, sometimes he says no, according to the needs of the moment, and he requests our confidence. Thus the public are being deceived by actions which are contrary to previous statements.

A review of the developments which have taken place in recent years shows how we have been misled. Before the outbreak of the war, our self-governing status was loudly proclaimed and the Prime Minister did not scruple to say that we had nothing to do with foreign wars. But in 1938 war clouds were gathering in Europe and we learned long afterwards, in a speech delivered by the Prime Minister at Prince Albert, in 1941, that if England had gone to war he would have favoured our entry into the struggle. This is a peculiar sort of self government. We go to war when England goes to war; when she refrains, we also refrain.

Last May, 1944, the Prime Minister said before the British parliament in London that "we had entered the war of our own free will and not as the result of a formal obligation." But on September 1, 1939, two days before England declared war, the Prime Minister stated that in the event Great Britain went to war to fight aggression, the government had already decided to request parliament for authority to cooperate closely with Great Britain. We are free, declared the Prime Minister, but each time England decides to go to war, we go to war. A peculiar freedom.

In other words, the Prime Minister endorses the principle of self government in his statements and imperialistic tendencies in his acts.

During the special session of September, 1939, when I opposed participation in the war, I said: "If we approve participation, it will lead us to conscription, if the war lasts long enough." Mr. Lapointe replied that those who, notwithstanding his statements against conscription, claimed that conscription would be passed, sowed the seed of disunity. Unfortunately, my predictions have materialized. Conscription is in our statutes and it is being implemented.

The government proceeded step by step, ending up with this order in council. According to the statements made by members of the government during the general election of 1940, our participation was to be moderate, but it has now become an all-out affair.

The mobilization act, passed in June 1940, which was intended specifically for the defence of Canada in Canada only, has become, following the passage of bill 80, a conscription measure for overseas service and it has been used to blackmail and intimidate N.R.M.A. men into enlisting for overseas service.

Although they had been trained for the defence of Canada within Canada, the N.R.M.A. men, or should I say the conscripts, found themselves overnight, following the passage of bill 80 in 1942, subject to overseas service. However, in governmental circles, it was still claimed that we were operating under the voluntary system. Some voluntary system! It was conscription camouflaged in various ways such as the unfair persecutions of men who refused to volunteer for overseas service, as it was frequently proved to this house. But the Minister of National Defence replied that he did not intend to interfere with the methods of recruiting for overseas service. Moreover, he was forced to admit that called-up men were meant to be used as reinforcements overseas.

As recently as November 8 last, in a broadcast, the Prime Minister, after stating "that he was now sure that there was no longer any need for men for home defence" added: "We shall continue to call up young men as soon as they have reached military age, for training and compulsory service." However, the members of the government were still repeating that the voluntary system was in force.

Why, therefore, draft these men who are not needed for home defence unless it be exclusively for overseas service? If they had wanted to enlist voluntarily, they need not have been conscripted.

I thought that quibbling would at last be abandoned after the passing of the order in council of November 23 ordering the dispatch overseas of 16,000 men drafted under the National Resources Mobilization Act, 1940. But no, the Minister of Justice in a statement to the press again resorts to quibbling. "The

order in council," he said, "authorizes the dispatch to Europe of 16,000 men drafted under the N.R.M. Act if a sufficient number of volunteers, from among those draftees or from elsewhere, should there remain any elsewhere, who are well enough trained do not come forward in time to be included in the new detachments about to leave". Such a statement is liable to mislead the public.

In the first place, the order in council not only authorizes but orders, let no one forget it, the dispatch of 16,000 men drafted under the N.R.M. Act. It is not stated therein "if a sufficient number of volunteers do not come forward"; the word "if" is not used, it is purely and simply an order to dispatch them overseas. Moreover, those 16,000 men are recruited among draftees. There cannot be any talk about volunteers. According to the Oxford dictionary, a volunteer is "a person who voluntarily enters military service". Now, all those who have been called for training under the N.R.M. Act of 1940 are conscripts.

The impression is given that they will be asked, before they leave, to sign as volunteers. What a joke! They are already conscripted for overseas service. The order to dispatch them has been issued.

It is just as if, before the execution of a man sentenced to die, one asked him if he were willing to put the rope around his own neck.

I beg the government to be frank enough to call a spade a spade. They have labelled the conscription measure a mobilization act. Conscripts have been termed recruits, and conscription is now being described as conditional voluntary service.

Let us put an end to this quibbling and dodging, if we would not have the people lose all trust in public men.

The Prime Minister spoke of a cabinet crisis. Another will develop, one far more baneful to the country, the confidence crisis which the Prime Minister has been nursing along these past few years through his deceitful attitudes, at one time equivocal, at another time inconsistent. In a speech I made on June 18th, 1942, I warned the government against such a crisis, which was already being felt. It has been intensified and the action taken by the government in passing the order in council of November 23rd but adds fuel to the fire.

Why should conscription be applied more strictly by the direct method now in use? Is it to increase a war effort which has already reached exaggerated proportions? Anyone computing our contribution can assert that our war effort, in terms of our population and resources, surpasses that of any of our allies. So the Prime Minister has stated over and over again with great pride. In financial sacrifices, we are second to none, as I have indicated to the house by means of comparative tables which have never been disproved. Besides, they were based on official figures.

Alone among British dominions, alone among the allies, we have presented England with billion dollar gifts. Yet, we have no material interests to defend in the war.

The losses we have sustained in manpower, in terms of our population, are no less than those of any of our allies. Still we pay the price for the mistakes of others who brought about the war. Our soldiers have been sent to every battlefield—they have been at Hong-Kong, at Dieppe, in Africa, in Italy, in India, et cetera—in short, wherever a battle has been fought, and yet it is not considered enough.

If we must resort to conscription to supply the army with reinforcements, it means that too much is asked of Canadian troops. A country with a population of eleven and a half million cannot play the part of world policeman. It is high time we realized this and limited our front-line activity rather than consider conscription. Strange to see, the government resorts to this measure at a time when the other British dominions who have a greater stake in this war than our own not only have refrained from resorting to conscription for overseas service but have decided to reduce the strength of their armed forces.

No reason was overlooked in order to justify our participation in this war on an exaggerated scale; the loftiest of humanitarian motives were appealed to; we were told that we were defending freedom, civilization, small nations, et cetera, et cetera—

The facts speak for themselves.

We declared war against Germany because England had done so, and because Poland had been invaded. However, barely a fortnight later, we witnessed unmoved the invasion of that country by Russia. Three months later, on November 30, 1939, we witnessed the dastardly attack against Finland by Russia. Later on, in June, 1940, the Baltic states, Lithuania, Latvia and Esthonia, were in turn invaded by Russia, despite a pact of mutual assistance dated October 10, 1939, between the U.S.S.R. and these Baltic states. About the same time, Russia annexed Bessarabia which she had taken away from Rumania. Those are facts.

In conclusion, Germany invades Poland and we go to war against her. Russia violates the boundaries of six countries, including Poland,

but instead of fighting her, we welcome her as an ally and extend our help to her. That is another inconsistency which gives us grounds to question the alleged motives of our participation in the present war, and which is not calculated to enhance confidence in public men.

The latest action of the government will increase the disunion which already exists. A nation has the right to compel its citizens to fight for its defence but not for the defence of other countries, especially when that nation has already accomplished a war effort of such magnitude.

Confederation was based on two fundamental principles: provincial autonomy and respect for the rights of minorities, and from a national standpoint, autonomy of Canada with regard to England.

Who are those who threaten national unity? They are the people who think as imperialists rather than as Canadians. I do not hesitate to say that in Canada there is but one way of fostering national unity, and it is to act as Canadians. Before closing, I wish to voice a thought which I have already expressed in this house.

Canadians of French extraction are first of all Canadians; they are devoted to their country, Canada, and they want to develop it in harmony and peace with Canadians of other racial origin. They do not like war but, as history shows, they do not fear it when their territory has to be defended. They object, however, to being compelled to defend other people's territory by bringing ruin on themselves.

Too often has the Prime Minister resorted to the argument in favour of national unity, to find justification now in asking for a vote of confidence on a policy most likely to destroy that unity.

Mr. W. E. HARRIS (Grey-Bruce): Mr. Speaker, it was not originally my intention to take part in this debate, but some remarks made by the leader of the opposition (Mr. Graydon) and by the leader of the C.C.F. group (Mr. Coldwell) have caused me to change my mind.

Before proceeding further, however, I should like to pay my compliments to the hon. member for London (Mr. Johnston) upon his maiden effort yesterday. It is a measure of his service to Canada that, having been a member of the House of Commons for four and a half years, this has been his first opportunity to address the house. I for one believe that his effort was one of such distinction as to equal his war record.

May I also make a few remarks respecting the address to-night of the hon. member for Richelieu-Verchères (Mr. Cardin). All of us envy his manifest talents, and we know that those talents have been and will be used in his own province to uphold the honour and dignity of the House of Commons. But there is one thing I should like to say, something which affects me rather closely.

The hon. member did say—and I regret it, and with respect must disagree—that soldiers overseas as a whole do not or may not understand what they are fighting for. There are many things I am not sure of in this world; but there is one thing of which I am sure, and that is that there are not any soldiers overseas who do not understand what they are fighting for.

When the order in council was passed and made public last week I had thought there would not be much debate, because the leader of the opposition had appealed to us to eliminate politics. The order in council so firmly and clearly carried out the policy of the government, as I have known it for the past two years, that I therefore considered there would not be much difficulty. To the contrary, however, we now have an amendment, in these words:

> This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice.

This amendment divides itself into three parts, and I believe it is an attempt to combine two ideas, so as to becloud both of them.

It says, first of all, that we have failed to provide trained and adequate reinforcements by requiring certain actions in respect of N.R.M.A. personnel. It is true that the order in council does not require certain services of N.R.M.A. personnel, but it is not true to say that this government has not provided adequate and trained reinforcements.

On that point I should like to digress, and give my own experiences overseas as an illustration. In England there is a reinforcement unit for all arms of the service. I speak particularly of the Canadian Armoured Corps. Many months ago, before we went into action, the reinforcement unit would have only a few men in it; officers and men would come to me and say, "The reinforcement unit is empty; why do we not have conscription?" I would counsel patience and very shortly another ship would come from Canada, with the result that the reinforcement unit would be filled. As the recruits received their additional train-

ing and went forward to the field units, the reinforcement unit would become depleted and we would have the same scene reenacted by the same officers and the same men. There would be the same gloomy outlook and then another ship would arrive to fill the reinforcement unit. No matter how often that happened, they just could not believe that it would happen again next month.

To some extent that is the situation which I have found in this house on the two or three occasions that I have been here. It seems that the opposition and a section of the press have created at regular intervals a thought in the minds of some of the public that all was lost, that the future was black and that nothing would do but that this government, powerful though it may be, should give way to another government of an indefinite and, may I say, dubious origin. When these so-called crises are over, I often wonder what they were all about. This government, aided by the united efforts of the Canadian people, has gone forward in its own way and produced a war effort second to none in the world. Perhaps the opposition members are a bit like my friends overseas, they just will not believe the evidence of their own senses.

However, there is a significant difference between this amendment to our motion and amendments moved in the past, as referred to yesterday by the hon. member for London (Mr. Johnston). As he said, those amendments provided for national selective service which could mean different things to different men. This amendment makes no reference to that subject; it speaks only of N.R.M.A. personnel. I am wondering if national selective service has been thrown overboard by the official opposition as they have so many times thrown overboard other platforms, programmes and leaders.

There is another feature of the amendment about which I should like to speak, namely, the reference to the government failing to assure equality of service and sacrifice. I must apologize if I have not heard my hon. friends' explanations in bygone times as to just what that phrase means, but my own experience has been that there is no system which will provide for equality of sacrifice. The best of us is always the most daring; the best will always go forward recklessly. He will take additional risks for the sake of his comrades and nothing will make him act any differently.

Reference is made also to equality of service. For many reasons that may sound good, but I do not know of any system which will provide for equality of service. Service is best given by the man who wishes to give it, and any job is best done by the man who wants to do that job. I am not suggesting that the N.R.M.A. personnel would not make good soldiers; they will; but I repeat that we want initiative; we want enterprise; we want every man doing the job that his heart and soul is in.

Reference is made also to adequate and trained reinforcements. During the past few days I have heard the Minister of National Defence, Mr. McNaughton, say that 16,000 draftees are all that he requires for the present emergency. The hon. member for Prince (Mr. Ralston) will correct me if I am wrong when I say that he recommended some 15,000 men a short while ago. When both those gentlemen are in substantial agreement I am prepared to reject the amendment which says that we have not provided trained and adequate reinforcements. I hope the house will forgive me for referring to something I said about two years ago about the present Minister of National Defence and the former Minister of National Defence. I was speaking about the Canadian army and its probable use in the future and I said:

> It will be led by young officers who, with their troops, have been trained for that day by one of the greatest soldiers of the British empire. More than that our army had been planned and equipped by one of the ministers of this government who knows what an army ought to be and has created it accordingly.

I am glad that both these gentlemen have given the house and the country the benefit of their wisdom and experience. I do not know of any other two men who are held in such high regard with respect to the planning and use of the Canadian Army. As I say, when they are in substantial agreement I feel completely safe in adopting their opinion.

I should like to say something about reinforcements as I understood them overseas. We in the armoured corps never had any difficulty about reinforcements. In Normandy trained reinforcements in sufficient numbers were available at all times and in all places. I understand that since July 25—prior to that I can speak from personal knowledge—there has been no shortage, nor has there been any shortage anywhere except with respect to infantry. That shortage does not exist to-day, but it is said it will exist in the immediate future and for that reason this government has met the emergency, I believe, to the satisfaction of this country.

I have heard it said many times in the past that with one good battle there would not be reinforcements enough for the Canadian Army.

We fought a good many battles; the Canadian Army stood up to its losses; they beat the Germans and they will continue to do so.

I should like to speak for a moment about the most persistent campaign which has been waged with respect to trained personnel or, in the words of the people I refer to, untrained personnel, that have been sent abroad. This campaign has been directed to the next-of-kin of our soldiers, the intention being to discredit this government by saying that soldiers now fighting in the Canadian Army have not had a fair chance, were not sufficiently trained for the occasion.

I do not know of a commander in the Canadian Army who would take the responsibility of sending untrained men into battle. Every reinforcement unit commander is personally responsible for seeing that every man who leaves the unit has been adequately trained. This campaign of misrepresentation is to my mind explained to some extent by the attitude which was displayed in this house last week by the official opposition. They came here on Wednesday, and the look on their faces plainly showed that they meant and expected to enjoy this session of parliament. The look on their faces belied entirely the expressed desire of their leader that they should eschew politics. With an expressed desire that there be no politics, that the sole purpose was to provide reinforcements for the men overseas, one would have thought that under those circumstances they would have applauded the announcement that this government was going to send reinforcements. But instead, the announcement in this house was received by them in silence. I think one hon. member said something about surrender.

May I refer for a moment to the campaign which was waged at least in the province of Ontario, attempting to show that the home defence army was a problem that pertained almost exclusively to the province of Quebec. Surely the publication of the figures that 15,000 of the home defence army are from Ontario and 22,000 from Quebec shows clearly that it is not exclusively a Quebec problem. There was one feature of this campaign that was particularly discreditable. In the province of Quebec there are many wives, mothers and sweethearts who are daily awaiting mail from their loved ones abroad just as eagerly as those in the other provinces, and just as anxiously fearing a telegram from national defence headquarters. I had the honour to serve in Normandy alongside French-Canadian units, and I want to tell the house that they served just as courageously, just as stubbornly and just as effectively as we did. I would have thought that when I got back to this country Canadians would have been showing publicly our respect and admiration for the French Canadians, but on the contrary, I found a campaign being conducted which could only add to the burdens of their next-of-kin in the province of Quebec by deriding that province for the very considerable effort it has made in the Canadian armed forces.

With respect to the voluntary system of enlistments, I was astonished at the suggestion that this government had made a change of face. I never doubted at any time that the first and foremost intention of this government was to reinforce our army whenever reinforcements were necessary, and this is the first time since the war began that any responsible person has suggested that we needed to use any other method of obtaining reinforcements than the voluntary system. This government has provided reinforcements by a different method with a minimum of delay. It is true that the Prime Minister did everything he could to make the voluntary system work, and I doubt if we can hold that against him. I for one do not. It is also my opinion that we should not hold against him the fact that we are at present dispatching only 16,000 draftees overseas, because that is all that are required in the present emergency.

Something has been said in the house as to the necessity of equality of conditions. Personally I favour the voluntary system and want it encouraged and continued. I understand that as a result of the efforts of the Minister of National War Services (Mr. LaFleche) some 500 French-Canadian draftees have enlisted for active service. All I can say in my own riding is that if the province of Ontario will do likewise we shall have a very good army. I understand also that whereas three weeks ago our weekly enlistments from the home defence army were at the rate of 170 they have now reached over 800, and I hope that keeps up. I would much prefer, and I know that the men overseas would much prefer, that every soldier reaching France and Italy would come as a volunteer, and I would not agree to any system which would take away from the present draftee or young man reaching military age the right to volunteer to serve this country.

The leader of the C.C.F. group suggested in his remarks that we had three or four armies. I am sorry, but I cannot understand that. It seems to me that there are but two. First, we have the general service men who are liable to serve in any theatre of war any-

where. Second, we have all the N.R.M.A. men, who are liable for service in Canada and in the European theatres of war. In Canada there are something like 60,000 draftees and a number of thousands of general service men. Among the general service men there are a good many who, because of their age or medical category or ability, are not fit for the front line. Let us be realistic and not send them. There is no use in depriving these men of the amenities of home by sending them abroad, because they would only add to the burden of maintaining our army overseas, which in my opinion should consist of the largest number of fighting personnel and the smallest number of administrative personnel consonant with efficiency. Similarly among the 60,000 draftees there will be a good many who for the same reasons cannot at any time be sent to the front line. For that reason the order in council, as I understand it, provided that the Minister of National Defence should have the right of selection, and I know his first choice will be to send abroad the best trained and the best fitted men to fight in the front line.

To come to the main motion before the house, it is, as defined by the Prime Minister, a vote of confidence that he is asking, based solely on a vigorous war programme. He has expressly limited the motion to that interpretation. In so doing I think he has done less than justice to himself. He has deprived himself of a very considerable advantage by excluding a vote of the great confidence which this house enjoys in his known ability, in his advanced social programme and the extensive and generous treatment that he is giving to wounded and discharged servicemen. But those considerations having been excluded there remains but one question before us: Has this government met the wishes of the Canadian people in the past and in this present emergency in such a way as to be acceptable to them? I defy any member of the opposition to say that any other government could have done better than this government has done in the past four-and-a-half or five years. I will go farther and say that in no other democratic country engaged in this war has any government received so little substantial criticism as has this government. It must be obvious, from what has been said in this house to-night and from the antagonisms which have been arising in the country during the past two or three weeks, that no party could carry on government in this country unless it were truly representative of all sections of our people; and, Mr. Speaker, I say that there is no government which has done so much as this one in the past and is doing so much at present to represent all sections of this country and to smooth the way between the two great racial groups in Canada, to provide an adequate social programme for the future, and to compose the economic differences between our different groups. For that reason it seems to me it would be fatal to assume that any other government could carry on at this time. This government and this government alone is capable of keeping the Canadian people united behind a maximum and effective war effort, and that to me is the deciding factor to-night. Therefore, Mr. Speaker, I am going to vote against all the amendments and for the main motion.

Mr. G. K. FRASER (Peterborough West): First of all I wish to pay my respects to the hon. gentleman who has just taken his seat. I understand that he has been at the front and has been wounded. But the hon. member for Grey-Bruce (Mr. Harris) has without a doubt tried his very best to befuddle the issue that is before the house at the present time. He has absolutely befuddled the issue.

Some hon. MEMBERS: Oh, oh.

Mr. FRASER (Peterborough West): You can laugh as much as you like, you on the government benches—

An hon. MEMBER: Do not get excited.

Mr. FRASER (Peterborough West): I am not getting excited, but what did the hon. gentleman say? He said there were plenty of reinforcements overseas, but he was speaking only of the armoured units. That is all he was speaking about; that is all he said. That is all he knew about; that is the only unit he was in. But that is not the issue at stake to-day. What we are here for in this sitting is to try to get infantry reinforcements for our boys overseas as quickly as possible. They should have been there two or three months ago, and a returned man rises in his place and says we have plenty of reinforcements. He mentioned the fact that the former Minister of National Defence (Mr. Ralston) asked for only 15,000 men. Let the hon. member not go out of the chamber; I want to tell him where he is wrong. Fifteen thousand men; that is all the former minister asked for. Yes; but he asked for those immediately, and he is surprised that they have not already been sent overseas. But the hon. gentleman mentions 16,000 men who are in this order in council and, as we were told in the house, the 16,000 men are supposed to last until May of next year.

An hon. MEMBER: No.

Mr. FRASER (Peterborough West): Yes; that is true. Sixteen thousand; that is what the order in council said; that is what you were told right here on the floor of the house.

An hon. MEMBER: Address the Chair.

Mr. FRASER (Peterborough West): You come out of your tunnel and you will be all right. All you have done is sit in your chair throughout this session and last session and make a noise. The hon. member said there were plenty of reserves overseas. Well, we had General McNaughton on this floor and he said there were not plenty of reserves overseas for our forces. We had the former minister of national defence on the floor and he said there were not enough infantry reinforcements there. You had your own Prime Minister say the same thing, and he is right at your shoulder now. Yet you belie his own words; you absolutely belie his words.

Mr. GARDINER: You missed part of the speech; he said the same thing.

Mr. FRASER (Peterborough West): The Minister of Agriculture can get up and make a speech afterwards. The hon. member also mentioned the faces of the opposition when he came into the house; he said there were smiles on those faces. Well, there were smiles on those faces and I will tell you why. Members of the opposition have been very much concerned over the condition of things as they are overseas and have been doing their very best to try to cover up their feelings, and I do not think any member of this house has any right to rise in his place and try to belittle a person because once in a while there is a smile on his face. The hon. member also took exception to the fact that the opposition said there were two armies. There are two armies and there always will be as long as this government is in power. The order in council takes just 16,000 of the 68,000 or 70,000 of the N.R.M.A., and it still leaves two armies. Some people say there are four armies, but I will not go into that at the present time.

The hon. member also praises the present government. He said that no government could have done better in the war effort than this one. All I can say to him is that no government could have done worse. I can say this, however, and I will say it in all fairness to the people of Canada. Canada has done wonderfully well in this war—not the government; the government has not done it. In spite of the government Canada has done a good job.

In 1942 we were told that if this government ever had a change of heart in regard to the sending of men overseas parliament would be called together and there would be a vote and no debate. We were called together, and the first thing we had was a speech by the Prime Minister, a speech that will go down in history—

An hon. MEMBER: Hear, hear.

Mr. FRASER (Peterborough West): You say, "hear, hear". Yes; it will go down in history as the swan song of the Liberal government. It was a speech which the boys overseas will wonder at, a speech which the boys in the fighting fronts will wonder at. I will not say they are wondering what they are fighting for, but they will wonder what kind of government we have here at home. That speech must have been a humdinger. I heard it and it was like the speech of the hon. member for Grey-Bruce, a rather befuddling speech. The Prime Minister, through the wartime information board, had 87,000 copies printed, and an official of the board said that the speech was regarded as factual and non-political, making public a considerable number of facts and figures which had not been known. The former Minister of National Defence certainly showed that it was not factual, that the whole set-up of the Prime Minister was absolutely out of line and not just according to the facts.

I wonder what the director of salvage would say to the Prime Minister of the country for issuing 87,000 of these booklets. I have one of them here. They were sent out to schools and to different organizations. Now, the salvage organization pleads with the people to save paper because it is needed for shells and bombs, but the Prime Minister does not practise what his different organizations try to preach.

With reference to reserves overseas, I am going to read an extract from a letter, not written this year but dated December, 1943. The hon. member over there said that all troops were sent over thoroughly trained.

Mr. MITCHELL: Did you say 1917?

Mr. FRASER (Peterborough West): No; 1943.

Mr. MITCHELL: I was wondering where you were in 1917.

An hon. MEMBER: He was not even a zombie.

Mr. FRASER (Peterborough West): No, I was not a zombie in 1917. This is from a major of the Canadian army now invalided home:

The class of men we get as reinforcements are pitiable. Some of them have been in our branch of the service for three years and we have to teach them gun drill in the front line. The system of training over there must be all wrong, or the people responsible slacking on their job or lamentably ignorant of what a soldier should know. It is rather unfair to expect us to train them here under fire; certainly unfair to the men, and they are a good type of men, too.

Then he goes on:

We have had a terrible struggle to capture Ortona, in my opinion the toughest the Canadians have ever experienced.

That man has been invalided home and will never be able to walk again.

The speech of the former Minister of National Defence showed exactly what kind of man the Prime Minister is. When the Prime Minister heard that the fathers, mothers, widows, wives and children of the men fighting overseas were demanding that help be sent to their sons, husbands, fathers and friends, then and then only did he have a right-about-face, and he had that only when his members told him that they would not have one chance in the world of ever getting elected unless he did have a right-about-face. A chameleon changes colour to correspond with his surroundings; the Prime Minister of Canada changes his face. The Prime Minister watches to see the way the wind is blowing and then he tries to blow the easiest way.

We must have support for our men overseas and we must have it at once. The powers-that-be seem to have a different idea about sending the N.R.M.A. men overseas. I shall not go into the order in council because I have not the time, but we need the men at once to support our troops overseas. There are men over there who have been in hospital not three times but many times. There are men listed on the casualty lists as being wounded and in hospital who, when the lists have been checked, have never been wounded at all. They have been put in hospital because they were absolutely exhausted. I know of one man who was marked down as wounded, but he was in hospital from sheer exhaustion because he went through eleven days and nights without sleep and proper food. They had two days' food for eleven days. They were going so fast they could not be caught up with. That was the time they needed reserves.

There is no reason under the sun why we should fool ourselves in thinking that this war will be over soon. We have to remember that our men and our allies are getting into German territory, and the closer they get to that territory and the farther they get into it the harder the Germans are going to fight. They know that at this time there will be no armistice; it will be unconditional surrender and you can rest assured that the Germans will fight to the very last ditch. Our infantrymen are fighting at the present time without any rest or let-up. Just the other day I obtained this casualty list which I hold in my hand, and on it I read the names of two Peterborough boys, one Roy Moore, 43 Frank street, Peterborough, and the other his brother, Edward Moore, at the same address. That is a common occurrence in casualty lists to-day. We find one, two, three or more boys of a family wounded and perhaps two or more wiped out. I have kept track of the casualties in the Peterborough area. I have a book here giving the names in alphabetical order. The pages of that book have been practically filled since June; some of the men are wounded, some missing and some killed, and some seriously wounded. When you see a casualty list like that it is all the more reason why we should get support for these men who are fighting for us.

I have here an extract from a letter of an intelligence officer. I have the letter on my desk upstairs. I shall read only part of it, as follows:

If the people only knew how true Connie Smythe's charges were I'm inclined to think that the pot would soon boil over.

I may say right here that the pot has boiled over.

The section that I am with covers the reinforcement units, and having covered that area for more than a year now, I am in a position to know something about what Smythe was talking about. And you can imagine the effect it is having on the boys, knowing they are playing politics back home and the situation so critical here.

By that he meant the King government. The men overseas are doing a wonderful job. One reason why I am very much interested in seeing that support is sent over is that I have here a list of the men in the Canadian army overseas from Peterborough city only. The list covers thirty-three pages up to January of last year of men from Peterborough only, not counting the county. Canada has an obligation to these boys. Some of them are dead, passed to the great beyond, having sacrificed all for their country. We have an obligation to all the boys overseas and to their wives, children, fathers, mothers and relatives. We cannot let them down.

I have received letters and telephone calls saying that the Prime Minister, in not wishing to support our boys overseas, must have a very cold heart. I will not say he is cold-blooded, and I shall tell you why. Last summer when the temperature was running

around 98, 100 and 105 degrees in the House of Commons chamber the Prime Minister came into this house on one occasion, wearing a tweed suit and vest, when every hon. member was fanning himself trying to keep cool. One day one of the hon. members said: "How can he wear a vest in this weather?" And another hon. member a short distance away said: "It is quite understandable; that man could not have red blood in his veins, he must have ice water."

Mr. MITCHELL: There is a limit to this, Mr. Speaker. Let me make this observation to my hon. friend: I do not remember his name being mentioned in the dispatches in the last war.

Mr. FRASER: (Peterborough West): No; it was never mentioned in the dispatches in the last war; neither was the Prime Minister's.

Mr. CRUICKSHANK: He was doing something.

Mr. FRASER (Peterborough West): I am just telling you the story people across this country are telling at the present time.

Mr. MITCHELL: You are the same age as myself; what were you doing in 1917? I should like to know if what I say is true.

Mr. FRASER (Peterborough West): Just keep on talking. We have in hospitals overseas some of those men who fought at Dieppe. I know of two brothers who fought together there, and came through safely. Then they went to France. One was killed before his brother's eyes, and only a few weeks later the other was wounded. Another brother was in Italy, and he is missing. One family in my district has five boys overseas already; one still remains in Canada, but he has signed to go overseas.

An hon. MEMBER: Have you lost your place?

Mr. FRASER (Peterborough West): No, I have not lost my place; I am watching the time, because I want to make this as short as possible. Both in this house and outside the question has been asked, why are the people of the rest of Canada so bitter against the French Canadians.

Mr. HOWE: They are not.

Mr. FRASER (Peterborough West): That is perfectly correct; they are not bitter against the French Canadians, but they are bitter against the Prime Minister and his government which has played favourites with the French Canadians.

Mr. CHEVRIER: That is not so.

[Mr. G. K. Fraser.]

Mr. FRASER (Peterborough West): That is so. Only this session in this house I had occasion to ask why in Quebec creameries were allowed to collect cream every other day—

Mr. CRUICKSHANK: For goodness' sake get on with the war.

Mr. FRASER (Peterborough West):—while in Ontario they were allowed to collect cream only once every four days.

Mr. DORION: It is the same in Quebec.

Mr. FRASER (Peterborough West): It is not.

Mr. DORION: It has always been the same.

Mr. FRASER (Peterborough West): Not according to the wartime prices and trade board. There are many other similar instances I could mention, but I am not going into them to-night. That matter has been brought up, however, and I wanted to answer it. The Prime Minister and his government are to blame for any disunity that exists in this country.

I intend to vote for the amendment offered by my party. We ask for no favouritism toward anyone; that all be treated alike; that all be given the same chance, no matter who or what they are. It should be all for one and one for all immediately. We must give our fighting forces support, and continued support. The Minister of Labour (Mr. Mitchell) has chipped in a number of times, but at this time I do not think it is right to play politics. This is a time for action. Men should be on their way overseas right now, but General McNaughton said that help would not get over there until late in January.

In conclusion, let me say that I am not going to vote for the main motion, after hearing the Prime Minister's speech, in which he said he did not know the conditions overseas; after hearing him blame somebody else for his own neglect; after listening to the speech of the hon. member for Prince (Mr. Ralston), and after the secret session. All these things convince me that it is not right to vote for the motion. I am more than ever convinced that the boys overseas need help, and need it right away. If this government cannot conduct an all-out war effort instead of party action, as they have been doing or attempting to do, then I say it is time to change governments. The Prime Minister says there will be anarchy in this land if there is a change of government I doubt that very much. I have faith in the Canadian people, even if the Prime Minister has not.

Mr. F. G. HOBLITZELL (Eglinton): Mr. Speaker, the inevitable has happened. The time of reckoning was bound to come, and it is already upon the doorstep of this government. In my opinion this is the result of not having an honest man-power policy from the very start of this war. To me, as to many others, it is the result of political promises made by all parties. At the very outset of the war we were told what a terrible conflict lay ahead. Promises were made that we would never have conscription. Those promises should not have been made. I have never hesitated to tell the members of this house and the people of Canada just what my views were. I set forth those views very clearly during my election campaign, during the debate on the plebiscite, and during the debate on bill 80. I would refer hon. members to pages 300 and 301 of *Hansard* for February 3, 1942; to page 725 of *Hansard* for February 19, 1942; to pages 3961, 3962 and 3963 of *Hansard* for July 6, 1942, when I spoke in support of bill 80. At all times in expressing my views on conscription I have been mindful of the position in which hon. members from the province of Quebec found themselves. In this connection I call to the attention of the government the courageous statement made by the hon. member for Bellechasse (Mr. Picard) as it appears in *Hansard* for June 24, 1942, at page 3671:

> If they had talked of Canadian interests in the war, they might have been able to convince the French Canadians to accept a compulsory measure at this time; but not having contributed to bring that about, I do not think the government can expect its supporters from the province of Quebec to go back to our people now and attempt to convince them overnight that conscription for overseas service had become a matter of life or death for Canada. I would be willing to risk myself in such an effort if I had received any help before. But I cannot do it in a week. You cannot all of a sudden, overnight as it were, change the lifelong sentiments of a people.

There, Mr. Speaker, was a frank request for a little help and assistance in order that the hon. member might clearly outline to his people the policy of the government. I wonder what help and assistance, if any, he and the other hon. members from that province received. We are asked to support a motion which is in effect a vote of confidence. We are told that the fact that this order in council has been passed and is in effect has nothing to do with the vote of confidence; apparently we are going to accept this order in council, along with many thousands of others, for what it is worth. It is to be regretted that we, as the elected representatives of the people of Canada, were denied the privilege of expressing our views on this measure by a vote in this house. Only when the government does accept the will of the majority of the elected members can democracy in its true form prevail. However, we are told that we shall have to support the government's policy—or else! I wonder just where is that true form of democracy which we often speak of and for which we are fighting. Yet, Mr. Speaker, may I point out that the wording of this resolution is almost the same as that given by the government in the British House of Commons, through the motion of Mr. Attlee on June 27, 1942. That was a vote of confidence by all parties to carry on their coalition government and not along partisan lines.

The last few days we have listened to some startling evidence, and I for one, have no hesitancy in stating my confidence in the former minister of national defence (Mr. Ralston). His great anxiety at all times has been to make sure that the boys in the service receive ample reinforcements. I have heard him speak often in this house, and I am sure all members will agree as to his fine qualities and above all his sincerity. Why, then, was this order in council not given to the former minister of national defence? We heard the evidence that this was all he was asking, for the present. Then, may I ask, what was it that changed the government's decision?

I may say, Mr. Speaker, that I am in full accord as to the purpose of the amendment to the main motion, and would have supported it. However, after hearing the grave situation as outlined by the former minister of national defence, I consider that the real issue before the house at this time is to see that reinforcements are sent overseas without further delay. I feel it my duty also to put aside any personal views and differences in this regard and to express the same views as the former minister has done. I will therefore vote for the main motion, but I want to make it very clear that I am doing so not as a party supporter but as a duty I owe to Canada and the fighting forces who are fighting for that love of freedom and way of living which is so dear to us all.

Canada's part in this war has been greatly to the credit of the Canadian people. The discreditable part has been in party politics. What the great majority of the people of Canada want is action—and action at once.

Ever since the last war I have felt that conscription was the only fair way of mobilizing man-power. I know there have always been two different views on conscription, and I would like to close my remarks by quoting from what Abraham Lincoln said:

Voluntarism is the unprincipled dodge of cowardly politicians. It has ground up the choicest seed of the nation. It has consumed the young, the generous, the patriotic, the intelligent, and the brave, and it has wasted the best moral, social and political elements of the republic, and left the cowards, the shirkers and the moneymakers to stay at home and procreate their kind.

Mr. EMMANUEL d'ANJOU (Rimouski) (Translation): Mr Speaker, the masks have been thrown off, the betrayal has been consummated. After Mr. Godbout, the Minister of Justice (Mr. St. Laurent), the hon. member for Quebec East, declared, a few days ago, that the province of Quebec would consider herself betrayed if conscription for military service overseas were forced upon the country.

Indeed, Mr. Godbout stated at one time that it would be a crime, a betrayal, if the government imposed conscription for overseas service, and he added that he would resign if a single Canadian was sent overseas against his will.

Mr. Godbout was surely convinced that the Prime Minister of Canada would not make the unbelievable about-face of November 23, 1944.

The order in council implementing conscription in all its rigour—and I could add in all its hideousness—is the logical and unavoidable conclusion of the result of the plebiscite of April 27, 1942.

Eight provinces voted "yes" by a tremendous majority, while my province, the province of Quebec, replied emphatically "no" to the government which requested to be relieved from its pledge never to impose conscription for service on foreign soil. Therefore, the government has no mandate to impose conscription upon the province of Quebec.

The government has promised the province of Quebec that they would never resort to compulsory service for overseas. The Right Hon. the late Ernest Lapointe had declared in the House of Commons that the province of Quebec would never stand for conscription for service outside Canadian territorial boundaries. The same Mr. Ernest Lapointe stated in the House of Commons that the representatives from Quebec in the federal government had agreed to Canada's participation in the present war under one condition: that conscription be never introduced by the present administration. During the debate on the plebiscite bill, I said:

To me, the plebiscite bill is the screen behind which lurks the monstrous features of conscription.

[Mr. Hoblitzel]

Events have proved me right and I shall therefore keep on opposing with all my strength the party and the government who have hatefully and brutally deceived the whole population of Quebec.

When the voters of Rimouski constituency honoured me by sending me to this house as their representative, I have pledged myself, on my honour, to forsake and oppose the Liberal party if they did not stand by their promise to refrain from enforcing conscription for overseas service. I have kept my promises despite the acts of betrayal and the reversals of policy of the present Liberal government, and I have crossed the floor of this house to take a seat among the members of the Bloc Populaire Canadien, because that party's platform embodies the ideas and principles for which I have fought since my entrance into public life and to which I intend to remain faithful as long as providence grants me life and the electors of my constituency continue to give me their confidence.

Mr. Speaker, those who advocate conscription, are the war profiteers, the vultures of high finance, who pile up huge fortunes while thousands of young Canadians shed their blood in foreign lands. Those young Canadian soldiers are dying upon the battlefields of Europe and Africa and they are denied the supreme comfort of being buried in the folds of a Canadian flag. Yet, Australia, South Africa and New Zealand have flags of their own, and their soldiers are proud to fight under their own flag and not under the banner of another country. If Canada has no flag of its own, the sole responsibility for that fact rests upon the Canadian government.

During twenty-five years the Liberal party has declared its absolute and irrevocable opposition to conscription for service overseas.

In the electoral campaign of March, 1940, that same Liberal party renewed its pledge never to enact compulsory military service for overseas. The Liberal party has broken all its pledges and broken its most solemn promises.

The citizens of Canada have been deceived, they have been betrayed, and elementary justice commands that they punish those unscrupulous politicians who have been unfaithful to them, who brazenly deceived them and betrayed their confidence.

Mr. Speaker, I have been, I am now and shall remain opposed to conscription. I shall therefore have no hesitation in voting against the motion of the government leader, knowing

that I shall fulfil my duty to my electors, my race, my province and my country Canada, which I love above all and which, I hope, will become independent in the near future.

On motion of Mr. Mayhew the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 10.45 p.m.

Friday, December 1, 1944

The house met at three o'clock.

POST-WAR CIVIL AVIATION

INTERNATIONAL CONFERENCE AT CHICAGO—PRESS REPORTS AS TO POSITION WITH RESPECT TO FREEDOM OF THE AIR

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I desire to ask a question of the Minister of Munitions and Supply. To-day's press carry dispatches from Chicago stating that Anglo-American delegates to the international civil aviation conference have agreed to disagree on the main issue of freedom of the air. I should be glad if the Minister of Munitions and Supply, under whose jurisdiction these matters lie, would give a report to the house with respect to the conference, and at the same time indicate Canada's position now in view of the alleged failure of the conference to reach complete agreement.

Hon. C. D. HOWE (Minister of Munitions and Supply): I regret to say that I was unable to attend the later sittings of the air conference in Chicago on account of the sitting of this house. The protracted session has made it impossible for me to return to the conference, therefore I am not familiar with the position at this moment. I shall be unable to answer my hon. friend's question until the delegates return and make a report and until I am able to understand the nature of the proceedings.

Mr. GRAYDON: Will the minister give some undertaking that if the delegation returns before the house rises some report will be given along the lines that I have suggested?

Mr. HOWE: I will undertake to give the house a report as soon as a report can be prepared; but I sincerely trust that the house is not going to sit until then. There are many things, in addition to the session of the house, which require the attention of the government.

CANADIAN ARMY (RESERVE)

INQUIRY AS TO FUTURE ACTIVITIES

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I desire to direct a question to the Acting Minister of National Defence, but I do not see him in his seat at the moment. Perhaps some other minister may be able to answer on behalf of the government. It has been brought to my attention on more than one occasion during the last month or so that the situation with respect to Canada's reserve army, formerly known as the non-permanent active militia, is becoming more acute as the days go on. I am told that in some centres the attendance is tapering off and in the minds of both officers and men there is a feeling of uncertainty as to the future of the reserve army. They are awaiting at the moment a full declaration of government policy with respect to the part this army is to play in the future in Canada. The patriotic citizens who are giving much valuable time from their civilian activities to maintain this volunteer citizen army have made an important contribution to our war effort, and I think some clarification of their position is in order. I would therefore ask that the government make a declaration in the matter so that a definite and clear-cut policy will be known to the officers, to the men and to the Canadian public.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before I refer to my hon. friend's question may I say that I am pleased, as we all are on this side of the house, to see him back in his seat to-day. I will bring to the attention of the hon. the Minister of National Defence, Mr. McNaughton, the question my hon. friend has asked, and endeavour to see that an answer from the minister is given to the house on Monday.

THE WAR

POLICY OF THE GOVERNMENT IN MAINTAINING VIGOROUS WAR EFFORT—CONTINUATION OF DEBATE ON MOTION OF THE PRIME MINISTER

The house resumed from Thursday, November 30, consideration of the motion of the Prime Minister (Mr. Mackenzie King) that this house will aid the government in its policy of maintaining a vigorous war effort, and the proposed amendment thereto of Mr. Graydon.

Mr. R. W. MAYHEW (Victoria, B.C.): I think that everyone in this house will be in accord with my first remarks. I am sure that all hon. members noticed in the press this morning that Major Alan Chambers, member for Nanaimo, the county next to the constituency which I have the honour to represent, has won the Distinguished Service Order. He has brought great credit to himself, honour to the country, and honour and distinction to his own constituency as well as my own. I am extremely proud therefore to be able to refer to it at this moment. Further, I have a telegram from Major Chambers which he wishes me to read to the house. He has been in the army for over four years, and has been overseas for two years. He was with the Canadian troops in Sicily and is now serving in northwest Europe, where he has distinguished himself as is evidenced by this citation to-day. Before reading this cable I want to make two observations in connection with it, one as to the place from which it was sent and the other as to the time at which it was sent. He was overseas and therefore was not subject to the many demands that have been made upon the rest of us in this house. Whatever decision he arrived at was his own decision. I should like hon. members also to note the date it was sent. It was written in London on November 18, five days before this session reconvened. His wire is as follows:

Reference special session. Regret military service France prevents attendance. Quote my stand on question remains same as stated my speech Ottawa May fourth, namely when the army requires trained reinforcements they must be available. If the only trained men available are required for battle and will not volunteer they must be sent anyway and sent in time to meet the battle demands.

What I have to say from now on must not be confused with the statement of Major Chambers. Each hon. member of this house must stand on his own feet and do what he thinks best. So, Mr. Speaker, may I now state my own position as clearly as possible.

In 1942 I urged the people of my constituency of Victoria to vote yes on the plebiscite. Further, I voted with the government in support of bill No. 80. Before coming east last January to attend the 1944 session I told my executive that in my opinion the issue of conscription would be before the house before the end of the session. I thought it would be remarkable if Canada were able to undertake an offensive with all her forces, and maintain all her wartime industry, including shipbuilding, the building of planes and all the wastage on the battle line, without a weakness being discovered somewhere. It was on that premise that I told my executive that if the man-power situation was such that reinforcements were demanded and we could not get them under the voluntary system, I would be supporting conscription. That situation has now arisen. We have been told by both the former and the present Minister of National Defence that there is a serious shortage of men in the infantry; therefore I am supporting the order in council, and I support it as I understand it. Having questioned the Minister of National Defence in this house and having listened to his statement, I understand the order and the policy of the government to be that all physically fit men in the N.R.M.A. will be put into training camps and properly trained and conditioned, and that 16,000 will be sent over between now and May 1, 1945, with more to be sent over if and when necessary. If my understanding of the order is not correct I ask to be corrected, because on that understanding I am supporting the resolution of the Prime Minister.

I referred to the 1942 plebiscite and to my support of bill No. 80 to indicate that I have not been a victim of pressure from any source whatever, though one must take into consideration the opinion of the majority of one's constituents. In all this, however, I hear but one voice other than the dictates of my own conscience and the workings of my own mind; that is the voice of Canada's bravest sons calling for help while they are fighting our battle for freedom. In my opinion that help must be forthcoming, regardless of any consequences. I do not blame the government for stopping to consider alternatives in this matter of reinforcements, if there are any, to consider what might be the result in this country, and to count carefully the cost to Canada as a whole before taking this stand. To me that has taken real courage, greater courage than was required by those who faced the same situation in 1917, because we know what happened then and we can perhaps judge more accurately what may happen in the future. I will give this government my full and best support as long as it endeavours in every way possible to get sufficient men overseas to support and relieve those already there. When a man is obliged to leave the fighting front there must be some other equally

reliable and equally well trained man to whom he can throw the torch. I believe the present government can and will do that, and until I think differently I will support it.

I want to emphasize here that I have never been an advocate of limiting our war effort, either as to money, material or man-power. I think perhaps some hon. members will remember a letter which was circulated early in the war, quoting excerpts from a speech I made in my home city, in which I said that Canada should be prepared to give Great Britain anything she wanted that we could give her, and that we should mark the cost on our cuff until the war is over. My position in that regard has not changed. I maintain it, not only in respect of goods or foodstuffs or munitions, but in respect of the supplies of men.

I realize that in taking this position I am intimating that I am not satisfied with the aid that has been given to Great Britain. The fact is that I am quite satisfied; but I think it would have been better for us had we proceeded in another fashion. When we come to settle the cost of sending materials and supplies to Great Britain we must remember the long past, when to so great an extent Canada was dependent upon the mother country for protection and support, and even for financing. We shall have also to consider the present; because this is not Great Britain's war; it is a war of freedom-loving peoples against the oppressors. Therefore our support is not given to Great Britain but rather to ourselves. If we take these two items we find that we almost wipe out any credit balance which might have been placed on our side of the ledger. And if we add to that what is going to happen in the future—our desire to continue trade with Great Britain and our desire that at this time she should have everything she needs in the way of foodstuffs, building materials, and everything else, then I think that whether we wish it or not we would have to write off the balance.

I repeat that I would not have limited our contribution, and that I do not see how we can limit it, when we promised at the beginning of the war that we would go shoulder to shoulder all the way, to the maximum of our materials and man-power, and to the end of the struggle. How, then, can we impose any limitations?

Let me say a word or two about conscription. Much has been made of the point that at heart the Prime Minister (Mr. Mackenzie King) is not one who believes in compulsion, and that General McNaughton, who has taken over the portfolio of national defence, is not in favour of it. I wonder who among Anglo-Saxons is in favour of compulsion? We adopt it when we have to—and this is one time when we have to. But unless conditions warrant it I do not think that at heart any of us wants to say, "you must do this" or "you must do that", whether it be to fight or to do something else.

It is my belief that a condition has developed to-day under which we have to say to the 60,000 young men in Canada under the N.R.M.A. that when we are in desperate straits we cannot tolerate a group of that size not doing its share.

I should like at this point to read a paragraph from a letter I received this morning, and which I believe sets out the two sides of the question. It says:

> My two sons, Ernie and Frank, were the only two who cared to stay on the farm with me. I found it very hard to get along alone.
>
> Her husband was an ex-soldier, and he has gone.
>
> We hope Frank will be entitled to come on leave at Christmas, as he enlisted on September 3, 1939. I might say we have six sons in the army and one in the navy.

Now, in view of those facts one could argue against conscription. Here is a family of loyal people, people who are possibly more emotional than some others—and these can be found in other parts of Canada. I know of similar situations in Quebec where through their emotions people have gone beyond their limits. In my view they should not have been allowed to do so much. We should not permit seven boys from one family to serve in the armed services; and had we had a selective process that might not have happened.

But it can also be argued: Have these seven boys the obligation to fight for all that Canada stands for in the way of freedom and advantages, in the opportunities it offers for establishing homes, and in education? Have they that right? Is there any justice to have all seven of them fighting, while probably a neighbouring boy does not fight, and still enjoys those same privileges in Canada? I think you will agree with me, sir, that the subject can be argued both ways. I agree with General McNaughton when he says that he will hold open the doors for voluntary enlistment. We have enlisted in this country under the voluntary system over 900,000 young men and women. We have 60,000 under the

N.R.M.A., or less than seven per cent. Are we now going to close the doors for voluntary enlistment to all the young boys who come of age between now and the end of the war, or shall we give them the opportunity to say for themselves, "Yes, of my own accord I am going to enlist. I am not going to wait to be forced, through conscription." I believe we should leave the door open to the boys with spirit and patriotism who would enlist voluntarily.

I have heard it argued in the house that we might have proceeded in a different fashion, that we could have shortened our lines. I am not a military man, but I think that is one argument to which one might easily pay some attention. Probably we could strike harder and oftener if our forces were less scattered, but not being a military man I have to accept the advice of those who have been over there. Suppose we do shorten our line; suppose we take out our men every once in a while to give them a rest—God knows I would like to see that done; suppose we treat them as they should be treated, we still have not got over the fact that there are 60,000 men here in Canada. I do not believe that all those 60,000 are unwilling to fight. I should be surprised if one-fifth of them actually did not want to go over. But no matter how small the proportion may be, they should be called up.

I want to say a word about the general service men. I met quite a few of them when I was home. Some of these men have been in the army for two, three and four years. One man who came into my office just before I left for Ottawa had the white chevron and four red chevrons, indicating that he had had five years' service in the Canadian army. He also had the maple leaf on his ribbon. I assumed that he had been overseas but he told me that he had got that for a Cook's tour. Two other boys who came in to see me had not been over either. They told me that the Department of National Defence had asked them to try to convince the N.R.M.A. boys to go active. They said, "What chance have we to convince those boys? They merely say that we are hiding behind the general service badge on our uniform; behind our backs they will say that we, not they, are the zombies."

Just here may I say that I think that word should be barred from use in this house. No Canadian who is good enough to wear the king's uniform should be called a zombie. These boys went to Kiska when they were asked to go. They went up there on a draft put into effect by an order in council similar to the order in council we have here. They were prepared to meet the Japs quite bravely, and it is not their fault that the Japs ran away. I was in Gordon Head when these boys came back from Kiska. At that time the word "zombie" was becoming quite popular, but not one of those boys knew its meaning. I doubt if one out of a hundred knows its meaning to-day. Let somebody give the Canadian people the actual meaning of that word and then let us in the House of Commons refrain from using it.

That is the position in which you put the general service men. They have no chance of recruiting these other men when they are up against that. But there is something else to be considered. One of these men who came in to see me was quite well known to me. He holds the rank of colonel, and he told me that during the five years he had been serving in Canada the difference between what he received as an officer serving in Canada and what he would have received had he been serving overseas amounted to $13,000—made up of income tax and loss of gratuities. I think you will find that quite a number of these young officers, non-commissioned officers and men will be ready to go over. While some of them may be hiding behind their general service badges, I believe the number is comparatively few.

I want to say one word about the resolution itself. It reads:

> That this house will aid the government in its policy of maintaining a vigorous war effort.

There are two points in that motion of which every hon. member should take notice. I do not think they have been mentioned as yet. The first is that there is a definite promise by the government that it will maintain the momentum of Canada's war effort in order that it may become one of the greatest war efforts of any country of like size in the world. If they fall down in that promise, I as a supporter of the government will not hesitate to tell them about it. The second point is that an appeal is made in the motion to every member of this house, regardless of party or regardless of where he comes from, to exert every effort to help this government to maintain this war effort. When a member gets up in this house and votes against this motion he must act according to his own conscience.

Mr. JACKMAN: The hon. member has placed an interpretation upon the order in council; I should like to ask him if he has consulted with any responsible minister of the crown as to the interpretation which the government places upon it.

Mr. MAYHEW: Let me quote from a statement which I think the hon. member will accept. I read from page 6610 of *Hansard:*

I need not repeat the order which is P.C. No. 8891; I think it will be found on examination that it contains precisely what I said in terms I would do in 1942. The order in council P.C. 8891 applies to all personnel who are serving or may serve in consequence of having been called up under the National Resources Mobilization Act.

And then one or two lines further on:

That is, one order in council covers the entire force.

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Speaker, first I would like to refer briefly to certain remarks which have been made this week by some hon. members. Let me refer first to the hon. member for London (Mr. Johnston). In his remarks on Wednesday he stated that when the Prime Minister (Mr. Mackenzie King) referred to conscription, everyone knew what he meant. I find on page 6606 of *Hansard* of November 27 the word "conscription" as defined by the Prime Minister. He says:

The policy was set forth in June, 1943—

I believe he meant 1942:

—and it has been defined in the words:

"not necessarily conscription, but conscription if necessary. And I might add the words, "to the extent only that it is necessary."

The word "necessary" appears twice and I will not attempt to put my own definition upon it. Instead, I will quote from the correspondence, filed in this house, between the Prime Minister and the Hon. J. L. Ralston. At page 8 of the correspondence the following appears in a letter from Colonel Ralston to the Prime Minister on November 6.

Mr. SPEAKER: Order. Yesterday, and I presume the same will happen to-day, there was constant reference to the hon. and gallant member for Prince (Mr. Ralston) by name. The rules of the house dictate that an hon. member should be referred to by the name of his constituency, and I would ask hon. members to observe that rule.

Mr. WHITE: Thanks, Mr. Speaker. I am only sorry that we cannot still refer to the hon. member for Prince as the Minister of National Defence. However, the following statement appears at page 8 of the correspondence:

There is disagreement between us on the vital point as to the meaning of the word "necessary." Your view, recently expressed, is that you consider it means "necessary to win the war," "necessary to defend Canadian soil," "necessary to avert some great calamity or catastrophe."

The letter proceeds:

I took the word "necessary" to mean primarily "necessary to keep our overseas army reinforced. I always thought that this was the meaning given to the word in council and parliamentary discussions. There is, I think, a vital and fundamental difference betwen us on this point.

I need hardly point out that the hon. member for Prince is a very outstanding counsel and I do not think anyone will say that he is not quite capable of defining the word "necessary." I hope therefore that the hon. member for London understands clearly in his own mind just what the Prime Minister meant when he said, "not necessarily conscription but conscription if necessary, and I might add the words, to the extent only that is necessary."

The same member referred to the stand and the attitude of this party towards conscription. Speaking for myself, Mr. Speaker, as far back as March 11, 1941, and on many occasions since then, I have advocated in this house that only by means of conscription would there be any semblance of equality of service or sacrifice, and at that early date in March, 1941 one was almost regarded as guilty of treason if one even mentioned the word "conscription" in this house.'

Yesterday an hon. member said that there could be no such thing as equality of service or sacrifice, or words to that effect. In the small village in which I reside, with a population of only around 1,100, there was a company formed as part of the Hastings-Prince Edward regiment. That regiment landed in England on December 19, 1939. They went to France in 1940 for a few days and returned. They took part in the invasion of Sicily and Italy and have been in the thick of that battle ever since. Can anyone suggest that the boys in this regiment, and the boys in all other regiments who landed in England in December, 1939, have not more than fulfilled their full obligation and duty to this country? Surely the time has long gone by when these boys should at least be given an opportunity of returning to Canada, their places being taken by men of the N.R.M.A. Can anyone suggest that there is any equality of service or sacrifice when you think of these boys who landed in England in December, 1939 and realize at the same time that we have here at home 60,000 young men?

The other matter to which I wish to refer is a statement made last night by the hon. member for Richelieu-Vercheres (Mr. Cardin). He made a somewhat similar statement in this

house when he spoke on bill No. 80 in 1942. Last night he said, as reported at page 6708 of *Hansard*:

> Where are your concessions, you British Canadians, in favour of the French Canadians? What have you ever done to preserve unity between the two great races in Canada? Unity has been maintained owing to concessions made by French Canadians in this House of Commons and elsewhere.

All I wish to say to the hon. member is this. I for one would like the hon. gentleman to place on *Hansard*, so that all the country may know and understand, just what these concessions are that the French-speaking Canadians have made in favour of English-speaking Canadians.

I fully realize that this debate deals only with reinforcements, that conscription is not the issue, since, as has been stated many times, conscription passed and became the law in Canada in 1942. I would like to ask the Minister of Justice (Mr. St. Laurent), who I regret is not in his place, to give the house a legal opinion as to when it became necessary for any government to pass an order in council and then to have a vote of confidence in the government before a statute of Canada could be enforced. Further, can the Minister of Justice give any other instance when such a ridiculous procedure was followed? For conscription for service overseas has been the law in Canada since bill No. 80 was passed late in 1942, and it was the duty of the government to enforce this act.

I realize that the Prime Minister imposed a condition at that time, but that was a condition imposed by the Prime Minister himself, because bill No. 80 contained no such restriction. Bill No. 80 was passed and men called up and serving under the N.R.M.A. were liable for service outside Canada. Bill No. 80 was passed as a result of a plebiscite, and irrespective of what the Prime Minister may say as to what the question in the plebiscite ballot meant, I say that the great majority of the people of Canada felt that when they were voting on the plebiscite if they voted "yes" they were voting to send men overseas called up under the N.R.M.A., and if they voted "no" they were voting against sending men overseas.

It was with rather bad grace that we heard the Prime Minister say that the voluntary system has broken down and that the present crisis is due to lack of cooperation by members of the opposition and the general public. Since when has it become the duty of opposition members of parliament and of civilians outside of the House of Commons to raise recruits for the armed forces of Canada? I submit to you, Mr. Speaker, that the full responsibility for securing necessary recruits and men for the armed forces rests squarely on the shoulders of the Minister of National Defence, and this duty and obligation cannot be shifted by any words of the Prime Minister so as to fall upon members of the opposition and the general public.

It is perhaps well to review briefly the attitude of the Prime Minister since 1940 in regard to calling up men for service. In 1940 the mobilization act was passed. I remember how on that occasion the Prime Minister objected to the delay in the house in getting the bill through, and I wondered at that time what great new marvel would happen. And then we had the super-farce of the thirty-day training plan; then the law was changed to four months training, and later to service in Canada for the duration of the war. Then, when public demand became insistent, we had the farce of the plebiscite, and after the plebiscite the will of the majority of the Canadian people was disregarded, because the Prime Minister imposed a joker by a condition that there would be an order in council and a vote of confidence in the house. Since that time we have had two armies—the general service and the home defence armies. We have had conscription by the backdoor method, by compulsion, shame and coercion.

It is rather late in the day for the Prime Minister now to try again to evade the issue. The order in council passed last week is at the best only a half measure, because we are still going to have at least two armies, perhaps three, perhaps four. How can we have any confidence, with this new change of front, that this new order in council is to be enforced in a just and proper manner? How do we know for certain that parts of this country will not be discriminated against?—because the present Minister of National Defence made it very plain in this house that he was not in favour of compulsion. In *Hansard* of November 23, at page 6529, we find these words with reference to the voluntary system:

> I have made a confession of faith in it for us and under our conditions, and I certainly am not the one to use compulsion any more than I can possibly avoid in order to make good the deficiency in the situation which otherwise would exist.

On the same day, in answer to a question by the hon. member for Vancouver South (Mr. Green), the minister said:

> I have no intention of using compulsion except to meet a deficiency, and having regard to the purpose we have of maintaining the strength of our armies overseas.

In face of these statements how can the Prime Minister expect hon. members to vote

confidence in his government, which is to administer the carrying out of this order in council? Mr. Speaker, I submit that if we are to have compulsion, or conscription—call it what you may—for service overseas, the only fair and just way is immediately to make all men now enrolled under N.R.M.A. and all men who will at a later date be enrolled under N.R.M.A. available for service anywhere in the world. For after all, why should 16,000 men be discriminated against? I for one cannot blame them for protesting. If the Prime Minister wants to have a vote of confidence in his government I say to him, let him end once and for all this farce of two, three or four armies.

The Prime Minister plainly indicated in his speech on Monday that his last-minute repentance was brought about only by a threat of other resignations from his cabinet, and he made it clear that he was not in favour of the change. He has attempted to lay the blame for this crisis on the opposition, on certain people in Canada and on certain sections of the press. But who in Canada has more interest or more concern in the matter of seeing that the boys overseas are properly and adequately reinforced than their parents, their sisters, their wives, their sweethearts? The letters from overseas and the reports from many men and officers lately returned from overseas have given much information as to the growing need of reinforcements. So that why should not the general public make their voice heard?—because I hope this is still a democratic country. But apparently anyone who holds a contrary view to the Prime Minister is condemned.

When this situation developed, one would naturally have thought that the Prime Minister and the war cabinet would have taken immediate action, but instead of immediate action there was delay. It was not until November 1 or 2 that the Prime Minister, hoping to find some way out, secured a new Minister of National Defence, one who thought that he could obtain the necessary reinforcements by voluntary enlistment. When the new minister of National Defence gave this advice to the Prime Minister he stated on being questioned in the house that he had enough facts before him to give this information. Therefore one can only assume that on that day the present Minister of National Defence had full knowledge of what the former minister of national defence had reported to the war cabinet, that he knew the required number of monthly recruits to go forward each month, that he knew that at least 15,000 additional men were urgently needed, that he knew how long it would take these men to reach the front, that he knew the average monthly record of enlistments, that he knew that the average monthly casualties were double the number of monthly enlistments, that he knew what the district officers commanding across Canada thought on whether or not these men could be secured by voluntary enlistments; and he must have known the type of warfare we were now entering, because he describes it at page 6521 of *Hansard*. Yet, with all this information, the Prime Minister and the present Minister of National Defence still thought that they could get the men by voluntary enlistment, and they were willing to take a chance; they were willing to risk a gamble rather than take the course the great majority of the Canadian people demanded. They were willing to take this chance despite the expert advice that had been tendered to them by the hon. member for Prince, who had recently returned from overseas and who stated in his report that he obtained his information from the battalion commanders in both Italy and France.

Who in the world, Mr. Speaker, could give better and more accurate information than battalion commanders in Italy and France? And I would point out that the hon. member for Prince recommended to the war cabinet that 15,000 reinforcements were needed and needed at once, and he stated very definitely in his speech on Monday last that these men were to reach the reinforcement pools by December 31, 1944. Yet, under the policy of the present Minister of National Defence, we have a plan whereby 16,000 N.R.M.A. men will go forward between now and May, 1945. Instead of 15,000 men going forward in December he plans to send only 5,000. These men will arrive at a date from four to six weeks later than the date planned by the hon. member for Prince. How can the present Minister of National Defence be satisfied that these men will arrive in time or that 5,000 will be sufficient to make up the pools, when the former minister of national defence asked for 15,000 men? At page 6671 of *Hansard*, November 29, he has set it out very clearly:

> Fifteen thousand trained infantrymen were needed at once to build up the overseas pool. Commencing January 1, 1945, a certain additional number of trained infantrymen were needed to be included in the ordinary monthly dispatches. . . .

The Prime Minister in his speech made reference to the great concern he had always felt for the boys overseas. Yet when the gravity of the situation was revealed to him

on the return from overseas of the hon. member for Prince, one would have expected that he would take immediate and energetic action to meet this situation. The policy of evasion, twisting and turning continued. He refused to take immediate action. Anything to avoid conscription, although the Prime Minister admits that he was committed to this policy from 1942 on.

How can the Prime Minister contend, when he has already stated in this house that he is not a military man and must depend upon his military advisers, that the information given to him by the hon. member for Prince was not correct? He was told that the need was urgent and that the time had arrived for sending N.R.M.A. men overseas at once. All he did was to change his minister of national defence and cling to the hope that these men could be secured under the voluntary system.

The Prime Minister made a radio speech on November 8, and at page 5 of that speech the following statement appears:

> Colonel Ralston's report to the government disclosed an immediate problem which had to be faced. That problem is to find the means of speeding up the flow of fully trained infantry reinforcements to meet, not an actual shortage of reinforcements now, but a possible shortage in the next few months.

Contrast that statement, Mr. Speaker, with what the hon. member for Prince said at page 6671 of *Hansard* which I have already quoted. In that statement he said that he asked for 15,000 trained infantry reinforcements for the overseas pool on or before December 31, 1944. I should like to say to the Prime Minister that inasmuch as the wartime information board has seen fit to distribute across Canada at public expense 87,000 copies of his radio speech, surely it would not be asking too much to have the wartime information board distribute across the country 87,000 copies of the speech of the hon. member for Prince so that the public may have all the facts before them.

Every possible delay was adopted to avoid the issue, even the calling of parliament. Only at the last minute, and due to pressure by certain members of the cabinet, was there a half-hearted change of front. Much has already been said in the house about this order in council, but what assurance, Mr. Speaker, has the public that its provisions will be carried out? How can the public be assured that the infantry pools overseas will not once more become exhausted? How do we know that certain members of the cabinet will not object and block the passing of further orders in council? The only course the Prime Minister can take is to pass an order in council before the house adjourns providing that all men now enrolled in the N.R.M.A. units and all men to be enrolled in the future will be available for service overseas. Let us once and for all end this policy of evasion, coercion and discrimination. If this course were taken it would satisfy a large majority of the hon. members of this house, it would satisfy a large majority of the Canadian public; it would satisfy the Canadian Legion; and, need I add, it would greatly hearten and encourage the boys in both Italy and France.

How can the public be assured that this order will be carried out when you read what the Minister of Munitions and Supply (Mr. Howe) said in Chicago, as reported in a Canadian press dispatch of November 15? The statement is as follows:

> Conscription for overseas service in Canada is "rather a political question than a question of meeting an urgent need," reconstruction minister C. D. Howe said to-day. . . .

Apparently when the minister made that statement, if he is correctly reported, he had full knowledge of the report made by the hon. member for Prince, but he said it was not an urgent need. Further on the minister is reported as saying that he did not believe it was a question of meeting an overwhelming need.

How can the public have any faith or confidence that this order in council will be enforced? At the tail end of the report this amazing statement appears:

> Canadian effort would continue to be concentrated on the European theatre until the job was done there, but "when the European is finished our troops, our navy and our air force will transfer to the Pacific to finish up that job."

Before the house adjourns I should like the Prime Minister to state whether or not that statement is correct, because only a few days ago in answer to a question put by the hon. member for Rosetown-Biggar (Mr. Coldwell), I believe, as to whether there had been any commitments so far as the Pacific is concerned, he said that the matter was still under consideration and he was not able at the present time to give any information. If this statement is correct, it seems strange to me that such an important announcement should be given out in a foreign country.

I should like to concur in the suggestion made yesterday by the hon. member for York-Sunbury (Mr. Hanson), that before the house adjourns each member of the cabinet should declare in this house whether or not he is satisfied and content with the order in council that has been passed. There are among the members of the cabinet and among all other groups and parties in this house many members who are veterans of the last war and of

this war. These hon. members know far better than civilians what war is like. I should like to know if there are any soldier members of this parliament who concur in the views expressed in the house last evening by the hon. member for Rosthern (Mr. Tucker), or who hold similar views. Hon. members who are veterans do not need to be told what war is like. They know what battle fatigue is; they know what the front line is like; they know how hard it is to carry on when the strength of the unit is down. Therefore, I say, Mr. Speaker, that on the shoulders of the soldier members of this house rests a far heavier responsibility than on the shoulders of hon. members who have never served in an army overseas. I would say to you, soldier members, just put yourselves to-day in the place of the boys overseas. If you were short of reinforcements, would your thoughts not turn to the Canadian parliament? You would say that there are many soldier members of parliament who know and understand just what war is, and we can depend on them. We know they would take whatever action is necessary; for no soldier would ever let his comrades down.

Soldier members of parliament like all other soldiers belong to that great fraternity, the war veterans. That fraternity is the greatest fraternity in the world, because in it race, colour and creed do not count. It does not matter where you come from; your occupation and your politics do not count. You are accepted in that fraternity only because you have proved yourself to be a man. To join that fraternity, Mr. Speaker, there is an initiation fee, the highest of any in the world. You must offer your very life to join that fraternity, and often the initiation fee is paid in full.

In closing I appeal especially to the members of the soldiers' fraternity in this house to insist that before the house adjourns the necessary order in council be passed whereby all N.R.M.A. personnel and all enrolling in future under that act will be made available for service overseas.

Mr. JOSEPH JEAN (Mercier): Mr. Speaker, I have but a few words to say. I do not think it is necessary to make long speeches to give the reasons why some of us are against conscription and others are in favour of it, while a third group is accepting it as an expedient to avoid more trouble in this country, or so they say. Where is the guiding light to which reference was made last evening? I do not know. As far as I am concerned I am and all my life have been opposed to conscription and to any form of coercion. I expressed my views in 1942, when we discussed bill No. 80, and I am of the same opinion to-day. All the reasons that have been given since last Thursday, for the adoption of order in council P.C. 8891 dispatching to the European theatre of war 16,000 draftees, have not convinced me of the necessity for that decision. On the contrary, during this debate it has been shown that there has been lack of good will and lack of competence somewhere in using the voluntary system as it should have been used. No reasonable man in Canada will deny that the more than 750,000 volunteers from a small country like ours could have been organized and sent to different lands in such a way that reinforcements would have been available from within the ranks of that comparatively large and gallant army of volunteers. I am not a military expert, as many other hon. members have admitted they are not, but in playing any game you must bear in mind that you should not play it unless you are prepared to replace some, if not all, of your men as the game goes on; and this should be decided before the game is started.

I realize that this is not the time for recriminations. We must face realities and accomplished facts. We have not been called here to say whether we are in favour of or against conscription. We have been called to decide whether the present administration is to continue in office until the end of the war, with a policy of conscription, whether full or limited; or whether we are to hand over the administration of this country to another group of men who, according to their own affirmation, will continue this policy of conscription to a greater degree in order to attain total conscription. Is this not the situation, Mr. Speaker, since you ruled out of order the amendment moved yesterday by the hon. member for Bellechasse (Mr. Picard)? In this house there is an increasing number of hon. members who are openly against conscription, but I am inclined to believe that in their hearts many others still favour the voluntary system. May I draw to the attention of those who, like myself, are ready to do their utmost to prevent conscription for overseas service, by any means at hand, that they are not working to that end by simply voting against the motion of confidence presented by the right hon. Prime Minister, or by voting against the amendment moved by the leader of the opposition (Mr. Graydon). Therefore, Mr. Speaker, in order to be fair to all, and to give every hon. member an opportunity to express his views fully, I urge you to accept the following amendment to the amendment moved

by the leader of the opposition, moved by myself and seconded by the hon. member for St. Mary (Mr. Fauteux):

That all the words of the amendment after the word "reinforcements" be struck out and the following substituted therefor:

"by using to the best advantage the general service personnel in Canada and the volunteers overseas without resorting to conscription for service overseas."

Mr. GRAYDON: In view of the fact that the mover of this amendment to a government motion is parliamentary assistant to one of the ministers of the crown, I should like to ask my hon. friend if his resignation as parliamentary assistant has already been given to the government?

Mr. JEAN: I have already tendered to the right hon. Prime Minister and to the Minister of Justice my resignation as parliamentary assistant; but that does not mean I am not going to do my duty just the same.

Mr. ROSS W. GRAY (Lambton West): Mr. Speaker, in 1942 I opposed the taking of the plebiscite, because I felt that the issue to be faced was not a question of conscription or voluntary service. The issue of conscription had been decided by the National Resources Mobilization Act of 1940. There remained only, therefore, the question of the restrictions and limitations contained in that bill. I was of opinion that the responsibility for deciding that particular question rested solely upon the shoulders of the elected representatives of the people in parliament, rather than upon the people to be decided by way of a plebiscite. The government having been released by the people from any moral obligation they felt was binding, it was my opinion, as expressed in the debate on bill No. 80, that full effect should be given to the manifest desire of the majority of the people for the immediate removal of that restriction, the taking away of any limitation with respect to the services of our armed forces, and the passing of the necessary order in council forthwith.

In March 1943, with the casualties of Dieppe as an object lesson of what would lie ahead for our fighting men, I closed my speech in this house by asking for immediate action, in these words:

Mr. Speaker, the crucial months are at hand. Can we say that we are ready? Are we to continue to sidestep this issue until we are in an emergency? Time has been kind to us. It has been on our side. But soon the starter's gun will be raised. The men are on their marks. Will we be there to take the baton at the end of the first lap? At the end of the second lap? Will our reserves be marshalled to lead the way over the finish line? That, sir, is a question which must be faced, not in the heat of battle, but now before it is too late.

[Mr. Jean.]

I would be less than human did I not call attention to my appeal on that occasion, not to wait for an emergency, not to delay until the heat of battle, but to act at once.

On July 10, 1944, speaking on this same issue, and with our casualties in Normandy mounting daily, I again urged the government to remove the territorial jurisdiction restrictions, and to compel the N.R.M.A. men, now fully trained, to proceed overseas at once. No action was taken.

Before discussing the matter as I view it on this first day of December, 1944, I feel it is only fair to the government that I recall to the minds of hon. members the attitude of other parties in the house. The government is being strongly condemned by the official opposition and the C.C.F. for the manner in which it has handled the subject of service in the armed forces during these years of war. Let us see how those opposition groups have acted.

The official opposition, in 1944, after forty-seven days of debate on the war appropriation measure, without bringing in any direct motion such as stands in their name to-day, did bring in, at the end of an amendment to the motion to go into ways and means, commonly known as the budget debate, a clause which meant, according to the mover, the hon. member for Dufferin-Simcoe (Mr. Rowe), that N.R.M.A. draftees were to be demobilized and turned back to the farms, factories and forests until needed.

In case hon. members opposite may say, no, I shall place upon the record that statement. In this way we shall let the house and the country decide what was the policy of the official opposition only five months ago. This is the paragraph as it appears at page 4341 of *Hansard*:

For the honour of Canada I urge upon the government that they now remove the political halo that surrounds this most ridiculous camouflage and to turn these able-bodied men back to the farms, the factories and the forests where they can produce for victory until they are marshalled for the more vital service for which they were conscripted.

Can this house imagine the position in which the country would find itself to-day if that policy had been followed? Instead of finding men fully trained, mobilized and ready to proceed overseas in this emergency, we would have found them scattered to the four corners of Canada.

And now, sir, what about the Cooperative Commonwealth Federation? The C.C.F. would not have had any reinforcement problem; they would not have had a veteran problem; for this is the party that would have allowed Britain to bleed and die before sending any expeditionary force to her aid.

This is the party which was led by the present leader, and went through the country in 1942 urging the people to vote for the plebiscite but, at the same time, telling its supporters not to worry, because they would vote against the government bill removing the restrictions when it was brought before the house. And they did, every last man of the party. This is the party which, at a session in Montreal as late as June 1944, with the fate of the invasion still hanging in the balance, was passing a resolution—"to send reinforcements overseas?" No, Mr. Speaker, a resolution condemning the British Labour party for continuing to collaborate with the Churchill government. This was the party, which, after stating that the issue was reinforcements, and reinforcements only, and after imputing political motives to other parties, on November 27, Monday of this week, moved a sub-amendment covering the full range, military and economic, in an endeavour to place the whole platform of the C.C.F. before the public, and take advantage of the publicity arising out of this session.

I now come to the immediate question before the house. Had the government, having recognized the need and the urgency, come out four-square on a policy of unrestricted compulsory service, I would not be speaking as I shall in this house to-day. However, when I find the Minister of National Defence driven to the point where, against his will, he resorts to a limited order in council saying that, yes, he will continue the voluntary system even to this extent—and I quote his words—

> I have no intention of using compulsion, except to meet a deficiency and having regard to the purpose we have of maintaining the strength of our armies overseas. . . .

—and when I find that the country is still to be saddled with two armies, one voluntary for service anywhere, and another conscripted, which may or may not be used, I must in justice to my constituents in Lambton West, who sent me here to do my duty as I see it and with, I believe their full support, protest against this half-way measure. There is no half-way house to victory. There must not be any half-way house in our effort, now that this step has been taken.

It is true, as the Prime Minister has said, that conscription is not the issue in this debate; but this is true only in the broad sense of the word. Conscription will always be an issue, as long as the Minister of National Defence clings tenaciously to the voluntary system. Surely he must realize that we have exhausted the alphabet in our endeavours to secure volunteers from the N.R.M.A. men. By that I mean from "A"—appeals to their manhood—to "Z"—zombie characterization, and without success. "If you want us, make the order cover any or all," is their cry. By what magic does the minister feel he can succeed where others have failed? If the policy of conscription is settled, then in my opinion it becomes only a question of fair and equal application, to prove that it is the most democratic system yet evolved.

Mr. Churchill, speaking on the application of conscription, used these words:

> There is nothing undemocratic about this measure; it is the most democratic thing we have ever done. Provided that no exceptions are allowed, it will wear away differences between class and class.

I might add that here in Canada, to use the same words, provided that no exceptions are allowed, it will not only wear away differences between class and class, but it will wear away differences between race and race.

Mr. Churchill continued:

> And it may also be the beginning of a far more broadly and evenly based society than we have ever known . . . almost everywhere we see hesitating, cautious governments, and resolute peoples. Here at home, the spirit of the people is far ahead of the government, and perhaps even of parliament, also. . . . This is a time when prejudices must be abandoned on either side, and a true comradeship established between all parties and clases throughout our loyal, anxious land.

Here in Canada we see the government hesitant on this particular subject matter, and the people resolute. Here in Canada we have an opportunity of abandoning prejudices and moving forward with a common purpose.

It has been said in the house on many occasions, and it was repeated by the Prime Minister in his recent radio address, that conscripted men will not be well received by the volunteers overseas. Speaking as one who served for three years in the last war as a private soldier, I believe that to be a fallacy handed down to us by the general staff, and that is my reason for submitting this opinion. When a soldier dons the uniform of a private he gives himself over to the army. He discovers a world in which his private personality and his private will no longer count; he becomes a number rather than a name. He becomes part of a vast machine. He had little time in the last war and he has less in this one to think for himself, let alone argue the merits of the voluntary or the conscriptive system. Provided that he has sufficient training, in a few days the draftee becomes absorbed in the machine; perhaps he becomes a casualty and some one else steps in and fills his place. And so the ever-grinding wheels of war move on.

Sometimes we ask what kind of man this soldier who has been overseas three, four, five or more years will be on his return. Will he be the man we knew, or will he be a stranger? Will he be bitter, or will he be hopeful? Will he come back with confidence, or will he be disillusioned? Will he understand this order in council, or will he be more confused than ever?

If we had taken a firm, resolute stand on this issue, not the timid one suggested by the Minister of National Defence by which the draftee can proclaim himself a volunteer up to the moment he crosses the limits of our territorial waters, then we as members of parliament would have regained some of the respect we have lost during these years of hesitation and indecision. As it stands, we are leaving our next step in doubt—a dangerous situation.

Mr. Speaker, I have presented these facts as I see them. I realize that there are other opinions just as sincere as mine, and in the hope that this may be the last time I shall speak in this chamber on this subject may I thank my French-Canadian colleagues especially for their tolerance of my viewpoint. On more than one occasion hon. members surrounding me here have stated that while they cannot agree with me, they do appreciate my sincerity of purpose. For that I am truly thankful.

The government has adopted what the Prime Minister has termed "limited conscription." In so doing it has left the system open to misunderstanding and abuse on the part of certain sections of the press and the general public, and it is open to violent complaints by the draftees of inequality in its application.

Feeling as I do about this subject, I must ask myself what my duty is in the light of all the existing factors. This issue began on a matter which should have been settled by the pure mathematics of need. Let me repeat that in my opinion this matter should have been settled on the pure mathematics of need. I do not think the general staff, the former Minister of National Defence (Mr. Ralston) or the cabinet can escape their joint and several shares of the blame in proportion to their responsibility for the condition in which they found themselves on October 19, 1944. In the meantime the issue has assumed the character and proportions of an emotional crisis, threatening the very roots of our confederation. This being true, there comes a time in the life of every member when his own opinion, his constituency and his party must be submerged in the common interest of the dominion as a whole.

How can I best serve that common interest? Can I do it by supporting the amendment for which I have much sympathy, or by voting against the amendment and accepting the motion, coupled as it is with a definite undertaking by the Prime Minister that our men will never again lack reinforcements? Looking then to the future and with the lessons of the past taken to heart, I shall vote against the amendment and in favour of the main motion.

Mr. J. A. ROSS (Souris): Mr. Speaker, I have great respect for the hon. member (Mr. Gray) who has just taken his seat. I admire his stand on the matter of reinforcements, but I do not think I shall be able to follow him completely. He referred to the amendment which was moved to the budget by this party in 1944 to the effect that N.R.M.A. men should be demobilized. True enough, there is a paragraph in that amendment which points out that the government has failed to make effective the full mobilization of our financial, industrial and material resources as well as our man-power, but is maintaining a so-called home defence army at a cost to the taxpayer in excess of $150 million per annum, and it was suggested that they could provide greater national service to this country.

I should like to refer to the amendment which was moved by this group this year to the speech from the throne. It reads:

> That the following words be added to the address in reply to the speech from the throne:
>
> "We respectfully submit to Your Excellency that this house regrets that Your Excellency's advisers have:
>
> (a) Failed to make adequate provision and to implement promises already made for the immediate needs and employment of the men and women of the armed forces on demobilization;
>
> (b) Failed to provide adequate measures whereby agriculture can make its maximum war- and peace-time contribution through a stable and effective long-term programme;
>
> (c) Failed to establish such a national code for labour as will ensure maximum production and give to labour its rightful place in our national partnership; and failed to provide for the correction of the unfairly coercive and restrictive clauses in the 1943 wartime wages control order;
>
> (d) Failed to lessen bureaucratic controls and regimentation and to recognize and restore the supremacy of parliament; and failed to halt the continuing infringement of provincial rights and the centralization of authority.

At all times we have said that there must be reinforcements for our fighting forces. I remember well the amendment which was moved in 1942 to the speech from the throne. That amendment embodied the principle contained in a brief which the Canadian Legion executive had presented a few months previously to the Prime Minister and his cabinet.

That brief urged an all-out war effort and total conscription of the man-power of this country. I have never veered from that stand. I shall deal with this some time later in my remarks during the forty minutes ahead. I shall prove that we have been consistent in our stand ever since I have been a member of this house.

This is one of the most important debates in the history of this nation. The issue is the question of reinforcements for our men at the battle fronts. If the Prime Minister (Mr. Mackenzie King) did not know that there was a reinforcement problem until the Minister of National Defence returned from his trip to the battle front in October, may I say to him that the relatives in this country of the Canadian boys on the battle fronts knew full well that there was a serious problem during August and September of this year. The mothers, wives, sweethearts and other relatives of our fighting boys are the people of Canada who are responsible for this organization against the half-hearted piecemeal policy of the present government. This organization was started right in the homes and among the families of our fighting men.

May I state my position with respect to the secret session that we had this week. I should like to tell the people of this country that the first thing I did at three o'clock on that day was to ask to have a clarification from the Speaker of the House of Commons. Both the Speaker and the Prime Minister made it very clear to me that anything which might be spoken outside that secret session was distinctly a matter that would rest with the conscience of each individual member, that each individual member should decide what might give comfort to the enemy. I have seen service at the front and I think I can judge as to what would give comfort to the enemy. There was much of that discussion which would be of very little interest to the enemy. I shall refer to some of the statements made at a later stage or at some future date, but I wanted to make my position perfectly clear as to what the regulations were with respect to the secret session.

This is a strange situation which the Prime Minister has been creating over the past twenty-seven years. We had "no conscription" in 1939. Then there was the thirty-day training of 1940. We had home service in 1941, and in 1942 we had the plebiscite in which eight provinces voted "yes" overwhelmingly. In 1943 we had conscription if necessary, but not necessarily conscription. We had an order in council making some 16,000 men under the N.R.M.A. available by King-scription—not necessarily conscription but King-scription. That is in 1944, so that step by step this King-scription for overseas reinforcements has reached the stage we see now. There has been great unfairness in the meantime and great partiality under the call-ups to date. This last order in council of November 23, as explained in this house by the new Minister of National Defence, only aggravates the entire situation. May I refer to page 6556 of *Hansard:*

Mr. Ross (Souris): There has been considerable discussion to-day about the 16,000 men who will be called up under the new conscription policy which has been announced. In choosing those men or any proportion of them, will it be done on a per capita basis in the military districts across Canada from which they originally enlisted?

Mr. McNaughton: No; they will just be taken from any part of Canada.

I think the people of Canada realize that military districts represent the provinces throughout the dominion. There may be some slight variations, but generally speaking that is as close as we can get it. This, in my opinion, certainly creates a greater distinction than has existed. As has already been pointed out, it divides the N.R.M.A. army into different sections. We would not have had the trouble we have to-day throughout Canada if this had been a general order taking in all N.R.M.A. men. But these chaps are asking the question, "On what basis am I going to be chosen while somebody else is not?" This order, I repeat, has aggravated the entire situation, which has been so unfair up to the present time. You have only to compare this step-by-step policy which has been put into force by this government since the declaration of war with the manly draft policy announced in the United States on the day they declared war and forming a part of that declaration, issued on the same date. The American soldiers over there have a national pride which has never existed among the soldiers of this country. I have discussed this point at different times. The soldiers of the United States are proud of their draft system, because under that system there is no distinction and they have not the rancour that exists in this nation of ours.

We are assembled here to deal with the reinforcement problem, conscription having already been introduced and enforced by this government. The correspondence between the Prime Minister and the former Minister of National Defence, now the hon. member for Prince, which correspondence has been tabled, clearly proves the inconsistency of the Prime Minister. If in this country there is a threat of anarchy now, as was stated by the Prime Minister, it comes as a direct result of the false leadership and citizenship of the present Prime Minister and his present King-scription policy.

The Prime Minister is not a military man and he has never visited our men on service in the theatres of war. Probably he is the only head of an allied nation who has not visited the servicemen in theatres of war or at the battle front, and in my opinion that is very important. Nothing has done more to establish the morale of the fighting men than these periodic visits of Churchill to the front. Think again of the President of the United States, under his great physical handicap, doing the same thing. I think that has had a great effect on the morale of the citizens of those countries. I might say also that Sir Robert Borden, during the last war when he was Prime Minister, went and saw the men in the front line. I remember how thrilled I was as a man in the front lines to see the Prime Minister come to the battlefields at that time. It meant a great deal to me in those dark days.

Last autumn it was stated that young Canadians without sufficient conditioning and training were becoming casualties at the front. I have some personal knowledge of that so far as my own neighbourhood is concerned. I think of one family about twenty miles from where I live. Early in August they received that sad cablegram intimating that the youngest of three boys on service had been killed in action. I can remember how that young man felt a few months ago when he first received his draft call. His father being an ex-serviceman himself, these boys naturally volunteered for active service. When they received their draft call they volunteered for active service because they would not think of asking for deferment or postponement; it was not in their blood. I shall never forget the occasion on which I drove to that little village to attend a memorial service one harvest day and the bitter words of anguish expressed to me by the mother concerning all parliamentarians. If you knew exactly the situation that exists there you would fully sympathize with that lady.

That was only one of many such cases in that neighbourhood during August and September, where casualties were being reported. Men had not been enlisted long enough to be properly conditioned and trained and were being reported as casualties time and again not from one unit but from many. At the same time we had, not one unit, but units of N.R.M.A. men coming from a distance, some of them not being able to speak good English, and they were taking in the harvest on some farms where parents were receiving cablegrams informing them that their sons had been killed. At the same time some of these other men had been under the N.R.M.A. for three or four years. You can imagine the bitterness that has been created throughout southwestern Manitoba in consequence of this situation. These are actual facts. I have case histories of my own in my particular corner of the country, and I can assure the house that the feeling which has been engendered as a result of N.R.M.A. men coming out, many from large cities, who had never seen a farm, and being set to work on farms where every male member of the family of military age had volunteered, is something that does not make for a healthy situation.

I think of another chap from my vicinity, a lad under twenty years of age with just a few months' service. He had been reported as having been wounded three times in August. I cannot tell you how severely he was wounded, but his relatives were notified that he had suffered three times in August, and before the end of that month the sad message came to say that he had been killed in action. You can conceive the feelings of these people throughout that part of the country.

This is a policy with which the Minister of Agriculture (Mr. Gardiner) has had a good deal to do. As Minister of National War Services he had to do with the registration that was made in this country, but little had been done otherwise. Some of us realize what the state of his mind is to-day as to reinforcements. I would not embarrass him at this time with the statement he made in secret session about reinforcements for overseas, but it is not a healthy situation.

The former minister of national defence, now the hon. member for Prince, went overseas and visited the battle fronts during October to ascertain for himself the actual facts, and I commend him for that manly stand and for his decision to do as he did. He cabled to the Prime Minister from London on October 13 indicating his apprehensions, and he reported personally upon his return on October 18. He said it appeared clearly enough that the volunteer personnel would not be made available to meet the needs and that there was no alternative but to recommend that N.R.M.A. personnel be sent overseas as reinforcements. He felt that this was necessary to fulfil our pledges to our fighting men.

The Prime Minister rejected that recommendation made by practical men from the battle front, the then minister of national defence and his chief of staff, General Stuart. Both of these honourable gentlemen have resigned as a result of that rejection. The Prime Minister then called on General McNaughton, a man who about a year ago

was relieved of the command of the Canadian army, in my opinion for good and sufficient reasons, which may be known to the public after the close of the war. I will not press the matter further now, but I am satisfied that when the story can be told this statement of mine will be proved. He said he could succeed with the volunteer system and he was sworn to office as Minister of National Defence on November 2. This was done, despite the fact that he is reported in the press on October 26, 1944, to have stated that he knew nothing about the reinforcement situation and the reports of untrained casualties, professing that he had been away from the whole situation for a considerable time and that he knew utterly nothing of the situation before the previous week. Two weeks after assuming office the new minister called a meeting in Ottawa for November 14 of the general officers commanding military districts across Canada, and they told him that, in their opinion, these men could not be obtained voluntarily, although they were willing to make another try after their meeting, and as a result one of these officers commanding a military district resigned his position to prove his good faith in the matter. Still, a week later, the minister stated that the voluntary system would be satisfactory. His comrades overseas and in Canada are thus betrayed in their greatest hour of need.

On November 22, the day this house assembled, the Prime Minister gave notice in *Votes and Proceedings* of a vote of confidence motion in the policies of this government. On Thursday, November 23, he presented an order in council which reversed his avowed policy, and we are asked to vote on the original motion. What are we to think of such a condition as that? How are we conscientiously, as we have been asked by previous speakers to-day, to support the government on its policies in view of that situation?

The Prime Minister made reference in, I thought, rather slighting terms to the stand of the Canadian Legion. Let me say right here that no organization in Canada has done more to assist in an all-out war effort than has the Canadian Legion. I was a bit disappointed to hear the ex-Minister of National Defence state the other evening that they had not given him much assistance. I do not think he had really considered the seriousness of that statement, because it is not in keeping with the facts as I know them.

Mr. RALSTON: I as speaking about the voluntary recruiting campaign.

Mr. ROSS (Souris): Correct. I am just coming to that. Before I forget it, may I say that either in 1941 or 1942 the then Minister of National Defence wrote every member of the House of Commons urging them to assist in every way they could in the matter of voluntary recruiting. I well remember the time when I was privileged to return home and attend a very large gathering of the Manitoba command of the Canadian Legion which was then being held in the east end of my riding. I appealed for recruits in every part of the province, and I defy any member or members of this government from my province to come forward and state when and how he or they endeavoured to carry out the appeal for recruits on a volunatry basis for this government to the extent that I have done. If they did so, I have not known of it.

As to the reference to the Canadian Legion, it may not be realized that 16,000 of their ex-servicemen have enlisted in this war; they have also some 84,000 sons and daughters in the war, and I do not need to take the time of the house to go into details of the manner in which the organization has assisted voluntary recruitment throughout Canada. There is a great debt of gratitude owing to members of that great organization at this time.

Mr. RALSTON: Would my hon. friend permit me a moment? What I was referring to was the active recruiting campaigns. I just mentioned in passing at the time that there was some complaint, in connection with the present campaign, that the legion had not participated.

Mr. ROSS (Souris): Correct.

Mr. RALSTON: I indicated what I thought was a fact, that the legion had not officially entered into recruiting campaigns to any large extent in the past. If I am wrong about that I withdraw it. I can say quite clearly and emphatically that the legion have assisted in many, many branches of our war effort; but in connection with the voluntary campaign I had not remembered that the legion officially had taken a particularly strong or active stand. If I am wrong I certainly withdraw it. I myself am a member of the legion, and am only too happy to make acknowledgment of everything that the legion has done; they have given outstanding service, and it has not just been in the department of recruiting alone, it includes leave, rehabilitation, dependents' allowance and various other things which they have taken up with me, and as to which they have been most active and helpful. At the same time I certainly cannot speak

too highly of the fine example set by enlistments of my old comrades, the legion members themselves, and their sons and daughters.

Mr. ROSS (Souris): I accept the hon. member's statement. I know that he has been an efficient and effective member of the Canadian Legion. That is why I was surprised that he made the statement he did, and I doubted if he intended the meaning it conveyed in print. He has been an excellent member of the legion.

I spoke to some extent about the Manitoba command. I wish to refer just to one wire, among many telegrams and letters which I have received and which I will not take the time of the house to read. This wire is from the president of the Manitoba command of the legion, Mr. C. Rhodes Smith, who also is a Liberal member of the Manitoba legislature, and I am proud to think that we have citizens who at this time rise above party on this great issue.

J. A. Ross, M.P.,
House of Commons,
Ottawa, Ont.

Manitoba command Canadian Legion which embraces your constituency and comprises one hundred fifty branches strongly urges you acquaint yourself with statement issued by our dominion council November sixth addressed people of Canada regarding necessity for conscription in view urgency of situation and requests your support of same in forthcoming session.

C. Rhodes Smith,
President.

I do not know that it was necessary that I should do this, because on November 10, 1941, as is recorded on pages 4210 and 4211 of *Hansard,* I spoke and endorsed in full the Canadian Legion brief which had been presented on October 21 of that same year to the Prime Minister and the cabinet. I think probably I was the first member of the house to do that. The independent Liberal member for Comox-Alberni (Mr. Neill) about the same time took the same stand; we were the first to do so. In proof of my stand on that date, I quote some of my remarks. While endorsing the Canadian Legion's brief, which was presented to the government on October 21, I said:

At this time, after all that has happened, as one soldier to another might I suggest that he—

Colonel Ralston.

—shake off the cloak of political expediency and cabinet solidarity, and really face the critical national situation in which we find ourselves. This is not a matter that affects his department alone. . . . I believe the situation overseas is much more critical than many people throughout Canada realize.

[Mr. Ralston.]

Ever since the fall of France I have taken the definite stand that, whenever D-day arrived—and I had no idea when it would be—we were going to suffer considerable casualties; and as the hon. member for Lambton West (Mr. Gray) said, from previous experience we would have to provide heavy reinforcements when those casualties occurred. In his three-hour discussion the other night the Prime Minister spoke of the five years of conflict. True enough, but let me remind him that it is only six months since D-day, and the great bulk of our infantry casualties have been incurred during that six-months period—not over the five years but over the past six months. It was for this expected situation that I had been so concerned ever since the fall of France and other countries during 1940.

I had an experience a couple of days before I left to come to this session. While travelling on the train I met an old gentleman who had come to this country from mid-Europe. He was talking to a neighbour of his who comes from northern Manitoba. He stated to his neighbour that he had three sons in the services, one active and two in this drafted army. The tears were running down his face as he told us of the embarrassment which he felt in his own neighbourhood because of this situation. He said, "You know, I come from Europe, and I have always supported the Prime Minister and his government." "But," he said, and I will not repeat exactly the expressions he used, "if he and his spineless government had passed that one order making all of these boys available for overseas service, I would not live in that state of embarrassment with my neighbours to-day, and I would be proud of all three sons." It is not the easiest thing in the world for a father to tell young men of twenty-four or twenty-five years of age or thereabouts what their duty is. They have an opinion of their own. He places the blame distinctly on the Prime Minister and his government.

I think of a woman, a neighbour of mine, who, as a girl in her teens, during the last war witnessed her father go to war in 1915. Since 1939 she has seen her husband, a brother and a son go to this war, and her husband is now a casualty. That is only one of many cases in this country. It has been said by many of these people that one who is not a father cannot possibly realize just what this terrible situation means. Think of the woman I have just mentioned, and the womanhood of Canada who are so interested in the support

of our gallant fighting forces overseas to-day. Surely they are entitled to some just consideration in this issue.

In my opinion there are only two or three ministers now on the government front benches who carry great weight or the necessary degree of confidence of the Canadian public. The public has much greater confidence in these ministers and the minister who was forced to retire than they have in the Prime Minister. We had the example of Chamberlain and the difficulties in Britain when he called on Churchill to succeed him without an election. If the few ministers I have referred to are determined to carry on our war effort on a party basis and under the present Prime Minister, then democracy, for which our boys are fighting, should be allowed to function.

The house will remember that the other evening the Prime Minister said that he was indispensable in this house—he did not use those exact words—when he dealt with the matter of a minister of his cabinet assuming the leadership. The retired Minister of National Defence dealt with that pretty fully and proved the insincerity of the gesture. There is no argument about that.

If a minister of the government is not prepared to assume the responsibility, then the democracy that our boys are fighting and dying for to-day should be allowed to function. Speaking for myself, I am convinced that there would be an alternate in this country, that a man would be found in whom the public would have faith. I do not want to be misunderstood in what I am about to say, because my colleague, the hon. member for Dufferin-Simcoe (Mr. Rowe) made it very clear in his statement the other day, for which he said he had the authority of our leader, that we offered to cooperate with any government under a proper leader for the prosecution of the war. I say that under democracy that alternate would be the Hon. John Bracken, a man well versed in the science of government. He has at this time at least six elected members in this group—and I am not one of them, so do not misjudge me—who would be stronger ministers than the average of the ministers of the present government. I am going to name two or three other individuals whether the people like it or not, because I consider it my duty as a citizen of Canada very much concerned about this whole situation. He has the Hon. Charles P. McTague, who has resigned from the bench, something that a man very rarely does in Canadian history, a man with a lot of ability. He has Henry Borden, who was coordinator in munitions and supply, an able man. He has James McDonald, who has had wide experience in finance, and there are many others.

Mr. ROEBUCK: Are any of these men in parliament?

Mr. ROSS (Souris): I am satisfied that Mr. Bracken could obtain the services of strong and outstanding Canadian citizens who have refused posts under the present Prime Minister.

A general election was recently held in that great nation to the south of us, the United States of America. I know that the retired Minister of National Defence has found some objection to the possibility of an election; but any of the hon. members who followed the election campaign in the United States know that the issue there was chiefly the president's leadership during this war. It could not be taken away from the leadership of that great president. People understood that that was the issue. If there was an election in Canada to-day you could not take the people away from the one issue, the lack of leadership in Canada. Voting took place early last month in the United States without all the cruelty and the other absurdities which the Prime Minister spoke of the other night in his all-out plea to retain office at all costs.

My colleague, the hon. member for Dufferin-Simcoe, spoke of our offer to cooperate under proper leadership which is now so lacking in this government. But the citizens of Canada, and more important the men and women overseas have no confidence in the present Prime Minister or the present Minister of National Defence, Mr. McNaughton. That reminds me of an article I saw in a newspaper the other day: "This team will bear watching." The ex-minister has taken on something if he is going to watch them and obtain reinforcements in the numbers that are necessary. I think that statement is relevant at this time, that that team will bear watching In fact, many people across Canada do not and cannot trust either of them. The Prime Minister and the Minister of National Defence said that they do not believe in the policy which was set forth on November 23. Members of the present cabinet are distinctly divided on this issue. Let me repeat, as other hon. members have done, that I think they should rise in their places in this house before we adjourn and state where they stand on the matter of future orders in council for reinforcements.

There is rancour and unrest throughout the country. For all of this evil the Prime Minister, with his political evasions and manoeuvres, is directly and wholly responsible.

Read the speech of the former Minister of National Defence—the most damning indictment of a public leader ever pronounced in a Canadian parliament or probably in any democratic parliament of the world. There can be no mistake about this. The former minister told of the various inaccuracies in statements of the Prime Minister about a cabinet council meeting. He quoted from *Hansard* contradictory statements of the Prime Minister. He said that he believed in the amendment proposed by my colleague, the hon. member for Peel (Mr. Graydon), but that to vote for it might defeat the present government, that an election now might impede the sending of reinforcements and that he has the Prime Minister's word that further orders in council will be passed if required for reinforcements.

I cannot understand what the Prime Minister's word could mean to the ex-Minister of National Defence at this stage, taking his own speech as proof. How can he accept the statement with no further assurance? I put it to every hon. member in this house. What would the Minister of Agriculture say about the passing of further orders in council to send reinforcements overseas? What would other ministers say?

On March 30, 1939, at page 2419 of *Hansard* the Prime Minister is reported as having said:

> I expressed in this house the view that it was extremely doubtful if any of the British dominions would ever send another expeditionary force to Europe. The present government believes that conscription of men for overseas service would not be a necessary or an effective step. Let me say that so long as this government may be in power no such measure will be enacted.

Then on July 22, 1942, at page 4564 of *Hansard,* the Prime Minister said:

> When the government decides that it is necessary and advisable to resort to conscription as a method of raising men for service overseas, an order in council will be passed dealing with members of the forces as a whole. It will not be a matter of passing a series of orders in council, but one order in council will cover the entire force.

On November 23, 1944, at page 6516 of *Hansard,* the Prime Minister placed on record a copy of order in council P.C. 8891, setting forth the policy of the government with respect to the extension of service of N.R.M.A. personnel, but limiting it to 16,000 men and to certain theatres of war. What are you going to make of his further promise to see that these things are done, in view of the three quotations I have read from *Hansard.* The second statement to which I referred was made in reply to a question asked by the then hon. member for Weyburn, now Premier Douglas of Saskatchewan. On that same day I was questioning the Prime Minister and pointed out what had been done in England, asking him if he would follow the same course if he had to enforce conscription. At that time I said:

> . . . many people throughout the country, especially in the armed forces, have not very much confidence in the government as constituted with the present leader; they pin their faith to the ministers of the armed forces.

That can be found at page 4565 of *Hansard* for July 22, 1942. If that was the situation, then I ask hon. members, what must be the situation to-day among members of the armed services and their dependents both overseas and in Canada?

My time is getting rather short, Mr. Speaker, but I want to ask every hon. member of this house conscientiously to rise above party and past prejudices and heed the penetrating appeal of the ordinary family people across this country to give them the assurance for which they are asking. They are not asking it for themselves. Let there be an end to obstructive evasion in the face of a human need which is at once so urgent and so clear. I shall support the amendment moved by my colleague the hon. member for Peel asking for an all-out war effort. I cannot agree with the halting attitude expressed by the ex-Minister of National Defence the other evening and supported this afternoon by the hon. member for Victoria, B.C. (Mr. Mayhew), the hon. member for Lambton West (Mr. Gray) and others, who think there might be some difficulty about getting men overseas during an election. Frankly, I do not want an election—

Mr. ROEBUCK: You are wise.

Mr. ROSS (Souris): —but I feel that I must do everything in my power to see that reinforcements are provided for our lads overseas. There is nothing I will not do, at any time, no matter what may be the sacrifice, to see that these reinforcements are provided. I cannot follow the argument of the hon. member for Prince, who left the cabinet, who pointed out all the inaccuracies of the Prime Minister up to a given point, but then said, "I must support this government because the Prime Minister has made another promise, and I must give him another chance." I just cannot support that halting attitude, which was taken also by the hon. member for Victoria, B.C., the hon. member for Lambton West and others, including the hon. member for Acadia (Mr. Quelch), who went right to the brink, who stated that they believed what

is embodied in our amendment but simply could not agree with this party. The amendment I intend to support reads:

This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war, and has failed to assure equality of service and sacrifice.

A moment ago I believed the hon. member for Trinity (Mr. Roebuck) cut in with a remark which I ignored at the time, because I had not much longer to speak. He stated that I was wise in not wanting an election. This government has an up-to-date political organization in operation. As the hon. member for Richelieu-Verchères (Mr. Cardin) stated last evening, they have had all their publicity ready for many months; as a matter of fact I believe the Prime Minister indicated the other evening that they could have had an election two years ago and that he would have swept the country. I know something of the reports coming to the head office of this Liberal organization in regard to the situation throughout the country, and after studying the Prime Minister's proposal it seems to me that he is more concerned about winning an election than about reinforcements for overseas. I believe that to be a true statement of fact. While I do not want an election, I have no fear of one. However, I am more concerned about reinforcements, although I cannot be bluffed by the Prime Minister or any other member of the government on this issue at this time.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, the motion before the house, moved by the Prime Minister (Mr. Mackenzie King), asks that this house shall aid the government in its policy of maintaining a vigorous war effort. As one of those coming from the main soldier city of the dominion, a city which in two wars has contributed so many men, I regret to say that I cannot support the motion. I have come to that conclusion purely from the point of view of the soldiers. This house knows very well the steps that were taken by this government from the time it came to office in 1935 until the outbreak of war and since; and the policy has not been by any means productive of a vigorous war effort, nor have they maintained it.

As far as voluntary recruiting is concerned, I do not believe it was given the chance it should have had. As you very properly said in a ruling the other evening, Mr. Speaker, it is the duty of this house either to approve or to disapprove the policy of the government. That is also the duty of this opposition, because often in the past criticism has been a tonic that has caused the government to take action. I am glad that the former minister of national defence (Mr. Ralston) has been vindicated in the action he took, that his judgment and wisdom in regard to overseas reinforcements have been upheld, but he should have gone farther. I have never, during the last war or between the wars or during this war, spoken on this matter as a partisan, nor am I a partisan in the strict sense of that word. My duty is to the soldiers overseas. As the former minister said in the last two lines of the letter he wrote to the Prime Minister, his first duty as a minister was to the troops overseas. I believe that in that stand he has the overwhelming support of the people of Canada. In my opinion the way the minister was turned out of office, after having taken the stand he did, was not creditable to the Liberal party or to the government of this country. I believe that the verdict of the people as a whole is that the House of Commons is better than the cabinet; they have shown that in the last two weeks. The House of Commons is vastly superior to the government of the day, and the public, back in the constituencies, are far better than the House of Commons; they know more than we do. The other day I referred to the great losses that have been suffered. Over a thousand boys from the secondary schools of my city have lost their lives during the present war. In almost every block in my constituency there has been a casualty during this war, some boy wounded, missing or killed. I believe that the present government on the man-power question and equality of service has been everything by fits and starts, and nothing very long.

I was not very anxious to take part in this debate and would not have done so but for the large number of letters I have received since we adjourned last August, and the casualties we have suffered in the Mediterranean area, in the low countries and in France. I have been astounded and almost appalled to read the daily reports issued by the government showing the casualties suffered. In days like these I believe moderation should be the supreme law for all, but we should be sane and honest with one another and with our soldiers overseas. I speak what I believe to be the truth. I would not hurt or offend any person in this house by any remark I might make, but we cannot all think alike, and I must say, temperately and moderately, that what I believe to be the truth should be said in a crisis such as this. I believe that we should pursue a policy of malice toward none and charity toward all, even though we cannot see each other's point

of view. It has been said that England invented the phrase, "His Majesty's Loyal Opposition", and that took place under a Tory government, with Danby who invented the party system. This made criticism of the administration as much a part of parliamentary life as the administration itself. As I have said, in times past criticism has stirred this government to action.

As I said in the house the other day, the government has turned a complete somersault from voluntary service to conscription, and I must say that does no credit to the party system. In less than twenty-four hours the government of the day and the new minister made a complete change. I did not ask the new minister any questions; I did not want to do so; I felt sorry for him in attempting a hard task, since I had known him for so long. I believe that it is an error in wisdom and judgment on his part, and it would have been far better if he had left things as they were, and not accepted office. He would have received more support from the soldiers and the people of this country.

As I survey the ups and downs of our man-power policy since the beginning of the war I am reminded of the words of Tennyson's "In Memoriam":

Let knowledge grow from more to more.

That is badly needed in the House of Commons to-day, in connection with this question. But Tennyson, in his "In Memoriam," justifies the wishes and the judgment of those on the opposite benches who have supported a total war, and all-out aid for our soldiers overseas. He says:

Our little systems have their day
They have their day and cease to be;
They are but broken lights of thee,
And thou, O Lord, art more than they.

This system of voluntary enlistment had run its course months and months ago. Why did Brigadier Mess resign? I can remember that before the house adjourned in August the former Minister of National Defence projected a most elaborate publicity programme in an effort to do his utmost to put the voluntary recruiting system on its feet. Appeals were made in the secondary schools. I am sorry to say that it would have been far better if they had stayed out of the schools.

However, a real effort was made. That system was dead and gone long ago, beyond recall. I saw the stores and rooms which were opened in support of voluntary recruiting. Day by day I passed those stores, but I never saw a soul in them, with the exception of some officials. I do not criticize the officers of the department, because I know they did their best. But I believe that system of voluntary enlistment was finished, in this country.

I can remember meeting hundreds of soldiers who have returned home with wounds, after the heavy fighting in Italy, France and the low countries. I have seen them at the railway stations as they have travelled on the trains, as they have been in hospitals and in their homes, and I have received many letters from overseas. One after another has told me that the voluntary system was wrong and unfair, that it was unjust and produced inequalities of service and treatment. They have pointed out that it has used people on one side of the street in one way and the people on the other side in another way, without any equality of service and sacrifice. That was where the first mistake was made. We should have had a different system from the beginning of the war.

This is a changing war. It changes from day to day, from week to week and from month to month. That applies, too, to the equipment and the instruments of war. Something should have been done long ago to remedy the present situation. As I see it, this is not a conscription debate. One day in the house I asked the Minister of Justice of that day about this matter. I believe that was at a time shortly before the outbreak of war. In reply to my question he told me that the conscription act of 1917 was still on the statute books, and it is also in the Militia Act and in the N.R.M.A. I believe my question to that effect could be found in *Hansard*.

Then, we have had conscription for home defence and defence of adjacent territory since the passage of bill No. 80. In addition to that we have had it through the draftees' policy which has been followed for the last two years. But, after condemning the former Minister of National Defence the government turns right around and adopts the policy of conscription, which in my opinion is not total conscription at all under their order in council.

There is no use in our trying to trifle with the public in that fashion. We are told that 60,000 draftees have been called, and of that number the Prime Minister admits that 42,000 are available for army training. Sixteen thousand of them have had some training, another 8,000 are almost completely trained, and 8,000 more about half trained. Twenty-four thousand of them require further training, but in a few months would be ready to take their place in the line.

I am not one who will join in voting in favour of this motion. My vote will be a strictly non-partisan vote, but I will vote against the motion. I am not going to join in any "Te Deum" of praise. I am not joining in any hallelujah chorus, because it was the people back in the constituencies and the press who compelled the government of the day last week to reverse its policy.

Between the two wars the profession of arms was openly laughed at in this chamber. Some said that it was demoralizing, and that all public bodies should oppose it. Those people even went into the schools and supported the policy of pacifism. I am a humble member of a church which agrees with the thirty-nine articles, one of which states that it is lawful for Christian men at the command of the magistrates to take up arms and to serve in the wars.

When I see the efforts which have been made to secure volunteers I must say I am at a loss to understand how the voluntary system lasted as long as it did, because it is not adapted to a war like this. I admit that the resolution now before us is skilfully drawn, but it is full of pitfalls, and it does not mean what it says.

What has been the policy of the government? One day it is a policy of voluntary enlistment, and the next day it is a policy of conscription. There are different points of view; first there is your own view, there is the right view, and there is the other fellow's view. And let us not forget the other fellows' view, and have respect for it. There is "change and decay in all around I see" in this building. This is a most important question that has been placed before the people of Canada. From the start the government has attempted to wage a Liberal war; it did not want any help or advice from the opposition. The result was that the government has not waged the war effort it should have waged.

During two wars and in the period of depression between those wars I supported national service, and equality of service and sacrifice. The people want to know the truth, the whole truth and nothing but the truth, about this matter. This problem is their problem. But the government could not make up its mind last week, even for twenty-four hours. It is conducting the war, and it is a duty of the government to conduct that war overseas, so long as it is the government of the day.

In the last war a million men went from the dominions to fight. We know that 130,000 of them fell on the field of battle. They went there under their own status, sovereignty and autonomy. They went to the side of the mother country; her cause was the cause of all, and what they did changed the history of the whole civilized world.

I can remember quite well the period between the two wars when 200,000 youth were coming out of our high schools every year. I can recall the actions of the hon. member for Rosetown-Biggar (Mr. Coldwell) and his supporters. The other day he attacked the Conservative party, or the Progressive Conservative party as it is now called. We do not need to be called the Progressive Conservative party because we have always been progressive. Some of us between the two wars advocated a policy of rearmament, national service, full publicity of foreign affairs, complete service and sacrifice and of every citizen doing his duty. The dictators solved the unemployment problem in their countries by preparing for war, and we should solve our unemployment problem by preparing for peace.

We must use our natural resources to even out the trade cycle. I contended that full use should be made of the 200,000 youth who were coming out of the high schools yearly during Hitler's ascension to power from 1935 to 1939. I contended that they should have military training instead of having to ride the rods. An apprenticeship system extending over three to five years should have been set up. These youths could have learned a trade and gained some knowledge of our key industries. They should have been given this training, along with their board and lodging and some pocket money, and deferred pay and physical and military training during the depression that engulfed the whole world.

If that action had been taken when the war broke out we would have had 25,000 trained mechanics and pilots for our air force. But nothing was done and I never heard the gentlemen to my left make any protest. Most of them were not even in the house then; some were. They believed in complete pacifism. They thought the war would never come. They argued that we could depend upon Washington and the league for any defence that we needed. Why have we had to go through all these elaborate ceremonials during the past month?

Since the war started we have had a plebiscite; then we had a census; then we had bill No. 80, and then we had a national selective service register. All this was done when it was the plain duty of the government to wage a total war with total conscription. There should have been a policy of sending adequate reinforcements overseas weekly and monthly as they were needed. These reinforcements should have been sent to our troops who

had borne the heat and burden of the day, some of them for nearly four or five years.

What did the government do? It showed a magnificent disregard for the need of a proper survey to show the true facts, and it relied on tradition for the conduct of the war. It operated on old and obsolete war rules; it took the provincial and parochial view of the man-power situation, and there has been no equality of service or sacrifice. It has resorted to the old system since 1940. When I review the situation, when I recall the excuses, coma, inertia, doubt, fear, delays, procrastinations, postponements, fireworks and somersaults that have taken place, I am driven to believe that the government's action is something like what a soldier said of the charge of the Light Brigade which he witnessed: "C'est magnifique, mais ce n'est pas la guerre." "It is magnificent, but it is not war."

That has been the policy of the government for some time until the minister gave a proper report. Everybody knew that reinforcements were urgently required. Everybody knew that reserves were needed overseas, but until the report of the minister was brought down, nothing was done. The minister had a plan to do it now and do it right, to do it for all time, for yesterday, to-day and forever—to provide total reinforcements of draftees at once.

I have no further confidence that the government will ever solve this question. The whole policy of the Prime Minister has been nothing but shadow-boxing and window-dressing at a time when the main issue has been the absolute and immediate need for reinforcements overseas.

We should not speculate too much about the end of the war, even though Mr. Churchill tells us that it may end by next summer. The Minister of Fisheries (Mr. Bertrand) made a prediction, but I do not know whether he was telling a fish story. He said that the war was about at an end. As I say, that may be a fish story in connection with which he is an expert, but the fact is that we should not be prophesying about the end of this war.

No doubt the German army will be beaten. The dictators made the greatest preparations for this war, but we sat and did nothing. The democracies which had made no preparations have beaten the dictators at least so far. If the necessary reinforcements were provided, the war would be shortened. No one can tell when the Germans will capitulate. They are a tough crowd of thugs and murderers, ten times as tough as they were from 1914 to 1918. They are the toughest crowd that has ever been turned out in the history of military warfare. A bunch of terrorists, brigands and murderers are now at the head of Germany. They have seized power and they can keep going much longer. They are going to keep going; the fighting will be much harder, and our casualties will be much greater.

Nobody has as yet offered any plan as to how Germany will be curbed after this war. Fortunately the war is being carried to them, but after the war is over we are likely to have lots of trouble with them. One good thing is that many of the young Germans who would be likely to give us the most trouble are being destroyed. Russia and Poland have a plan; they are going to keep one or two million Germans and make them work to rebuild their countries. Those Germans will have to work just for their food and clothing. The same policy should be followed by the low countries, France, Czechoslovakia, Belgium and Norway. Camps of these Germans should be established to rebuild these different countries.

I have a few constructive remarks to make to the government in this connection, but before I do so I should like to refer to the fact that Mr. Churchill has just had another birthday. There is one thing about the British constitution; the British have acted the same way in this war as they did in the Crimean war when they put out the Quaker and they put in the pugilist. This pugilist had a birthday yesterday, and he is the one pugilist who is going to give these dictators a complete knock-out in a very few months. I have every respect for our Prime Minister (Mr. Mackenzie King), as the hon. member for Dufferin-Simcoe (Mr. Rowe) expressed yesterday. One great advantage of the constitution of the mother country is the fact that in peace or war it can change itself to meet any circumstance or situation. It is said that the British cabinet under Aberdeen during the Crimean war was the greatest cabinet since the Reform Act, 1836; yet that cabinet was put out.

As Sir Walter Bagehot says in his textbook, "The Law and English Constitution":

> Under a cabinet constitution at a sudden emergency this people can choose a ruler for the occasion. It is quite possible and even likely that he would not be ruler before the occasion. The great qualities, the imperious will, the rapid energy, the eager nature fit for a great crisis are not required—are impediments—in common times. A Lord Liverpool is better in everyday politics than a Chatham—a Louis Philippe far better than a Napoleon. By the structure of the world we often want, at the sudden occurrence of a grave tempest, to change the helmsman—to replace the pilot of the calm by the pilot of the storm. In England we have had so few catastrophies since our constitution attained maturity, that we hardly appreciate this latent excellence. We have not needed a Cavour to rule a revolution—a representative man above all men fit for

a great occasion, and by a natural legal mode brought in to rule. But even in England, at what was the nearest to a great sudden crisis which we have had of late years—at the Crimean difficulty—we used this inherent power. We abolished the Aberdeen cabinet, the ablest we have had, perhaps since the Reform Act—a cabinet not only adapted, but eminently adapted, for every sort of merit then wanted, who, when he feels the steady power of England behind him will advance without reluctance, and will strike without restraint. As was said at the time, "we turned out the Quaker, and put in the pugilist."

During the first days of this parliament one hon. member used some remarks which I did not then concur in. The statement was made that the ministry should resign. I take issue with this position. As I have said before, the people elected this government with 178 seats. They were elected by the Canadian people, and therefore the responsibility rests upon the government to conduct the war as long as they are the government and to make an all-out effort so that our troops shall receive the necessary reinforcements.

I agree with what the member for Dufferin-Simcoe said with reference to the Prime Minister. I believe in moderation, especially in these days, and I have already given my reasons why we cannot all share the same views. I suggest to the government, however, that the army needs men. There are too many men now in the R.C.A.F. Why could we not have a division of R.C.A.F. infantry organized? I have seen dozens of these young fellows just out of high school, and many of them spent all summer and all fall erecting wooden structures in connection with the training in No. 1 manning pool. They were devoting their time to this work night and day. I suggest that a ground division of R.C.A.F. infantry could be organized, because I have seen many of these lads marking time day after day and they would be glad to go active.

I would ask the government what has been done to transfer available men from the R.C.A.F. for service overseas. Another thing I would point out to the government is that only about one-eighth of one per cent of the men overseas are getting home this Christmas. I suggest, in order to aid recruiting, that something should be done to extend the time of our soldiers in Canada over Christmas and New Year. They should have three or four days additional for travelling. I have seen letters from mothers in my constituency saying that their boys just managed to get home from the maritimes and had to go back on Christmas evening.

These serving men should be looked after by the government. Why can there not be more transportation for them? Transportation is provided for different people travelling all over Canada. Look at the control boards. The trains throughout the country are crowded with people who could very well make room for our fighting men. We have people travelling with missions to the old land and to the United States. In fact, we have in Washington a small expeditionary force there. There is no trouble about transportation for them; why should our soldiers overseas not get transportation home with all the aid our navy and shipping can give if we had reinforcements?

As regards these 16,000 men for whom the order in council makes provision, we could raise from fifty to sixty or seventy thousand men if we went about it properly. Many of our young soldiers of eighteen or nineteen years of age are being killed, and others have been overseas for three, four and five years. They should be brought home for keeps, and something should be done about that immediately.

This is a war that is changing from month to month and I should like to see some clarification of this order in council. I do not want to bother the new minister with questions, but there is one important matter that I would bring to his attention. I would ask him this question: Does a civilian lose his rights when he joins the army? When the war broke out we had no army, no navy, no air force, nothing; we had to start from scratch. We have a citizens army in this country because we had to start from scratch. But it seems that when certain soldier people discuss matters of vital concern to the country action is taken to curb them. If they wish to express an opinion concerning a military question, the question of volunteer service versus compulsion, steps are taken to prevent them from expressing their views. Should all their civilian rights be taken away from them because they join the army? No one has any right to take away the rights of our citizens. They have not done so in the United States. Look at the campaign that has been carried on in that country. No such attempt has been made to prevent men from expressing their views. Nor have I heard of any such action having been taken in England. I hope the new order will be cancelled.

I brought this matter to the attention of the former minister. I pointed out to him that apparently a citizen has no rights when he joins the army. The former minister two years ago abrogated the order and it became of no effect. The same should be done here.

May I offer some other suggestions to the government. I would say: Keep out of the secondary schools for recruiting. The secon-

dary schools have cadet corps, military training and all that kind of thing, but for those of sixteen and seventeen, the application was refused by the board of education for Toronto.

I have yet to hear anyone sum up the cardinal principles of the new elaborate recruiting policy. Another thing I object to is this. I know some of the commanding officers; I have known some of them for a great many years. I do not believe that it was wise to use any compulsion to adopt a system that was through, with respect to these commanding officers when they came to Ottawa, in the discussion with the new minister. One of these men came from Winnipeg, a fine citizen and a good soldier, and he has resigned. He would not put up with it. I venture to say that if some of these men could tell us what was going on at that time hon. members would agree with me that instead of having the new minister here we should have had the commanding officers. I am sure they could tell more than the present minister. I have not spoken ten words to him since the war started, but I have always had a great respect for him. I believe, however, that he showed poor judgment in becoming a politician.

We should have the reports of the heads of military districts before us. I asked the former minister a question about this in the house with reference to the dispatch of troops to Italy and why they were kept in England for four years. I asked why it was that we had no soldiers with General Montgomery in the march across the desert in Africa when there were tens of thousands of Australians and New Zealanders, Indians and troops from South Africa. There were none from Canada. The minister will correct me if I am wrong, but I believe he said that in any event it was not the duty or the function of the commanding officer overseas but primarily the duty and function of the minister. I think he answered the question correctly. I have always had a great admiration and respect for the people of Quebec. I have expressed it on many occasions, during both the present war and the last war. In the debate on August 4 last on foreign affairs I said that France would always be a great nation, and made other remarks in that connection; and I compliment the hon. member for Richelieu-Verchères (Mr. Cardin) upon having called yesterday upon the citizens of his province to obey the law, remain calm and not destroy property or use unlawful means.

Let it not be forgotten that Britain has sustained half the losses on the sea and in the air while some of our present allies were neutral; and, as I have reminded the hon. member for Quebec-Montmorency (Mr. LaCroix), but for the mother country during two years after Dunkirk, we would have known the awful horrors of war on our own soil, not only in Quebec but in Ontario and the maritimes; we would have suffered the gestapo, the whip, the loud speaker, the concentration camp, and the removal of thousands and tens of thousands of our citizens to Germany to work.

Mr. SPEAKER: The hon. member has exeeded his time.

On motion of Mr. Tremblay the debate was adjourned.

PRIVILEGE—MR. GRAYDON

REFERENCE TO AMENDMENT MOVED BY A PARLIAMENTARY ASSISTANT TO A GOVERNMENT MOTION

Mr. GRAYDON: May I rise to a question of privilege? It has to do with the question of the amendment which was moved to a government motion this afternoon by the parliamentary assistant to the Minister of Justice. As my hon. friend moved the amendment it occurred to me that it was a strange procedure, having regard to the fact that no notice had been given of his resignation as a parliamentary assistant. I asked him then—I do not know whether the Prime Minister was in the chamber at the time—if he had resigned, and he said that he had. It seemed to me that it was a pretty important point, because it was a major amendment against the government motion made by the right-hand man of one of the major ministers of the crown. I do not think it is enough for my hon. friend to say that he has resigned; I think the resignation must be accepted by the government; I do not believe that a parliamentary assistant can just walk out of his job while he is moving an amendment and afterwards move back into the position again, without the public—in common street parlance—feeling that there is "a nigger in the woodpile" with respect to the whole matter. I do not want the Minister of Justice to be suspected by the public as being one of those who were engineering a move of that kind, and I think the fact that the parliamentary assistant has resigned—

Mr. JEAN: On a point of order—

Mr. GRAYDON: I am on a point of order myself. May I finish? If the parliamentary assistant has resigned, and if his resignation has been accepted by the ministry and he is out once and for all, that, I think, removes the possibility to which I have referred. But he cannot be out and in at the same time. I suggest that the matter should be made perfectly clear, and I would like to have tabled on Monday, by the Prime Minister,

first, the letter of resignation of my hon. friend, and also the acceptance by the government—which, of course must have occurred before now.

Mr. JEAN: I strongly object to one remark of the leader of the opposition (Mr. Graydon), who said that I had engineered this amendment this afternoon with the Minister of Justice (Mr. St. Laurent).

Mr. HARRIS (Danforth): He did not say that.

Mr. JEAN: The Minister of Justice did not know anything about this amendment before he came into the house. I gave him my resignation here in the house this afternoon, and I gave my resignation to the Prime Minister (Mr. Mackenzie King) this afternoon.

Mr. GRAYDON: May I ask my hon. friend if he gave his resignation to the Minister of Justice or to the Prime Minister before he made the motion?

Mr. JEAN: Before I made the motion.

Mr. GRAYDON: The hon. member is perfectly sure that that is so?

Mr. JEAN: I am perfectly sure.

Mr. MACKENZIE KING: With regard to the questions my hon. friend has raised, I recall that the parliamentary assistant to the former Minister of National Defence also tendered his resignation. He did it for reasons of his association with the minister, and asked me if I would accept it. At the time I was not too sure whether it was desirable to accept it, and I was far from sure that it was the custom in the British parliament with respect to parliamentary assistants to have resignations necessarily follow the resignation of the ministers whose assistants they were. I wrote Mr. Macdonald that I was in doubt about just what the procedure should be. I said, as far as I recollect it, that as parliament might not be lasting very long, I doubted whether there was any necessity one way or the other. Mr. Macdonald was himself not too sure of the course he should take. However, he did subsequently say that he wished to have his resignation accepted, and I accepted it.

I must say that I do not think there is any reason why a parliamentary assistant should not be just as free as a minister or any member of parliament to take whatever course he wishes to take in giving expression to his views in parliament. There is no reason why a hon. member who holds the position of parliamentary assistant should tender his resignation just because he intends to make a motion in the house. I can understand a parliamentary assistant feeling that he would wish to have his motives above question and that no doubt should be left in the mind of anyone that he wished to be free and untrammelled in the attitude that he would take either for or against a particular course in the house. The hon. member wrote me to that effect; he stated that he wished to be released from a position where anyone could misunderstand the motive that he might have in—he did not say, as I remember, in bringing forward a motion; it was, in any course he might take during the present crisis. When I read his letter I replied to him that I would have a word with the Minister of Justice about it; that, seeing that he wished to have perfect freedom and not to be misunderstood or his actions misinterpreted in any way, if the Minister of Justice were agreeable I would be agreeable to releasing him from his duties. But I very much hope that this crisis is not going to last indefinitely, and I am also hoping that circumstances may be such that the government may be in a position to ask the hon. member to reconsider his position later on. Certainly we are not going to adopt a course in this house whereby, if a member of the House of Commons becomes the assistant of a minister, he is thereby to be hamstrung in the matter of his perfect freedom to introduce a motion or to refrain from introducing a motion.

The parliamentary assistant to the Minister of Justice as I understand his purpose, wishes to prevent any doubt or suspicion from arising as to his perfect freedom of action. He has taken that course and will be released from duty in order that his actions may stand out as something being done without fear or favour in any direction.

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

Monday, December 4, 1944

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

"CONSCRIPTION IF NECESSARY"

Mr. BRUCE:

In view of the disagreement between the Prime Minister and the former minister of national defence about the meaning of the phrase "conscription if necessary", what is the exact meaning of that phrase, as used by the Prime Minister in his 1942 speeches?

Mr. MACKENZIE KING: Mr. Speaker, this question might, I think, be dropped.

Mr. BRUCE: I do not think as yet we have had sufficient elucidation of the question by the Prime Minister. I should like to have a little more information as to the meaning of that phrase.

Mr. MACKENZIE KING: All other hon. members of this house apprehend the situation quite well, and I hope my hon. friend may find it possible to do the same.

Mr. SPEAKER: Dropped.

SELECTIVE SERVICE REGULATIONS—PROSECUTIONS

Mr. KNOWLES:

1. Have any persons received payment from the federal government for services rendered in connection with the securing of prosecutions against persons charged with violating national selective service regulations?

2. If so, what are the names of the persons who have received such payments?

Mr. MARTIN:

1. No.

2. Answered by No. 1.

PAYMENT OF ARMY PERSONNEL TO PERSUADE N.R.M.A. MEN TO GO ACTIVE

Mr. LOCKHART:

Have any returned members of the armed forces, awaiting discharge, or any other persons, been paid, or offered remuneration by the national selective service offices of M.D. No. 2, Toronto, to persuade prospective members of the N.R.M.A. personnel to go active when called up for examination?

Mr. MARTIN: There has never been any remuneration offered or paid by mobilization staff of national selective service to induce men to enlist for general service.

R.C.A.F.—JAMES A. SHARPE

Mr. POULIOT:

1. From what date has Mr. James A. Sharpe been employed as, (a) private secretary to the Minister of National Defence for Air; (b) air secretary and (c) acting or assistant deputy minister of the Department of National Defence for Air?

2. Did he enlist in the R.C.A.F. and, if so, when?

3. What was his rank at the time of his enlistment?

4. From what date to what date has he been in the R.C.A.F.?

5. Did he receive any promotions, and, if so, (a) what were they; (b) when were they granted to him; (c) why?

[Mr. Bruce.]

6. Where, from what date and to what date, did he do his training as a R.C.A.F. officer?

7. What are the experience and training required of, and the duties of, (a) a pilot officer; (b) a flying officer; (c) a flight lieutenant; (d) a squadron leader; (e) a wing commander, and (f) a group captain?

8. Did he resign from the R.C.A.F., and, if so, when and why?

9. Did he at any time serve overseas in his capacity as an officer of the R.C.A.F., and, if so, from what date to what date and where?

Mr. POULIOT: Answered verbally. Dropped.

Question dropped.

CANADIAN ARMY—MILITARY CATEGORY G.O. 139

Mr. POULIOT:

1. What is a G.O. 139?

2. On what date and for what reason was such military category established?

3. To become a G.O. 139, must one sign with the active army?

4. Are G.O.'s 139 considered members of the active army?

5. Since the beginning of the war, how many G.O.'s 139 have been appointed in each military district?

6. In military statistics, are G.O.'s 139 counted as members of the active army?

7. What procedure is followed to become a G.O. 139?

8. Upon whose recommendation are they appointed?

9. What is their badge?

10. Are they sent overseas before the mobilized men? If not, for what reason?

11. Are returned volunteers called upon to reinforce the list of G.O.'s 139? If not, for what reason?

Mr. MACDONALD (Kingston City):

1. An officer or soldier of the non-permanent active militia of Canada who has been called out on service pursuant to general order 139 of 1939, being an order of the Minister of National Defence made pursuant to order in council dated 26 August, 1939, (P.C. 2396) is sometimes referred to as G.O. 139.

2. (a) 26th August, 1939.

(b) To provide personnel for purposes pertaining to the organization of the Canadian Army.

3. No, but only personnel who are already members of the N.P.A.M. can be called out on service under G.O. 139.

4. Personnel called out under G.O. 139 are placed on active service only in Canada and to that extent are "active personnel" of the Canadian Army.

5. This information is not readily available. Numbers at present employed are as follows:

	Officers	Other Ranks
M.D. 1	23	83
M.D. 2	67	185
M.D. 3	37	102
M.D. 4	34	186
M.D. 5	17	70
M.D. 6	18	48
M.D. 7	15	40
M.D. 10	14	52
M.D. 12	32	54
M.D. 13	9	49
Pacific Command	26	100
Total	292	969

6. Those employed with the active army are shown in statistics of the active army. Those employed with the reserve army are shown in statistics of the reserve army.

7. Personnel who may be called out under G.O. 139 must be personnel who have already been appointed to or enlisted in the N.P.A.M. Such appointments or enlistments are on a voluntary basis. They are selected and detailed for employment in accordance with orders issued by the adjutant-general. The established procedure respecting documentation and medical examination and taking on strength of the units in which they will be employed is followed.

8. Officers on recommendation of district officer commanding, other ranks on recommendation of officer commanding unit.

9. They have no distinctive badge. They wear their rank insignia and they wear the badges of their respective units.

10. No. They have been called out for service in Canada only and have been placed on active service in Canada and not beyond. A large proportion of those originally called out became general service members of the active army and most of those remaining are of age or category unsuitable for overseas service.

11. If a returned volunteer has been discharged from the active army and later enlisted in the reserve army he may be called out.

LABOUR RELATIONS BOARD—YUKON TERRITORY

Mrs. NIELSEN:

Is the authority of the national wartime labour relations board the same in Yukon Territory as in other parts of the Dominion of Canada?

Mr. MARTIN: The authority of the national board in the Yukon territory is wider than in other parts of the dominion because businesses which are ordinarily under provincial jurisdiction are, in the Yukon, under the legislative authority of the parliament of Canada.

NORTH WEST FIELD FORCE, 1885

Mr. CHURCH:

1. What action has the government taken to pay those covered by an order in council of August 4 last as members of the Northwest field forces, 1885, the set out allowances therein, and what is the cause of the delays in payment?

2. How many have applied for this form of aid?

3. Will they receive any cash payment before Christmas next?

Mr. MACKENZIE (Vancouver Centre):

1. The order in council made former members of the North West Field Force, 1885, eligible to apply to the war veterans' allowance board for an allowance under The War Veterans' Allowance Act. In each case, it is necessary for the board to obtain evidence of service in the North West Field Force and as to the applicant's economic status before an award is made. In some cases, also, the applicant must arrange to cancel old age pension.

2. Thirty-nine; as at November 30, 1944.

3. With respect to a number of applications, progress is sufficiently advanced that the board expects payments to begin well before Christmas.

*CANADIAN FORCES—GASOLINE ALLOWANCE TO PERSONNEL ON LEAVE

Mr. BREITHAUPT:

Has the Department of National Defence given consideration to the adoption of a gasoline allowance of one gallon or more per day per man to members of the three armed services while on leave?

Mr. HOWE: If I may answer this verbally the matter is not one for the Department of National Defence, and for some months past the oil controller has made arrangements under which returned men may be provided with gasoline sufficient for their requirements while on leave in this country. The formal answer prepared by the department is as follows:

It has been departmental policy for some time to issue to each man returned from overseas on leave, or on embarkation leave before proceeding overseas, coupons totalling twelve gallons of gasoline. This allotment is made upon application and is given to the applicant even though he is not the owner of a motor vehicle, provided he produces a letter from the owner of a motor vehicle agreeing to allow the applicant the use of his car.

PENICILLIN

Mr. PERLEY:

1. What contract or contracts, if any, have been made by the government for the manufacture of penicillin in Canada?
2. Are these contracts exclusive?
3. What price is provided for such manufacture?
4. What persons, firms or corporations have so contracted with the government?
5. Is Mr. Harry Bronfman of Montreal, late of Yorkton, Saskatchewan, interested in any way in any such contract? If so, what is his interest?

Mr. HOWE: This question will be answered in due course, but I would ask that paragraph 5 be dropped. The answer to that paragraph is no, but I would point out that to the best of my knowledge Mr. Bronfman has not lived in Yorkton, Saskatchewan, for twenty years, so that it would seem to be rather an unnecessary smear to put the question in this way.

Mr. SPEAKER: Dropped.

Mr. PERLEY: Do I understand that the first four paragraphs will be answered later?

Mr. SPEAKER: I understood the minister to say the question was dropped.

Mr. HOWE: Only paragraph No. 5.

Mr. PERLEY: That was just put in for purposes of identification.

Mr. SPEAKER: The first four paragraphs will stand and paragraph 5 will be dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PRICE SPREADS COMMISSION, 1934

Mr. NICHOLSON:

What action has been taken by the government on the recommendation made in the report of the parliamentary committee on "Price spread and mass buying" under the chairmanship of Hon. H. H. Stevens sitting February 13, 1934?

CUSTOMS AND EXCISE COMMISSION, 1926-28

Mr. NICHOLSON:

What action has been taken by the government on the recommendations in the report of the royal commission on customs and excise (1926-27-28) under the commissioners: Mr. Justice Brown, Mr. Justice Wright, Mr. Justice Roy, in the following instances: (a) breweries and distilleries, British Columbia; (b) Gainsborough liquor report No. 10; (c) dominion distributors report No. 10; (d) Yorkton distributors report No. 10?

WINNIPEG PACKING PLANTS—SWIFT CANADIAN COMPANY—R. B. HUNTER

Mr. KNOWLES:

1. Is Mr. R. B. Hunter, formerly manager of Swift Canadian Company Limited, at Winnipeg, in the employ of the government, or any branch or department thereof? If so, in what capacity, and what remuneration is he receiving?

2. How many men were moved to Winnipeg during the period from October 15, 1944, to November 30, 1944, to work in the packing plants in the Winnipeg area? How many men were laid off from Winnipeg packing plants during the same period?

3. How many men moved to Winnipeg as set out above had their transportation paid by the federal government?

J. T. LETOURNEAU

Mr. COLDWELL:

1. Has Mr. J. T. Letourneau of Lisieux, Saskatchewan, been employed by any department of the federal government during the past year?

2. If so, what salary, expenses or other money does he receive?

CANADIAN FORCES—CHRISTMAS AND NEW YEAR'S LEAVE

Mr. CHURCH:

1. What arrangements have been made across Canada for men of the forces and services to travel home for Christmas and New Year's leave?

2. As an aid to recruiting, could not time be allowed in addition to the usual five-day leave, as our country is a land of great distances for travelling to and fro, as the men have no choice in their location?

3. What action is the government taking with respect to an allowance for time spent in travelling to and fro for a few days over the five-day rule?

SOLDIER SETTLEMENT BOARD

Mr. FAIR:

During each of the fiscal years 1930-1931 to 1943-1944 inclusive:

1. What amount was collected from soldier settlers under the soldier settlement board?

2. What was the annual cost of administration?

3. How many signed quit claim deeds or were served with thirty-day notices to vacate?

DUMBARTON OAKS

REQUEST FOR REPORT OF CONFERENCE

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Will the Prime Minister tell us to-day, or to-morrow if that is more convenient, when members of this house may expect the report on the Dumbarton Oaks conference?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The countries represented at the Dumbarton Oaks conference were the United Kingdom, the Union of Soviet Socialist Republics, the United States, and China. No other countries were represented, and there-

fore I am not in a position to give to the house any report on the conference from Canadian sources. I shall endeavour to ascertain what report may be available for publication coming from the conference itself and will seek to table that, but that is all I can promise to try to do.

CANADIAN ARMY (RESERVE)

INQUIRY AS TO FUTURE ACTIVITIES

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): On Friday last the Prime Minister indicated that he might be in a position to-day to answer my question relating to the reserve army and the policy of the government with respect to it.

Mr. MACKENZIE KING: The Acting Minister of National Defence will answer the question.

Hon. ANGUS L. MACDONALD (Acting Minister of National Defence): The answer has been prepared by army officials, but inasmuch as it was very long, extending over three foolscap pages of single spaced typewriting, I asked if they could not abbreviate the answer. They are doing that now, and I will table it to-morrow.

PARLIAMENTARY ASSISTANTS

JUSTICE—RESIGNATION OF MR. JEAN—CORRESPONDENCE

On the orders of the day.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, on Friday my hon. friend asked me if I would give to the house the correspondence between Mr. Jean, parliamentary assistant to the Minister of Justice, and myself. On Friday afternoon, December 1, I received the following letter addressed to myself, as Prime Minister:

Dear Mr. Prime Minister:

I deeply regret to have to tender my resignation as Parliamentary Assistant to the Honourable the Minister of Justice.

You will understand, I feel confident, that during the present crisis I may think it preferable to release myself from any administrative connection with the government, in order to take my responsibilities as a member of parliament with full liberty of conscience.

I wish to thank you very sincerely for having entrusted me with this position of parliamentary assistant. It was indeed a privilege to have the opportunity of serving in my humble way under your administration.

Yours very truly,

Joseph Jean.

To this communication I replied on the same date, December 1 in the afternoon, as follows:

Joseph Jean, Esq., M.P.,
Parliamentary Assistant to
The Minister of Justice,
House of Commons,
Ottawa, Ontario.

My dear Jean:

I have just received your letter of to-day.

I can understand your desire to be perfectly free to take or to refrain from taking, without fear or favour and without the appearance of either, any particular course of action you may deem advisable in the present crisis.

While I do not believe that to maintain such a position it is necessary for you to be released from the duties you have assumed as parliamentary assistant to the Minister of Justice, I shall nevertheless be pleased to discuss the matter with my colleague, and if Mr. St. Laurent agrees that to ensure against the possibility of any misinterpretation or misrepresentation of your position, it is advisable to release you from your duties as his Parliamentary Assistant, I shall act accordingly.

I need not say that, except for the reasons expressed in your letter, I would not consider, as I know the Minister of Justice would not consider, taking any action which would deprive the government of your valuable services, which, I need not assure you, have been deeply appreciated by the Minister and myself.

With kindest regards,

Yours sincerely,

W. L. Mackenzie King

The Parliamentary Assistant's resignation was accepted, and an order in council was passed to that effect, dating the resignation as from December 1.

WARTIME INFORMATION BOARD

REQUEST AS TO PRINTING AND DISTRIBUTION OF SPEECH OF MR. RALSTON ON NOVEMBER 29

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, I should like to ask a question of the Prime Minister. In order that the public may have both sides of the issue fairly before them, will the Prime Minister direct the wartime information board to publish and circulate 87,000 copies of the speech made in this house by the former minister of National Defence (Mr. Ralston) on November 29, 1944? This would correspond to the number of copies of the Prime Minister's speech, in defence of the voluntary system, as given over the radio on November 8.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have made it a practice not to give direction to the wartime information board. I have given no direction with respect to any publication relating to this present crisis.

Mr. ROWE: Did the wartime information board take the responsibility themselves without direction from any minister?

Mr. MACKENZIE KING: The board has power to act on its own authority in a matter of this kind.

Mr. HANSON (York-Sunbury): There is always the indirect method, though.

THE WAR

POLICY OF THE GOVERNMENT IN MAINTAINING VIGOROUS WAR EFFORT—CONTINUATION OF DEBATE ON MOTION OF THE PRIME MINISTER

The house resumed from Friday, December 1, consideration of the motion of the Prime Minister (Mr. Mackenzie King) that this house will aid the government in its policy of maintaining a vigorous war effort, and the proposed amendment thereto of Mr. Graydon, and the amendment to the amendment of Mr. Jean.

Mr. L. D. TREMBLAY (Dorchester): Mr. Speaker, the undeniable seriousness of the happenings which have motivated the sudden summoning of the house is such that we realize, perhaps more than ever before, the weight of responsibility which is ours. Last Monday, before making to the house his outspoken and remarkable statement as to the present situation, the Prime Minister (Mr. Mackenzie King) while referring to the resignation of the former minister of defence, spoke as follows:

If anything were necessary to emphasize the gravity of the issue that has so suddenly arisen, it would most certainly be found in the words of my former colleague and all-time friend, the former minister of national defence for air (Mr. Power). He has brought to the house, in a very few words, the real nature of the question which is before this House of Commons at the present time. In a word, the issue of conscription has, once again, come to the fore, and it has brought to the fore once again the most serious kind of controversy which this parliament has had at different times to face.

However, Mr. Speaker, at the very outset of the present conflict, and even before, as well as in 1940, when the various parties were soliciting the support of our citizens, the leaders themselves, recalling sorry past experiences and knowing full well that nothing more than conscription could provoke the most serious kind of controversy which this parliament has had at different times to face, took the positive and solemn pledge, in clear, precise and explicit terms, of never under any circumstances resorting to conscription in Canada again. I wish to put on record those very pledges made by the ones who had authority to make them in the name of the people of Canada. At page 2426 of *Hansard* for 1939 we find this statement by the Prime Minister himself:

In a war to save the liberty of others, and thus our own, we should not sacrifice our own liberty or our own unity. . . . Profits could and would be rigidly controlled, and profiteering suppressed. But men's lives and men's wills cannot be put on the same basis as goods and profits. . . . Let me say that so long as this government may be in power, no such measure will be enacted.

At the very same session, and debating the same subject before the house, the Right Hon. Ernest Lapointe, whose passing we so deplored in Quebec, and who was then minister of justice as well as, I believe, the recognized leader and spokesman for the province of Quebec, had this to say:

Now I am going to touch a subject which is a delicate one. The French Canadians will never agree that any government has the right to force them to military service on the other side of the ocean. In 1917 that was my view, and I have never altered it. I believe that conscription in 1917 was a blunder of frightful magnitude, and that we are still reaping the sad and sorry results of that ill-conceived policy. I was pleased that my hon. friend the leader of the opposition—

And that was the late Doctor Manion—

—said yesterday what I have myself learned, that the results did not in any way justify the taking of the risk.

And a little further on, Mr. Lapointe had this to say as reported on page 2468 of *Hansard* of March 31, 1939:

I think I am true to my concept of Canadian unity when I say that I shall always fight against this policy; I would not be a member of a government that would enact it; and not only that, but I say with all my responsibility to the people of Canada that I would oppose any government that would enforce it.

For the benefit of all hon. members, and particularly for the benefit of the loyal opposition which is seated, sir, to your left, I should like to quote what the leader of the Conservative party said on this question. I may have to quote Mr. Manion at length, but it is necessary in order to make my point quite clear. This is what Mr. Manion said, as reported on page 2440 of *Hansard* of 1939:

There is the extreme view that we should, that we must, participate in all the wars of Great Britain to the last man and the last dollar, without question or discussion. That is condensing the viewpoint to a definite statement, but I think I am stating it fairly. The other extreme view is that we must participate in no war unless we are directly attacked.

And again:

Considering all these facts, and remembering the strong views held by both extreme sides, I

see a very grave danger to the dominion unless some fair compromise policy is adopted. It seems to me that persistence in either of these extreme views, to the ignoring of the very large group who have the other extreme view, means the disruption of Canada, possibly civil war in case there was an international war in which Britain was engaged, perhaps the ultimate break-up of the British Empire. In the last war the conscription of men to go to the front caused violent racial antagonisms, much disharmony, bitterness and misunderstanding—conditions from which as yet we have not wholly recovered; and on top of that I believe I am expressing the opinion of authorities when I say that it was of no real value so far as the empire was concerned.

Mr. Manion had this to say in conclusion:

It seems to me, therefore, that we must adopt a sane middle course in order to preserve a united Canada and, indeed, to maintain this empire. The policy that I suggest is the one which I gave three days ago in an interview: first, that there should be no conscription of Canadians to serve outside the borders of Canada; second, that we should have full co-operation with the British Empire short of the conscription of men to serve outside our borders.

In view of these statements, I ask any man who is willing to think for a moment whether it is surprising that the initial feeling of amazement created by the unexpected adoption of order in council P.C. 8891 should now be replaced by a deep and general feeling of distrust? The people who placed their trust in us rightly feel that they have been deceived. Is it not elementary and logical that they should arrive at this inevitable conclusion when they are confronted with the events of the last few days? How could we be so misguided as to think that it could be otherwise? In fact, only a few hours before the introduction of this compulsory measure the most competent authorities on the matter expressed their unfailing faith in the voluntary system.

Has it not been by the use of the voluntary system that our country has been in a position to raise such an excellent, such a gallant, such a marvellous army, and that our Prime Minister was in a position only a short while ago, speaking before the representatives of the United Kingdom and the member nations of the British commonwealth, to express the pride of Canada in this army? I ask how it is that this system has become discredited overnight after having given such splendid results. In the light of the statement made by the Prime Minister last Monday, some parts of which I shall quote, it is no wonder that our gallant soldiers who are fighting for us have been denied the results they have been expecting from the voluntary system of recruiting.

After the appointment of General McNaughton as Minister of National Defence —that great soldier, that picked man, that keen patriot who in the worst crises of his country always answers "here" to the call of duty, this is what happened. First, let me refer to what was said by the hon. member for York-Sunbury (Mr. Hanson), and I quote from page 31 of *Hansard* of May 20, 1940:

May I pause here to pay a tribute to the government for having appointed him to lead the first division. I have great confidence in General McNaughton, and so have the Canadian public. As evidence of my wanting to be fair, let me say that they could not have made a better appointment. The Canadian people applauded the appointment of General McNaughton.

After the appointment of General McNaughton as Minister of National Defence this is what happened, and I quote the words of the Prime Minister as reported on page 6604 of *Hansard* of November 27, 1944:

General McNaughton brought his officers from all parts of the country and explained to them that the policy of the government was a policy of voluntary enlistment. They have tried—or I believe many of them have, but I also believe some of them have not tried to get voluntary enlistments. That was the policy of the government to make it succeed, all would have had to work for it with all he was worth.

How was the public appeal supported? The moment that we started on the public appeal, that moment the opposition to anything of the kind—

I ask the house to note these words:

—on the part of the interests that lie behind this organized effort to force conscription began to make itself felt in every direction—in the press, by meetings, resolutions by veterans' organizations, representations to members and so forth, with the result that instead of the appeal reaching the ears of the people, the ears of the people were dinned by the efforts that were being put forth by those who were determined they were going to have conscription no matter what the cost might be.

Can we believe in the sincerity of those who claim that conscription is necessary, no matter what the cost may be, in order that our fighting men should get the required reinforcements, when they themselves systematically opposed the public appeal and deliberately refused their cooperation when that was requested in order to get reinforcements by the voluntary system?

I wish the house to understand and the whole country to know that the rebuffs did not come from the province of Quebec. For the information of the house I quote from a statement given to the Canadian Press by Brigadier Edmond Blais, O.C., military district No. 5, Quebec. This statement was published in the Ottawa *Journal* of Wednesday, November 22, under the heading "Blais confident Quebec will furnish support battalions":

Brigadier Blais, O.C. military district No. 5 here, said to-day he had "complete confidence"

that plans he has worked out for furnishing supporting battalions to two Quebec district units overseas would be successful.

"I want to make sure my two units—the Royal 22nd Regiment and le Regiment de la Chaudiere—never go short of men", he said. "When I have my boys in hand, I am willing to guarantee that they will go wherever they are needed."

Brigadier Blais said further:

"It's just the way you do it that counts. The soldier of to-day needs a special approach. We can't get a boy to come with us if we insult him. If you approach him right and show him where his duty lies, he'll work for you." No, sir, we can't get a boy, surely not a French-Canadian boy—Il est né d'une race fière—to come with us if we insult him.

May I ask if this has been understood in every military camp and training centre throughout this Canada of ours? I most emphatically declare that unfortunately the opposite has too often been the case. In most of our English-speaking provinces—and I am happy to pay them this well-deserved testimony—the civil population as a rule have extended a sympathetic and heartfelt welcome to the young recruits from Quebec. But in many of our camps in these same provinces, our young men have been constantly subjected to contempt, insults and pestering from non-commissioned and commissioned officers, and even from ignorant superior officers, who could not understand their language and who treated them as suspicious foreigners rather than as Canadian compatriots. These gentlemen—if I may so call them—most obviously ignored the fact that our federal state is a bilingual state, as is attested by section 133 of the British North America Act, which makes Canada juridically the country of all Canadians. They ignored the fact that it is not the races that are federated in Canada but that both races, as a result of our constitution, are joint owners of the soil and territory of the same country.

May I ask who exactly are "the interests that lie behind this organized effort to force conscription," as the Prime Minister put it, and who are hysterically supporting the full and all-out conscription policy of the Tory party as well as receiving the latter's wholehearted support? They are the all-time opponents of this government whose policy it is and always has been rigidly to control profits and suppress profiteering, and stubbornly refuses to put men's lives and men's wills on the same basis as goods and profits. Have they given any thought to the possible cost of their persistence in their extreme views, while ignoring the very large group who hold other views? Have they pondered Mr. Manion's apprehension clearly stated in 1939 that their very persistence in this extreme view might mean the "disruption of Canada, possibly civil war" and, perhaps the ultimate "break-up of the British empire itself"? Sir, it is my firm conviction that they have not, any more than they have given any consideration to the alarming statement made by that strong-hearted Canadian, the former minister of national defence for air (Mr. Power) when he said at page 6594 of *Hansard* of November 27, 1944:

> It may be that for some time to come the day has gone when men of similar ideas and principles can meet and join in common action across the Ottawa river. . . .
>
> Millions of honest, decent people in all parts of Canada and of all shades of opinion are in the process of hating and reviling one another.

That, sir, is the consequence of this controversy. I do not want to prolong unduly and, as I perfectly realize, uselessly, this debate, but I do want to add that we who long before this war very strongly held and very frankly expressed our view that Canada should no more participate in extra-territorial wars; we who have in spite of our feelings and in order to maintain unity agreed to share the sacrifices which our participation would impose; we who have done magnificently—under very ungrateful circumstances, may I say—we whose sons and daughters are in the thick of the fray shoulder to shoulder with their English-speaking compatriots, unaware I do hope, of the infamous campaign which is being waged against their own province—we cannot and do not approve a policy of compulsory service overseas which we strongly feel is neither necessary nor advisable.

In a democracy, if democracy is to survive, the majority have not the moral right, though they may have the power, to force upon a minority an obligation which they know this minority is unwilling to assume, especially when that majority, through its authorized and constitutional leaders, have pledged themselves never to impose such an obligation on the minority.

The Prime Minister recalled on Monday, November 27, in this house, that when he asked parliament to authorize Canada's participation in the war, hon. members were all of one mind with respect to one of the conditions under which we would be prepared to take part in the conflict, and he stated this conditon as being: "that there should be no conscription for the sending of men overseas." The only question I now want to ask this parliament is this: Who has broken the pledge?

Mr. A. J. BROOKS (Royal): It is not my intention to follow in detail the remarks of the hon. member for Dorchester (Mr. Trem-

blay) who has just taken his seat; but I do take exception particularly to one remark that he made, namely, that in the different camps throughout Canada there has been discrimination so far as the French Canadians and the English Canadians are concerned. I have had the honour to command two large camps in Canada. I have had both French and English Canadians in these camps, and I can say truthfully to this house that I do not know of one instance where there was any difference between these two races. They have played together, worked together, drilled together and slept together, and never has there been any trouble between them. Therefore I feel that in justice to the Canadian people, both English and French, I should make this statement. I know also that overseas our men feel they are all Canadians and that there is no difficulty of the kind the hon. member has mentioned.

Before I enter on my general remarks this afternoon I should like to refer to a matter which is perhaps rather personal. In the course of his fine address a few days ago the hon. member for Prince (Mr. Ralston), the former minister of national defence, expressed his regret that he could not finish the job he had undertaken as minister of national defence. He also extended to the officers and men who had worked under him for the last four or five years a word of thanks. I should like to say to the hon. member for Prince—I see he is busy at the moment—that as one of the officers who has worked under his department for the last four years it is a matter of personal regret to me that he has not been able to finish the work which he undertook. I wish to extend to him my personal thanks for the help which I received as an officer while working under him. I would not presume, Mr. Speaker, to speak for all officers and men in the Canadian Army, but I feel he has had the respect and admiration of practically all of the officers and men who have served under him. I am sure that he has their respect in the stand which he has taken on this reinforcement matter. But that respect may be dimmed because of the action which he feels it is now incumbent upon him to take. I do not think he is carrying his ideas to their logical conclusion; I do not think he has gone far enough.

This is not a question of voluntarism versus conscription. So far as this country is concerned the question of conscription has been settled. But we still have the two systems in vogue in Canada, and I wish to make my own position clear. The hon. member for Dorchester referred to our leader in 1939. I say without any hesitation, Mr. Speaker, that I disagreed with my leader in 1939 so far as conscription was concerned. In my own constituency—and it is well known in New Brunswick—I ran against an anti-conscriptionist and under a conscription platform. Therefore my attitude has been consistent throughout.

I should also like to quote from my remarks of 1942 when the question of the plebiscite was before the house. I quoted then and I shall quote now a statement which was made by Abraham Lincoln in 1863. I think that statement is just as true to-day as it was then. He said—I am quoting from page 165 of *Hansard* of January 29, 1942:

> Voluntarism is the unprincipled dodge of cowardly politicians. It has ground up the choicest seed corn of the nation. It has consumed the young, the generous, the patriotic, the intelligent and the grave. It has wasted the best moral, social and political elements of the republic, and left the cowards, the shirkers and the money-makers to stay at home and propagate their kind.

Mr. GLADSTONE: Mr. Speaker, I rise to a point of order. From time to time this question has been attributed to Abraham Lincoln—

Mr. BROOKS: There is no point of order.

Mr. GLADSTONE: I wish to challenge the accuracy of the hon. gentleman's statement.

Mr. BROOKS: I will accept Mr. Lincoln's words and not the words of Mr. Gladstone, although there was a Gladstone at one time who may have compared favourably with Mr. Lincoln.

Mr. GLADSTONE: An attempt has been made at the libraries in Ottawa and in Washington to trace this quotation to Mr. Lincoln, and it has failed.

Mr. GARDINER: He did not say it.

Mr. HANSON (York-Sunbury): Let us take it as an academic problem.

Mr. BROOKS: I should like to quote further from the remarks that I made on that occasion, which will be found at page 165 of *Hansard* of January 29, 1942.

Mr. McGEER: When did Lincoln speak in *Hansard*? The hon. member surely cannot quote Lincoln from *Hansard*.

Mr. BROOKS: The hon. member is just awakening; he does not know what is going on.

Mr. McGEER: Who said Lincoln said it?

Mr. BROOKS: At that time there was a vote of confidence before the British house as there is a vote of confidence before this

house at the moment. What happened in England at that time? Here is what I said on that occasion:

When Churchill came before the British House of Commons for a vote of confidence, the vote stood 464 to 1—practically unanimous. Why? Because Churchill makes and leads public opinion in that country. It was a magnificent tribute to a great leader and a great statesman, a man who tells his people what is needed and sees that those needs are carried out, as far as is possible for him to do so. He offers no apologies or excuses. He said to them, "I make no promises". I commend that to the people of this dominion and to the members of this house. We make too many promises. If we had not made promises which we could not fulfil, we would not have been in the position in which we are to-day. A wise man is Mr. Churchill. He makes no promises, and he holds no plebiscite in his country during war time to find out whether he should be relieved of those promises to satisfy new conditions.

I quote these words, Mr. Speaker, to show that we have not had the leadership in this country since the war started that we should have had. Great Britain has had the leadership of Mr. Churchill. He has not only given leadership to his own people, he has given leadership to the world. The United States has had the leadership of Mr. Roosevelt, their great president. Russia has had the leadership of Mr. Stalin. In this country we just drift along without any leadership and without anything definitely settled.

Going back to the issue of voluntary enlistment, the hon. member for Dorchester said that it did not receive the support of this dominion. I would ask him, where did it receive that support? I can speak for my own province, and I think I know something of the maritimes generally; I know that in those little provinces by the sea the voluntary system has been a success. In some towns there is hardly a young man left to carry on the ordinary work, ordinary employment, and I know that men from outside the maritime provinces have been brought in to carry on the work in the pulp mills, in the woods, and in other industries because our own young men are absent; they are not there to do that work because they are overseas fighting. When anyone says therefore that the voluntary system has not been a success in our particular provinces he is saying something that is an absolute mistake. So far as Canada is concerned it has been a failure from the very beginning.

The other night I listened to the hon. member for Cartier (Mr. Rose) when he said that he had spoken to 2,500 people here a few days ago—2,500 young French Canadians, or to the French-Canadian people—and it occurred to me at that time that this hon. member might very well have spoken to other nationals in this country than French Canadians. He would have been well qualified to speak to them, because there are other nationals who have not done as well as some of our French-Canadian people.

Mrs. NIELSEN: I was also present at the meeting, and I may say that it was a meeting of all sorts of people.

Mr. BROOKS: He said he was speaking to French Canadians.

Mrs. NIELSEN: No; it was a mixed audience.

Mr. BROOKS: If I had one drop of French-Canadian blood in me I would have resented it, knowing what I do. Let us be Canadians. The Minister of National War Services has been going out in the last two or three weeks making passionate appeals. The point I am making is these hon. members are just four years too late. It has also been mentioned in the house that the military authorities in the different districts did not give the support to the measure which they should. I can only speak for two military districts, and perhaps I have no authority to speak for them except for information I have myself. In district No. 7 there has been an effort in the last four or five years to obtain all the recruits they could from N.R.M.A. men who have come into service, and I know that the results have been very satisfactory. I also know that in district No. 6, when this order went out asking the district officers commanding and other military men in the districts to try to get as many recruits as they could, the district officer commanding No. 6 called every camp commander and commandant into Halifax. The matter was explained to them, and while some of the officers started to grumble a little at first, the officer commanding said to them: "This is a matter which it is not for us to question in any way. I do not know what your personal opinions are and I have no intention of giving my personal opinions. This is the policy of the government and we are asked to carry it out, and as good soldiers it is our duty to do our best to see that it is carried out."

These were the instructions given at that meeting, and I know that at that meeting plans were laid for every commanding officer to go out and try to do his best to get N.R.M.A. men in his command to go active. I remember one commanding officer who stood up and said: "It is going to be a very hard job, and I will tell you why. My men are veterans." We were all amazed at that, but he went on to explain. He said: "I mean they are veterans in this sense. They have been

through many campaigns. First, they were asked to enlist when they were members at the basic training centre. Afterwards there were attempts to enlist them and get as many of them as possible when they were in the advanced training centre. Efforts were made to get them when they were in units before they came to me, and now that they are in my outfit there is nothing but the hard core left and it is impossible for us to get more men."

The situation which that officer explained as to his men was the situation all across the country, and while the present Minister of National Defence may not have known it I am quite sure it was known to the former minister of national defence, as it was known to practically every senior officer from one end of Canada to the other.

As to the need of men, I think it was known that there was a need of men even before the member for Prince (Mr. Ralston) went overseas. He had his fears at that time and he went to England, to Italy and to France. What did he find? He found that our reserve pool was empty in England, that it was practically empty in Italy, and practically empty in France, and at what time? Not at a time when there was no fighting going on but when there was the severest fighting that Canadian troops have engaged in during this war. Is it any wonder that he hurried back to Canada and placed before the Prime Minister the situation as he found it? To the people of Canada and to us, the only wonder is that nothing was done at that time. The hon. member suggested that there should be 15,000 men. He did not suggest that they should be sent over in December. He did not suggest that they be sent over in January, 5,000 of them. He did not suggest that for the three succeeding months there be 2,000. The minister came back to this country and told the government that 15,000 men were needed immediately to fill the pools and give a backing of reserves to the men who were fighting overseas.

And there is hard fighting. I listened the other day to the Minister of National Defence as he described the great west wall where thousands and tens of thousands of slave labour in the last three years have been building a wall of concrete and steel, built in depth, and, as he said, where guns can play in every direction. This is certainly going to be an enormous task for all troops, allied and Canadian.

But besides the west wall there is also the matter that General Eisenhower has told us about, the matter of crossing the Rhine. He says it will be one of the most stupendous and one of the hardest of military operations carried on in a great many years. I point out these things to show the great need of men at the present time and the need of keeping up our reserves until the war is over. I contend that we are not sending even this small number soon enough. The government should have adopted on October 13 even this meagre policy which they are now adopting. I know something about the time it takes for men to get from the west coast over to England, or to the pools. I know something of the funnel through which men are poured out of Canada into ships to cross the Atlantic. It takes practically eight days to move across this country, and then they will give these men embarkation leave, which means another week. It takes another one or two weeks to cross, all taking up four weeks, and when the men arrive in England, after being on the train for a week and at their homes for another week, after waiting for a boat, and after crossing, they are in no condition then for service. It takes two months to get these men into the lines. I say this should have been started long ago, instead of just now.

Then again, if five thousand men are selected from the troops on the west coast, what assurance have we that five thousand men will reach the ships at Halifax or whatever the port may be? My practical experience, even with men who have volunteered, is that the number reaching the ships will be far short of that. They have to be medically examined again when they land at the transit camp. The other day General McNaughton spoke of sickness, measles, mumps, and so on. Hundreds of men will be quarantined as a result of these diseases. There is also the question of men absent without leave. These men coming from the west coast will be dispersed to every little hamlet and village across Canada. I know in days past, even with men who had volunteered, after they came from the training camps in the west and went home, dozens and dozens were absent without leave for long periods of time, and in fact many have not shown up at the camps since. What will be the situation among these men, with the attitude they are taking toward going overseas? I say there will be not hundreds but thousands of men who will never land at the port of embarkation in time.

Mr. MITCHELL: You are not suggesting that they should be absent without leave, are you?

Mr. BROOKS: I am not suggesting anything, but from practical experience I know what will happen, as every officer knows who has had anything to do with these matters.

Mr. MITCHELL: It is a normal thing.

Mr. BROOKS: It is going to be an abnormal thing and greatly accentuated under these conditions. The men who went before volunteered. These men are being forced to go, against their will. What would have happened if the total N.R.M.A. personnel had been selected; what would have been the result? It would have been what the minister asked for; we would have every pool filled back of the lines. The pool in England would have been filled; the pool in Italy would have been filled; the pool in France would have been filled; every fighting unit at the front would have been up to strength. It would mean also that wounded men, who at present are being sent back to the line after recovering from their wounds, would have more time in which to recuperate. They are being sent back much sooner than they should be, I believe, and much sooner than they would be if we had plenty of reinforcements. It would mean also that more men would return home. The former minister of national defence has recommended that 450 men be sent home each month, and I commend him for that action. Many of these men have been overseas for four and five years. Four hundred and fifty is only a drop in the bucket, only one man in a hundred. If more men were sent over, more men could be brought home for a rest. These men are being sent home for only thirty days. I have had some experience in that connection. Men who have been brought back on prisoner of war escort, or on compassionate grounds, and who are being sent back overseas, are complaining bitterly. They say they have not time to settle their domestic affairs, and I want to say to this house that many domestic affairs will have to be settled when this war is over. These men have not time to look after their business. They come home for some particular work they wish done. By the time they get straightened away and come to do the work they want to do, it is time to leave. They have come to me by the dozen, trying to get their time extended. I say that not thirty days but sixty days should be granted these men, and this could be done if this government would send over the number of reinforcements required.

Then there is the question of better selection. Among military men there is a process known as scraping the pot, and for the last three or four months we in Canada have been scraping the pot to get men. What do we mean by that expression? Well, when a commanding officer builds up his establishment sometimes he finds a young man who, while physically fit and able to pass all the examinations, still is not considered strong enough for combat training. It may be that he is just out of school, so that he is kept as a clerk in the orderly room, or put in the quartermaster's stores, or sent to the army service stores. This goes on in every camp across Canada. Again, a commanding officer may find a man thirty or thirty-five years of age who would be considered a little too old to undertake the strenuous training of the camp, and he is given special duties. He may be in category A, but he will be put in the cookhouse, or given some other more or less sheltered job. These are the men we have been scraping from the pot for the last three or four months. These are the men who are now being given training and sent over to reinforce our boys at the front, when the most strenuous fighting is going on that our army has ever seen. Not long ago in my own camp 300 of these men came in. I remarked to some of my officers that they did not look to me like satisfactory reinforcements for the infantry. Just a few days later 500 other men came in. I saw them march past my window in the orderly room, and remarked to my adjutant, "That is a fine looking lot of men, as good looking as any men we have had in this camp for some time. They will make good reinforcements." He replied, "Those men are not reinforcements. They have been sent over here from Sussex to help with the apple picking." They were young, virile men who would have made splendid reinforcements for any unit. There was no comparison between the two groups. We were sending over three hundred men whom we had scraped out of the pot, yet here were these five hundred men, twenty, twenty-one and twenty-two years of age, being sent out to pick apples.

Then there is the question of families who have lost sons overseas. Just before I left Windsor I was called long distance by my wife in Sussex. She had been visited by a man who had been wounded during the last war and who had five sons overseas in this war. Within two months two of his sons were killed in action; the second was reported killed just the day before he went to see my wife. Another son had been wounded twice and was back in the front line. He wanted to see if I could not get in touch with someone in order to have the son who had been wounded twice removed from the front line and put in a safe place. He said, "If anything happens to this boy it will kill my wife." That is not an isolated case; there are many similar cases across Canada. Again I say, if we had sufficient reinforcements and reserves such men would not have to go back into the lines; there would be plenty of men to go in and do the fighting. To me, and I think to almost any military man who has any knowledge of the

subject, these 16,000 men we propose sending overseas are considered too little and, for some purposes, also too late.

I do not wish to weary the house, Mr. Speaker. I listened with great respect and attention the other day to the former minister of national defence. I was intrigued by this statement of his:

> I know a few of my own weaknesses. One of the many perhaps is that I am not flexible enough. I was born that way. I am too old to change.

It is a good thing for this country that the hon. member was born inflexible. It is a good thing for the men overseas that he was born inflexible; because, while we have not a full loaf, through his inflexible effort I feel we are getting half a loaf. But I do not think his speech carried him entirely to a logical conclusion. I should like to have seen him maintain his inflexibility to the extent of accepting the Prime Minister's challenge to form a government. Had he done so I can assure him he would have had great support from the people of Canada, and would have had support from members who sit in this chamber. Things have come to a strange pass when the will of one man in this country can nullify and frustrate the will of the great majority of the people.

We are asked to vote confidence in the policies of the government; we are asked to vote confidence in the Prime Minister. We are asked to vote confidence in what is even less than half a measure, and in no way meets the requirements of the men overseas. This is a policy which has encouraged, indirectly—but nevertheless I believe has encouraged—young men in one part of Canada to tear down the flag and to trample it into the dust, to tear down the flag of a country which for one whole year stood alone, the flag which has been carried into France, into Belgium, and into Holland. The British flag is not being torn down in any of those countries. I can remember, and every other returned man will remember, that at the time of the last war we entered certain liberated parts of Belgium and France. I remember well the efforts made by those people to honour that flag. Paper was scarce at that time; but the people found bits of paper, coloured it and made British and American flags. They took pieces of coloured cloth and sewed them together in an effort to make something which would resemble the British flag.

We are asked to vote confidence in a government which has kept two armies in this country, one to fight and one to do nothing. We are asked to vote confidence in a policy which has cost the overburdened taxpayers of this country between $150,000,000 and $200,000,000 each year—and for no useful purpose; a policy which has made us the laughing stock of other nations; a policy which has made us ashamed before our own people.

The house should support the all-out policy of reinforcements as recommended in the amendment proposed by the official opposition. What would it do? First it would assure our men overseas that they would have ample reinforcements. Second, it would assure mothers and parents—yes, the people of Canada—that their boys overseas would have all the required reinforcements. Third, as one hon. member has said, it would assure that there would be no discrimination in the N.R.M.A., and that all men would be used the same. That is what the carrying out of the amendment of the opposition party would do for the people of Canada.

The other night I listened to the hon. member for Richelieu-Vercheres (Mr. Cardin) speak about the call of blood. Well, this is a call of Canadian blood. Surely we are a Canadian people. We may be French Canadian, British Canadian, Jewish Canadian, or whatever you wish, but the fact is that we are a Canadian people, and it is the blood of those Canadians overseas that is calling. It is Canadian blood calling for reinforcements, sending out a Macedonian call, asking us to come over and help them. Fifteen or sixteen thousand men scattered over this period of time is not enough. The only answer this house should give is that which would bring about full implementation of the amendment submitted by the official opposition, and the sending of badly needed reinforcements consisting of those men in Canada upon whose training we have spent so much.

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, May I first of all compliment the hon. member who has just taken his seat (Mr. Brooks). I have not heard him speak often in the house, and I think the house is not richer for the infrequency of his utterances. His manner of speaking to us this afternoon has been such as to indicate that. We know him to be warm-hearted and unquestionably sincere, and I have no hesitation in expressing my compliments to him. That is not to say however that I agree with a very great deal of what he has said. I believe upon further consideration he will realize that he has been over-vehement on many points, and that he has been equally vehement when inaccurate as when accurate. On the whole that means that he is most often, inaccurately over-vehement.

The hon. member quoted Lincoln as having said "Voluntarism is the unprincipled dodge of cowardly politicians." He was inaccurate on that. Speaking in this chamber on February 5, 1942, after using this quotation, the present Minister of Health and Welfare (Mr. Claxton) said:

> This language has been used in a number of newspapers, the first reference to it having been found in the *Canadian Airmen*; and when we tried to track it down we found that the man who had written the article had lost his notes. I have in my hand a letter from the library of congress indicating that the most careful search has been made of Lincoln's speeches, correspondence and books, and there is no reference to any such statement in anything that Lincoln ever said.

Mr. ROWE: The letter killeth, but the spirit giveth life.

Mr. MAYBANK: I shall deal in just a moment with the hon. member who has interrupted. As was stated at that time by the Minister of Health and Welfare, there may be some synthetic logic in that statement, just the same. The hon. member for Royal (Mr. Brooks) had a perfect right to speak as he did, and to use as his own expression the words: "Voluntarism is the unprincipled dodge of cowardly politicians"—which would mean that it is his view that all his colleagues, or practically all of them, including the hon. member who has just interrupted, are of that stripe. There was practically no one in the Conservative party who did not adopt the idea of voluntarism, and it was as much then a dodge of cowardly politicians as it is on this day of Our Lord.

I rose mainly to record my opinion upon the matter of confidence or no confidence in this government, and upon allied subjects that have arisen in the debate. I have no hesitation in saying that I shall vote for the main motion and against any amendment that I have seen so far. The position taken by the government in applying the overseas features of the mobilization act to draftees in Canada comes close to the policy that I have advocated for a long time. Despite some of the remarks that have been made previously in this debate I would have thought that I was the first person in this house to espouse publicly the idea of sending draftees over the water. However, in view of what the last speaker said, that he campaigned on that basis in 1939, it would appear that he preceded me. At any rate I shall not quarrel over precedence. It is a fact that I advocated such a policy for a long time before the date of the plebiscite and again at the time of the plebiscite. I advanced the same view when bill No. 80 was before the house. So that I have been consistent, and my attitude is well known.

I see quite clearly that the order in council before the house indubitably does apply to all N.R.M.A. personnel, so far as liability is concerned, with an immediate movement of 16,000, which is the admitted number that is now required. The last speaker made reference to the wastage between the commencement of the movement and the point of embarkation. I would point out that since the order obviously does apply to all, unquestionably more than 16,000 will be dispatched to the points of embarkation to allow for all forms of wastage which have been mentioned by him.

In view of the fact that, as I have said, the order does apply to all N.R.M.A. personnel so far as liability is concerned, the Conservative amendment is, as is usual with that party's offerings, "off the beam." It is right enough in showing that Burma, India, China and Japan are not dealt with. That is the only merit the amendment has in the circumstances of the case, if that can be called a merit. I do not, however, regard it as a merit; I look upon that as a demerit. I consider that this is not the time to discuss the methods of carrying on the war with Japan, and I might well question the wisdom of using these same methods to aid three hundred million Chinese. At any rate, this is not the time.

I shall vote for the main motion for the reasons advanced by the former minister of national defence (Mr. Ralston), and also because I am fully convinced now that our boys will indeed be adequately and fully reinforced by the dispatch of troops to their side. As support for my view I should like to quote a sentence or two from an article by John Bird which appeared in the Winnipeg *Tribune*, a man and a paper by no means friendly to this government. I quote from the Winnipeg *Tribune* of November 29, 1944, as follows:

> First and foremost our men overseas are going to get reinforcements. That is what this is all about in the nation's mind. All these political manoeuvrings are garbage compared with the essential thing, reinforcements. That has been taken care of.

Whenever it has arisen this has proved to be one of the most difficult subjects to deal with in Canadian life. We are all agreed about that. There have been misunderstandings on both sides of the Ottawa river. The Prime Minister has said that some people regard this matter as a symbol of domination of the French-speaking minority by the English-speaking majority. I do wish most fervently

that they would wipe out all such thoughts from their minds. There is no sound reason for them.

The position is this: A situation has arisen—its cause does not matter for the moment—where it is necessary to reinforce, to succour, to aid our boys who are making great the name of Canada. The expression, "our boys" applies to our French-speakers as well as to our English-speakers. The Canada whose name they are making great belongs to us all.

To harbour such thoughts is really to nurse a persecution complex, and that is unworthy of the great characters in French-Canadian history. It is complained sometimes that English Canada does not understand French Canada; and there is an element of truth in the charge. We should do better, and we will try to do better; but I ask my friends from the province of Quebec—of whom I have many, and I value their friendship most highly—to try a little harder also to understand us. As a beginning I would implore them to stop thinking of us as not being simply and integrally Canadians.—We are nothing else. Above all I ask them to stop thinking of the Reverend Tommy Shields and the *Globe and Mail* as though they truly represented us. They do not. The one is serving some kind of financial crowd and the other is a mere bigot. Remember that such people are the cross we have to bear; give us your sympathy because of that, not your adverse judgment. Better still, do not give them another thought.

I cannot subscribe to the idea which has been advanced that a conspiracy in the form of a pressure campaign caused this crisis. When infantry casualties were fifty per cent over expectations a crisis was inevitable. Only 34,000 infantry were involved and the monthly losses were 5,000 instead of an expected 2,500. In those circumstances we were of necessity marching forward to a crisis of some sort. But concerted action there most certainly was. Right across Canada all the agents of the cabal that wants a chore-boy union government swung into action. This was their devil-sent chance. Any historian in the future reading our papers will have no difficulty in coming to that conclusion. It is amusing to note the reason given by the hon. member for York-Sunbury (Mr. Hanson) a few days ago, when he was acting opposition leader, for rejecting the claim that there had been a conspiracy. The reason he gave was that neither he nor any of the members of his party had been approached to join the conspiracy, and therefore no cabal could have been operating. Of course the failure of the modern emulators of Guy Fawkes to make contact with the members of His Majesty's Loyal Opposition does not support a denial of the conspiracy, but the hon. member's delineation of himself and his colleagues as the natural people to be lined up by conspirators is indeed interesting from an interested person.

For quite other reasons I would accept his statement wholeheartedly that he and his colleagues were not approached. It is natural that his self-estimate would be different from my appreciation of the situation. My view is that the wilful men who were desirous of wrecking things knew that they could count on these thirty-nine; that they would fall into line quite readily. "Why consult sheep," they would say. The Port Hope Conservative meeting, you remember, bypassed the elected Conservatives, and Meighen did not consult them when he picked Bracken.

Most people have a desire to be practical, and they must be so if there is to be any advance at all. When we come to talk of things practical and of people practical we have to think of the hon. member for Souris (Mr. Ross), in my own province, for his impracticality stands out at once; it sticks out like a sore thumb. According to him, the only solution for to-day's problem is a general election. He may say that he did not say that, but he will be only thoughtless if he denies it was his proposal. He urged that the Prime Minister resign and that he suggest to His Excellency that John Bracken be asked to form a government. Mr. John Bracken! Mr. Bracken, who so far in his meanderings and peregrinations and wanderings has not seen fit, or managed, to have himself made a member of this house which the hon. member for Souris wants him to lead. The hon. member's suggestion is that Mr. Bracken will bring in several new men at once—another new defence minister—and other defence ministers—Mr. McTague probably as Minister of Labour—with the Department of Munitions and Supply, and its air problems added, to have a new head—and so on with all the rest. Most of these men he wants to be with Mr. Bracken are not even members of parliament! As soon as they are sworn in, the country is to have an election, during which all the sails of the departmental ships are to flap idly in the wind. For an election is certain. Mr. Bracken would have to meet the house at once. That is elementary. There may be political uncertainties, but the attitude of this House of Commons toward John Bracken is not one of them. No one will follow Bracken.

An hon. MEMBER: What about the people of Canada?

Mr. ROWE: Speak for yourself. Let the people say.

Mr. MAYBANK: I mean no one except this official opposition of thirty-nine members, and even some of them might turn out to be not very dependable followers of Mr. Bracken. That would not surprise. The English, you know, never did become enthusiastic over Benedict Arnold.

The point I wish to make, however, is to express the impracticality of the hon. member for Souris, who can think only of an election.

Mr. ROSS (Souris): You are afraid to have one.

Mr. MAYBANK: Perhaps it would be proper if we took time out to laugh at and with the hon. member.

This Mr. Bracken who has been mentioned in the midst of this crisis was not found in a place where he could help. Every member of the House of Commons has been in deep travail of spirit these many days. I except no one from that, whether his views are as mine or whether they are contrary to mine. It is a fact that all members of parliament, of whatever shade of opinion, have been in deep travail of spirit these many days. John Bracken could only employ his time at a party convention getting ready for an election. He seeks to supplant the present member for Neepawa (Mr. MacKenzie). The measure of the two men can be gauged by the activities of Bracken the electioneer, contrasted with MacKenzie the member for Neepawa, who walked away from his constituency convention to come here to attend to the nation's business. He was not obsessed by self.

It was at that Conservative convention that Mr. Bracken used the word "cowardly" with reference to the Prime Minister. Of all men he should not speak that way. That he is acting without responsibility does not absolve him. I realize that he is as irresponsible as the *Globe and Mail* and the Reverend Shields whom I have mentioned. But we do not need a microscope to detect the characteristics that distinguish Mr. Bracken from all other people.

Just consider the position. This leader and this Conservative party are unique in the history of political parties in Canada—unique in the history of political parties in England—unique in the history of political parties in any part of the British empire—or in the United States—unique in the history of political parties anywhere in the world. There have been probably thousands of political parties and maybe tens of thousands of leaders, but never from the earliest time to now has there ever been a party or a leader whose sole attribute or claim for notice was fear, nothing but fear. To make an egregious case rise still higher, just note the nature of the fear. The fear is not that Mr. Bracken may endeavour to enter the precincts of this chamber from some constituency and be defeated. That is not the fear. It is that if he were to run for election he would actually be elected; that he would be chosen to represent a Canadian community and have to assume some responsibility for his words and deeds which, of course, they know would be ruinous, both for the party and for the man.

Mr. ROSS (Souris): Does not the same thing apply to the new Minister of National Defence just now?

Mr. MAYBANK: The nature of their fear indeed accentuates the uniqueness of the political phenomenon I have described.

As a footnote to this story, without bothering to reply to the hon. member who has interrupted, may I direct Your Honour's attention to a brief history of a peculiar naval strategy. Some people think that the Italian fleet did not give a very good account of itself in this war. Well, it did not get hurt, did it? It stayed in harbour; and if the Italian admirals had kept it in harbour more closely it would have finished this war completely scatheless. Even as it was, that fleet was nearly intact when peace came for it. Now, that strategy of the Italian admiralty is the source, and spring, and motive, and inspiration of the managers of the Conservative party and of its leader. They have emulated it well. By reason of such close imitation they will finish probably just about as the Italian fleet did, in just about the same position or nearly the same, as when they started. With respect to honour and with respect to pride of service their position will likewise be identical with that of those home-staying seamen.

I had not intended to speak in this fashion. I rarely do so. Had it not been that persons sitting to my left in the Conservative party, have continuously since this session started undertaken to fight an election in this house with their organizer, John Bracken, on the hustings, I should not have done so, but I think it is about time it stopped. I believe I have not spoken in this manner before and I hope it will not be necessary for me to do so again; but if these people are to continue the tactics which they started some days ago and to engage in mud-slinging and epithets instead of

reasoned argument, then it will be necessary, distasteful as it may be, to turn attention to them again.

There is one other point I wish to mention. Unfortunately at the moment we have not a regular minister of defence in the house. I agree that it is regrettable. However, I should like to draw something to the attention of the government which I believe should be corrected. We are going to carry on—I believe it is right that we should—a voluntary system and an N.R.M.A. system. By the way, I think that policy is right for this reason. There are numbers of people who will yet desire to volunteer, and I think they would desire to be able to keep the distinction between being called up and being volunteers.

Mr. ROSS (Souris): Is that the wish of Winnipeg South?

Mr. MAYBANK: The politically-minded member for Souris interrupts, but it is hardly worth while responding.

Mr. ROSS (Souris): That would not apply to the government?

Mr. MAYBANK: I find that we have established, perhaps unwittingly and unintentionally, a distinction between men who are discharged on coming back from overseas and men who are discharged after having spent all their time in Canada. When I was in Winnipeg I ran into a number of cases of men who had come back. They had been getting trades pay. Their rate was two dollars a day. Because they were not promptly discharged they were reduced to one dollar and fifty cents a day, the pay of an efficient soldier. It is very important to such men because apparently it affects the seven days' pay and allowances for each six months of service. Also, should there be hospital treatment some time in the future, to which they are entitled, it would affect that, because, as every person knows, while they are in hospital they are on pay and allowances. The rate of pay both for the seven day grant and when in hospital is the rate upon discharge. The contrary seems to be the case of men whose service has been purely Canadian. True, in the case of those men they do not get the seven days' pay and allowances; therefore there is nothing to consider in that connection, but usually that man gets discharged within the necessary time limit and is not penalized in any way.

I have a memorandum from the paymaster's office in which he seems to controvert the idea I am putting forward, but upon a close reading it is not fully controverted. What I have been describing is apparently a fact because people are going out of the army with that much less money in their pockets.

I wish to say, in closing, that that condition should be corrected and corrected at once, and when corrected it should be made retroactive to every person of the class I have described who has been discharged so far. I am quite sure that it will be agreed by everyone that this is just elementary justice. I only add, in closing, that with respect to justice just as with respect to charity, the maxim, "He gives twice who gives quickly," applies with full force. Therefore I ask the government to lose no time in correcting the situation.

Mr. J. W. NOSEWORTHY (York South): When this special sitting of parliament was called it was assumed by the Canadian people, I think, and by the hon. members of this house that we were being convened for the purpose of considering reinforcements and the method by which adequate reinforcements could be sent overseas as quickly as possible. The temperature of the Canadian people was running quite high on that issue. Various reasons have been advanced in this chamber for the precipitation of the crisis. Some hon. members, including the Prime Minister (Mr. Mackenzie King), have intimated that it was deliberately organized by certain sections of the Canadian press and certain other interests who have been seeking to divide the Canadian people on the question of conscription ever since the war began. I believe that there is much truth in that assumption. I saw something of it during my own campaign in February, 1942. I am convinced, however, that that is not the whole truth, nor does such an assumption account for the full upsurge of public opinion on this question in some of our provinces.

There have been and still are many people in this country who believe honestly that conscription is the only way of securing sufficient man-power with as little discrimination and as little inequality of sacrifice as possible in a modern war. There are many others who believe that conscription of man-power should be accompanied by other forms of conscription. These people—and I include myself in both groups—are still of that opinion. It is also true that many people in all the provinces, not in one only, do not believe in the conscription of man-power for overseas service under any circumstances. I take it that they too are sincere. They have every right, with the rest of us, to hold that opinion. They also have every right to express that opinion. It is true that certain interests intent on securing the conscription of man-power, regardless of the consequences—more intent indeed on the conscription of man-power than on securing any other form of conscription—have put forth considerable

effort to bring this question to the front. Some of the spokesmen of those interests who have shouted loudest and most consistently for the conscription of man-power have, in almost the same breath, shouted loudly for a reduction in excess profits and other taxes.

The campaign for the conscription of man-power slackened off in 1942 and 1943, for two reasons. First there was no immediate and apparent need of reinforcements. More important, I think, those chiefly interested in that campaign feared that an intensified demand for the conscription of man-power would also lead to a public demand for other forms of conscription that they themselves did not welcome. While there was a willingness on the part of the Canadian people to accede to conscription of man-power if needed, there was also a considerable public demand that such conscription should be accompanied by other forms of conscription. I personally know of large numbers of industrial workers and large numbers of farmers who have seen on every hand wealth being accumulated out of the war and who were and are still opposed to the conscription of man-power without a corresponding conscription of wealth. Emphasis on conscription, and certainly public opinion regarding the sending of trained men overseas immediately for reinforcements, has changed somewhat in recent weeks. That change has not been brought about entirely by the organized efforts of those who have been pressing, even if at times half-heartedly, for man-power conscription only. The government itself has played into the hands of these interests, whether because of the division of the Canadian army which made three reinforcement pools necessary and which, on the evidence of General McNaughton himself, complicates the question of reinforcement, or whether because the voluntary system failed, or because the government was not kept informed of the extent to which the reinforcement pools were being depleted during July, August and September, or probably for all three reasons together the government itself has played into the hands of those who wanted man-power conscription only.

It was not in my opinion the organized efforts of these interests, whose efforts found little response with the Canadian public during the early years of the war, but the failure of the government and its military staff to provide adequate reinforcement pools during the past few months, that has precipitated this crisis. Added to that is the fact that the first intimation of the need came not from the general staff to the government and from the government to the Canadian public. The first intimation came to the Canadian public in letters sent from overseas to relatives in all parts of Canada.

I still cannot understand why even the Minister of National Defence was not properly informed of the actual conditions until he went overseas and saw them for himself. If one wanted to be critical one could readily infer that the organized efforts to secure conscription were not all confined to interests in this country. Once that need became known to the Canadian public through letters from overseas that public, already having too little confidence in the government's policy, became intent on securing what reinforcements were needed by whatever means were necessary. During the first few days of this sitting I received from my constituents more than one thousand requests for the sending of N.R.M.A. men overseas immediately. These people were not all organized; hundreds of these letters came from constituents who had worked for me during my election on a policy of total conscription. These citizens saw the possibility of their men overseas suffering unduly for lack of reinforcements. That situation took precedence over all other considerations.

At the time we were called together it was assumed that the government would stand by its policy of voluntary enlistment; but in view of the situation into which the government had gotten itself, I fail to see how it could, having regard to the opinion of the majority of the Canadian people, have chosen any course other than that of sending men already trained overseas immediately. I admit quite frankly that I for one was pleased to be able to write to my constituents and tell them I was sure they would be relieved to know that by virtue of this order in council tabled on November 23 reinforcements would immediately be made available in sufficient numbers to meet at least the immediate emergency.

I am confident that these people, whose genuine concern was the welfare of their loved ones overseas, would be grateful for that measure of relief. It is not for me to judge whether or not the high command, by dividing our Canadian army, has made the reinforcement of that army too difficult. That can only be judged later when the history of this war is written and when more information is available to the public. It is a matter requiring the careful study and consideration of the government. It is not for me to judge whether the military authorities have exhausted all the possibilities of the voluntary system. What I know is that the voluntary system as it exists to-day has become a voluntary system in name and theory only. I cannot for the life of me see how a man who

is given a limited time in which to become a volunteer or go overseas as a conscript can still be called a volunteer when he volunteers under such measures of compulsion.

The facts are that our army has been divided; the voluntary system had failed to provide reinforcements; men at the front were suffering and were likely to suffer more for need of reinforcements. To meet that need I can see no other adequate means than that of sending men already trained. We had a situation which the majority of the Canadian people could not accept with any degree of complacency.

The question now before the house is whether or not we shall support the government "with respect to its war-time policy"—these are the words used by the minister on page 6607 of *Hansard*; and more particularly in "giving effect to what has been decided"—page 6608 of *Hansard*. I presume the Prime Minister means by "what has been decided" order in council P.C. 8891. And what reasons does the Prime Minister give for our supporting him? He tells us at page 6610 that it will not help the army to defeat the government. Then he assures us again—I quote from page 6613:

> If I cannot get enough support out of my own party to feel sure that the men of my own party are behind me without depending on those who are politically opposed, then my resignation will go in to the Governor General. . . .

Again, at page 6614 of *Hansard* the Prime Minister implied, though he did not actually say, that at present there was no one in the cabinet to whom he could turn to form another government if he should be defeated. He further implied that no one in the entire country could be found to assume that responsibility. I want to ask, Mr. Speaker, if it is really true that after leading his party for twenty-five years, during eighteen of which he has been in office, the Prime Minister has no other colleague sufficiently trained and experienced to take his place should he, for any reason, be taken from us at a critical period in our history. Or is it equally true that there is not in this country another man who could step into the breach caused by the Prime Minister's removal from office? Surely if true that is a tragic situation for a democracy. I think we have the right to consider whether that is the actual situation or whether the Prime Minister was merely rehearsing some of the arguments he intends to use in the next federal election. We have had other great men in Canadian history whose loss has been felt, but this is the first time in our history that I can recall any man, however great, claiming to be indispensable. In my opinion the Prime Minister's argument is a weak one on which to appeal for support. We cannot feel justified in voting, on those grounds, to support a policy of which we do not approve.

The former minister of national defence (Mr. Ralston) has given us the same argument in other words. We are told that we must vote confidence in this particular policy, as represented by this order in council, and confidence in the present ministry to enforce it, even though the hon. gentleman himself admitted that he is not satisfied that the order in council will meet all our future needs, unless it is supplemented by others. Nor did he evidence great confidence in some members of the present cabinet to carry out that order. But he told us that failure to support the government would cause delay in getting reinforcements overseas. On the other hand General McNaughton told us, the second day he was before the house, that action had been taken already; that certain units already had been ordered to concentration depots for dispatch overseas and that these units would go overseas whether or not they volunteered. The former minister gave us to understand that all these details had been worked out by his staff before General McNaughton took over and before the order in council was passed. If that be so, would a change of ministry really result in delay? Already two important war ministers have left the cabinet, not because this house has given a vote of no confidence. We are obliged to ask ourselves whether a no confidence vote on this particular policy really would have any drastic effect in connection with the enforcement of this order in council.

In my opinion the Prime Minister and the former minister of national defence are attempting to place this house in a very awkward position. Under threat of failing our boys overseas we must vote confidence in a government policy in which we may or may not have confidence, but in which the men in the forces with whom I have spoken certainly have no confidence. Those of us in the opposition groups are in a still more difficult position by reason of the Prime Minister's statement that he will not carry on if he does not get sufficient support from members of his own party. We in the opposition are in the position that even if we vote confidence in his policy, for the purpose of hastening reinforcements overseas, the Prime Minister may still refuse to carry on if he does not get sufficient support from his own followers in this house. In my opinion the Prime Minister and the government can be

assured of a vote of confidence if they will bring in a more straightforward, forthright policy that will provide reinforcements and bring about a more vigorous prosecution of the war than we have had so far. If the Prime Minister is concerned only with providing adequate reinforcements at the earliest possible day, and with maintaining a vigorous war policy, I think he can obtain the full support of a majority of this house by passing a forthright order in council which will remove all doubt as to the matter of reinforcements and provide for a much more vigorous war effort, a policy which will mobilize the resources of this country behind that war effort to an extent to which they have not been mobilized as yet. At page 6602 of *Hansard* the Prime Minister said:

> There are only two methods of obtaining results . . . one is the voluntary method and the other is compulsion.

I submit, Mr. Speaker, that the order in council tabled on November 23 does not commit the government to one or the other; it does not call for either conscription or a voluntary effort. It merely coerces men into voluntary enlistment. It can only result in further discrimination, inequality of sacrifice, and dissatisfaction. Nor have we any assurance that this measure will meet the future reinforcement needs. That will depend, I think, upon whether we accept the general tenor of the statements made by the present Minister of National Defence on the first or second day he appeared before the house. I realize, of course, the minister's difficulty in having to revise, on a few hours' notice, a speech quite evidently prepared in defence of the voluntary system, and then using it to defend this hybrid order in council.

Many of our constituents are asking us to-day if the government, in its reluctance to enforce the terms of this order in council, will continue to comb volunteers from other branches of the forces. That in reality is the policy the government has been following. Men have been forced into the infantry from the army service corps, the medical corps, the artillery and other corps, merely because they had volunteered.

I should like to give the house one case in point. This is the military story of a young soldier, regimental number H-18581, and the information is given to me in a letter from his brother, who is now a flying officer in the R.C.A.F. This boy enlisted in the Royal Canadian Artillery on December 20, 1943, and was trained as a transport driver. After his basic and advanced training as such he was posted overseas, arriving in England on July 2, 1944, and while there continued his training as a transport driver. The following facts are taken from letters written by this soldier to his parents and brothers.

On August 12:

> I have been moved to a new place with fellows from the armoured car corps, engineers, army service corps and even the air force. We did not know why we were moved, but we are apparently now in the infantry, the Rocky Mountain Rangers, a western outfit.

On August 16:

> We have again been moved to another station, still in Yorkshire, a new place just recently opened up.

And from his letter of August 17:

> As yet we have had no infantry training.

And again on September 3, two weeks later:

> They are sending us overseas in a few days and I don't want to go. Don't think I am yellow, but we have had so little training that I hardly know one end of a rifle from the other. Guess I'll have to trust in God and keep ducking.

Then on September 11:

> My new address is 2-C.B.R.G. We crossed the channel 7th September landing on a beach about 3.30 a.m. Only three of the fellows that trained with me in the artillery are not here.

Then, again on September 14:

> I am now with the Black Watch of Canada.

That young man was killed in action in Belgium on October 9, one month and two days after he crossed the channel with, according to his own words, not enough training to be able to tell one end of a rifle from the other. Our constituents are asking whether this kind of combing and remustering will continue while the government tries to bolster the number of volunteers. I say it is unfair to the men themselves, and unfair to the units to which they are attached.

Reference has been made to the subject of a general election. I do not believe the majority of the people of Canada want a general election fought on the conscription issue. They do however want legislation or an order in council which beyond all shadow of a doubt will provide adequate reinforcements for the future, as well as the present, and legislation which will mobilize all the resources of the country for the further prosecution of the war. I feel certain a majority of members in this chamber would support such a measure were it introduced by the government. In my opinion that is the only form of conscription that can possibly receive the support of the majority of Canadians in all the provinces. From this special session of parliament the country wants two realities; first the

type of legislation to which I have referred and, second, a ministry in sympathy with that legislation, one upon which they know they can rely to carry it out. Anything less will not satisfy the majority of the people of Canada, nor can it satisfy the majority of members of the house, regardless of how they vote, by reason of their desire to stand by our men overseas.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I do not often refer to what has been said by other hon. members; but on this occasion I shall allude briefly to what two previous speakers have said. My first observations are directed to the remarks of the hon. member for York South (Mr. Noseworthy) who has just taken his seat. He has not always been so fixed in his opinion respecting full-out support for overseas. Although I did not look up the reference before coming to the house, as I had not anticipated what he would say, still I have a clear recollection that he and his party voted unanimously against the amendment of the Progressive Conservative party in 1942, which called for all-out enlistment, all-out financial support, and all-out support all along the line.

However, I do support what the hon. member said respecting the present—perhaps I should say recent—voluntary system. I have made inquiries all across Canada about the voluntary system. On other occasions I have said that more than once I have been shocked beyond measure by the methods used to force young men in Canada to enlist in the active army, or even to enlist at all. From the beginning I have felt that this is every man's war, and that each and every one of us should give the same service, or should serve where best he can carry on, in the opinion of the authorities.

I was not surprised by the hon. member's opening remarks, wherein in my judgment he again proceeded to attack employers of labour. Not having been an employer of labour the hon. member, in common with most members of his party, entertains the idea that all employers of labour—I believe he referred to them as industrialists—are everything they should not be. However, those of us who have given employment to large numbers of men know differently. We know that the vast majority of industrialists have rendered a great service to Canada, and I believe that knowledge is shared by those who are employed.

May I now refer, but only briefly, to the address of the hon. member for Winnipeg South Centre (Mr. Maybank). It is not my habit to use unkind expressions in respect of anyone. I am sure hon. members know that in my record in this chamber I have refrained at all times from making personal attacks. The fact is that I have held a high opinion of the hon. member for Winnipeg South Centre. On numerous occasions he has delivered excellent addresses in the house. They have contained much information, and have been a credit to him. So that I was especially sorry to-day to hear him make two personal attacks, one of which was upon the Reverend Doctor Shields. It is not my business to defend Doctor Shields, because he is quite able to defend himself, and I have no doubt that in due time he will take the hon. member to task. But to call Doctor Shields a fake or a faker, as I thought he said, is not, in my judgment, proper language to employ in respect of anyone outside the house who is not here to defend himself.

Then the hon. member referred to the Toronto *Globe and Mail*. What I shall say about that newspaper I can say, too, about a multitude of other newspapers in Canada. So long as I have read it—and that covers a good number of years—the *Globe and Mail* has been a stout defender of British connection. It has stood in defence of the maintenance of British connection and British ideals. I will go further and say that under present conditions, as well as in the past, I am convinced that the *Globe and Mail* is absolutely unpurchasable by anyone who may have the funds with which to purchase it. I mean its editorial and other opinions are not purchasable. If they were purchasable I am sure the large number of full-page government advertisements which have appeared in the *Globe and Mail* from time to time since war broke out would have had an effect long ago. I am sure that the editorial columns of the *Globe and Mail*, of the Toronto *Telegram* or other papers could not be influenced even though this or any other government purchased every full page of advertising space available. I am sorry indeed to hear the hon. member for Winnipeg South Centre attack this great newspaper. It is a great newspaper.

Now to my own remarks. When I decided to go home on Friday evening I arranged with the whip of this party to try to get fifteen or twenty minutes, either to-day or to-morrow, because I did not expect to be here on Wednesday. At that time I felt that I would not take over fifteen or twenty minutes, but in the meantime I have been home. I cannot speak for other ridings, but I am sure that any member from Ontario who went home to his constituency, especially a member from Toronto where the enlistments have been almost en masse, got such an earful that it would take more than fifteen or twenty minutes to say what he would want to say.

Anyone who attends a theatre in Ottawa, Toronto, Hamilton or any other Ontario city will be greatly surprised at the indication of the unpopularity of certain members of this government when their pictures are thrown on the screen. When the picture of the former minister of national defence (Mr. Ralston) is shown he gets a great hand, but when the pictures of certain other members of this government are thrown on the screen they get anything but a hand. I was sorry to see these demonstrations of opposition to certain members of this government.

In my opinion we came here for three purposes: first, to find out why the voluntary system broke down; second, to hear of the programme to send adequate reinforcements overseas and, third, to hear why the former minister of national defence was ousted from the cabinet. By Wednesday we shall have been here for two weeks and up to now we have heard many speeches. One took over three hours; two of them took more or less an hour each, and many others have gone forty minutes. I believe the shortest one I heard was the one delivered by the hon. member for Lambton West (Mr. Gray).

What are the startling and stark facts that came out of those speeches. I took the trouble to read the speech of the former minister of national defence quite carefully because it was full of information. As I read through it I said to myself that he was making a masterly address, that he was giving the Canadian people a great deal of information with which to back up their opinion about this matter. But as I came near the end of his speech and read where he said he was going to vote for the motion, I said to myself, "This is figuratively a grand example of the cow that gave a fourteen-quart pail of milk and then put her foot in it." I was sorry when I reached that point because he had done extremely well up to then.

Here are the facts as I wrote them down, and I have tried to put them in chronological order. No. 1: In June, 1944, the minister was advised by the chief of staff that heavier reinforcements were required, were urgently necessary. He in turn advised the war cabinet, perhaps not just on that day. No. 2: In June he discussed with the other two defence ministers their letting up a little on their recruiting to allow him to obtain more infantry recruits. No. 3: during the summer a programme was initiated—I am not sure whether this was initiated by the former minister or the staff—of remustering from one branch of the service to the other.

[Mr. MacNicol.]

22 he advised the war cabinet, which apparently at that time was discussing what could be done with the N.R.M.A. personnel, that he could not allow the N.R.M.A. personnel to be interfered with, that he might need them for infantry reinforcements, or words to that effect. No. 6: On September 23 he sailed for overseas to examine the situation on the various fronts. I congratulate him upon taking that action because that is what a minister should do; he should make himself familiar with everything that is required.

No. 4: In August he received a telegram from overseas, which later he presented to the cabinet, stating that a serious shortage existed in the units overseas. No. 5: On September

No. 7: On October 13, having made his inquiries, he cabled to the Prime Minister—I presume stating that he was returning shortly —that he desired a meeting of the cabinet in order to place before them the results of his inquiries overseas. I believe he arrived home on October 18. No. 8: On October 19 he received a report from the chief of the general staff that the only solution of and remedy for the question of the depleted pools and the low numbers in the units overseas would be the taking of 15,000 personnel from the N.R.M.A., and he so reported to the government.

No. 9: Then followed a week of what I presume were hectic discussions behind closed doors in the cabinet, during which the minister tried to convince his colleagues that he had to have 15,000 N.R.M.A. men. I have no doubt that he supported his proposal with the best of arguments. No. 10: On November 1 the minister either was asked to retire or resigned voluntarily. I do not know which it was and I imagine the public will never know just what happened. No. 11: On November 3 the new minister came into office and abandoned the proposal of the former minister. The new minister decided to carry on the voluntary system which the hon. member for York South (Mr. Noseworthy) has aptly described as anything but a voluntary system. However, it was put into effect in any event.

No. 12. On November 23 last we had P.C. 8891 brought down by the government, which meant an abandonment of their previous support of the voluntary system and the adoption of compulsory service overseas of some 16,000 men of the N.R.M.A. That was a piecemeal measure.

The next fact was that the minister stated in the course of his remarks that there are overseas in the Canadian army now—I presume on two fronts—some ten thousand men who have been overseas for from four to five

years. Further inquiries showed that many wounded soldiers, because of lack of sufficient reinforcements in the pools, had to be sent back again into the front lines before their wounds were wholly healed.

Lastly was the fact that the units were generally undermanned.

There in startling chronological order is the stark statement of what the minister found overseas and I am sure that Canadian people everywhere who read his address were startled by his revelations. I know the people of my riding were, and I believe they read every word of it because those with whom I came in contact when I was home on Saturday all seemed to know all about it.

The new Minister of National Defence decided to carry on with his fetish of the voluntary system.

Davenport riding is a great riding, Your Honour, and the men of Davenport riding have enlisted almost en masse in this war as they did in the last. In the last war enlistments were particularly heavy in the north end of the riding, which had been settled by many thousands from the old land, some of whom had not been here very long, and when war broke out they volunteered to a man for service overseas to fight with the British empire, because that is what it means. We cannot fight a war in Canada, Your Honour. If Canada is to fight, we want to keep the war out of Canada, and the only way in which we can do that is to fight the battle on the high seas and on the battlefields of Europe.

The people of my riding have enlisted en masse in this war also. I know one family with seven sons, everyone of whom is in the service. I know of another family with six sons, everyone of whom is in the service. I know many families who have five sons in the service, and numerous families in my riding have four sons in the service, or three sons or two sons, and many of course have given their only son. Davenport is a riding that all down through its history has rallied to the defence of the empire and its men have volunteered to go anywhere to fight. To volunteer to fight in Canada only—I do not know what kind of fighting that would be. But the men of my riding have volunteered to fight overseas. That is the kind of man who helps to hold this empire together. Davenport riding has sent so many overseas that its branch of the British Empire Service League, the Earlscourt branch, is one of the largest in the British empire, and close by are two other branches of the British Empire Service League, which is an indication of the martial spirit of the people of my riding. I am proud to represent them because my own Scottish blood goes back generation after generation, and in all countries we have been a military race.

About three weeks ago I attended a commencement meeting in Oakwood collegiate, in my riding, where every year I give gold medals to students for oratory, and at that meeting they read off the list—about 1,000 names—of the young lads of Oakwood collegiate and roundabout who have enlisted in this war, some seventy to ninety of whom have already made the supreme sacrifice. How many have enlisted from the other collegiate in my riding, Bloor street collegiate, I do not know, but the number must be great. If every school in Canada had enlistments of its students to the same extent there perhaps would have been no necessity for compulsory service in this country, and the fact that they did not enlist in as large numbers as the young lads did from the collegiates in Davenport has forced the young men from my constituency to enlist to the extent that they have. I am proud of the young heroes who sat on the platform of Oakwood collegiate a few weeks ago, some of them having come back from overseas. Consequently, Your Honour, Davenport riding certainly needs little compulsion. I do not know how many more could enlist from my riding, certainly not very many. From the very beginning they have been in favour of all-out service, not only by Davenport, but by every other riding.

There have been cases of men holding so-called key positions who have not enlisted. On one occasion I was in a factory where I saw a notice posted up to the effect that if any employee felt that his position was of great importance to the war effort, if he spoke to so-and-so in the company, arrangements would be made to keep him in the plant in his present position. I know the case of a hairdresser who is now holding a key position in an aeroplane factory. He has to do with assembling wings. I cannot imagine how a hairdresser can be indispensable in the building of aeroplanes when so many mechanics and women are available to do that work. That man should have been in the army if he is eligible. There are many cases like that in Canada, of men holding so-called key positions who have been aided and abetted in holding on to those positions.

I want to mention the case of a man who came to see me last night because his is typical of thousands. Cases of this sort have

been mentioned before but are worth repeating. This man is in the air force. He is a university graduate, a capable and brilliant young man. He succeeded in passing all the tests required of him in the air force and went on and studied the course. He has been in the air force for two years, but now he has been mustered out. He told me last night that he had been ordered out of the air force and that he must remuster into the infantry. His case is only one of many, and I think this treatment of these young men is wholly unfair. Thousands of these young men have spent a long time preparing themselves for the air force or for some other particular branch of the service, perhaps following in their father's footsteps in the last war; and now all of a sudden, because we have not had compulsory service in this country, and because there have not been sufficient enlistments in the infantry service, these young men who have served a year or more fitting themselves for a particular branch of the service are mustered out and remustered into the infantry. My hon. friend the member for York South mentioned the case of a young artillery man, and his case was typical of many.

Something was said about petitions, letters and the like. I received over 10,000 names. Nobody can tell me that these men and women sent letters and signed their names to petitions just for the mere fun of doing it. I give them credit for sincerity. I believe the vast majority of them are fathers, mothers, wives, sisters and brothers of men overseas. They have had, as I have had, many letters from overseas bearing out what the former minister said, that units were undermanned and the wounded were being sent back before they were restored to health. I met a father on the street in November. I hope he does not read what I am now going to say. He felt very badly, naturally. His son wrote that he was badly wounded but that he had recovered. Then he received another letter from the son saying that he had been ordered back into the front line again. In the letter to his father he intimated to me:

> I am not quite well, but am ordered back to the front. I am still wearing the bandage on my arm, but God has been good to me. He saved my life in all the actions I have been in and I trust Him to do it again.

He was sent back into the line with a bandage on his arm. Well, the father received a message a few days ago that his son was killed. He was unfit to go into the line, but because of lack of reinforcements he was sent back. I wish to ask who is responsible for that.

Mr. ROWE: The government.

[Mr. MacNicol.]

Mr. MacNICOL: Well, I am not going to place the responsibility. But there is something wrong with the whole organization in the country when such conditions obtain, that a boy has to go into the line again, again and again until he is shot to death.

Another father came to see me on Sunday. His boy has been over there for three years. He has been wounded twice. The first time he was wounded very badly. He was placed on board ship to go to England for recuperation, I presume, but the unit became so depleted and the pool so empty that, after being on the ship for two days, he was taken off and sent back into the line again. In a letter to his father the boy writes something like this:

> I was too weak to go into the line. On getting there I was too faint. . . .

I presume, to go right in close. I am not familiar with the military set-up although I listened very carefully to the former minister's description of it. They told the boy he would get along more quickly if he were within sound of the guns. His father said:

> It is too bad. Within sound of the guns. He may easily get killed listening to the guns and not actually taking part in combat.

There is the situation, and as someone has previously said, a large part of the agitation going on in Canada to see that the fighting men overseas are adequately reinforced, as is their right, comes from the receipt of letters from overseas by parents. The newspapers obtained these letters. I give credit to the Toronto papers, Your Honour, for having the courage to publish these letters. They have published hundreds of them. They have come from ridings all around the city. I believe it is the publication of these letters that has stirred up public opinion as I have never seen it stirred up before. It would do anyone good to go to a theatre in Toronto these days. In an Ottawa theatre on Thursday or Friday night and in both these fighting cities that have sent multitudes of boys overseas it would do your heart good to see them cheer when the picture of the former minister of national defence is thrown on the screen, and I am sure you would feel badly as I did, to hear the boos when other pictures are thrown on the screen. That is public opinion, and public opinion in Ontario today—I cannot speak for the other provinces—has been worked up as it has never been before.

The former minister of national defence said the other night that he would watch the new minister. I myself have not a lot of confidence in the new minister. He stood on the floor of this house on two or three different

occasions and took time to point out his adherence to the voluntary system. I cannot have a lot of faith in a man of that kind enforcing the compulsory system. I would have had faith in the former minister because he recommended it and his recommendation was accepted by the incoming minister twenty-two days too late. The former minister said his programme called for the sending overseas of troops on November 27 to support the men over there. His recommendation called for troops from the N.R.M.A. personnel. A whole month has gone by, and dear knows how much time will go by before these men go overseas. Major Conny Smythe brought up something like this before. I have heard his remarks discounted, but they were well supported on Saturday by Major "Tiger" Welsh. His remarks appeared in the Toronto *Globe and Mail* of Saturday last and I shall quote some of them:

> As typical of conditions, a draft of replacements from an anti-aircraft unit was sent to his anti-tank unit and, apart from not knowing anti-tank weapons or methods, turned out to be "largely cooks and clerks with little knowledge of ack-ack and had to be sent back to regimental headquarters."

If that is a statement of fact—it is not for me to say, but here is a reputable major making the statement—then I say it is a sad state of affairs. It is a terrible thing to have the units overseas undermanned and the pools in the same condition. I do not think any father in this house who has a son fighting overseas would want to see his son supported so ineffectively.

Further on, the major says:

> But our infantry has been reinforced, insufficiently, of course, with untrained men or men trained in other highly specialized technique such as artillery, while artillery itself suffered from lack of trained men. There is all the difference in the world in this war between numerical reinforcements and trained reinforcements.

I have no doubt that this is right. I do not know anything about it. I for one am deeply sorry that our Prime Minister for whom I have and have had a particularly warm personal regard, did not do exactly as the President of the United States did. I remember that during the presidential campaign of 1940 the President of the United States, if I remember correctly—I have not written his remarks down, although I heard them—and his opponent the late Mr. Willkie, told the people of the United States in the summer of 1940 that they could not think of sending American boys overseas to fight again on the fields of Europe. No, they could not think of it, but once they got into the war they did it immediately.

Mr. POTTIER: Once they were attacked.

Mr. MacNICOL: We have been attacked from the beginning. They did it immediately. Had the Prime Minister of this country, particularly after the plebiscite vote which was so overwhelmingly in favour of an all-out effort, come out for all-out service, as the military service vote called upon him to do, I believe he would have had almost the united support of this country to carry on an all-out war effort. I wish he had done it, but he did not do it and here we are to-day with I do not know what. I have little confidence that the proposal is to be carried out because the new minister said, in answer to my question and questions of other hon. members, that in regard to the 16,000 from the N.R.M.A. he would send them if required to fill up the units. That is not what the people want. The former minister said that there were 10,000 men overseas who had been there for four years, and God knows it is time that they had the chance to get back home for a rest. They cannot get back here again if we are to send over only 16,000. God knows, a boy wounded two or thr times should not be sent up a fourth or fifth time, but I have here the report of one lad who was injured for the sixth time. On Saturday I went to see many people. I had received many letters and I went to see some of those who had written to me. One mother told me that her son had been fighting for seventeen months and had been in hospital six times and she said it was enough to make her see red. Is it any wonder? This is everybody's war.

Someone spoke about enlistments. Well, I am not going to discuss enlistments by provinces, but I will say this. I went across to the other side south of the 45th parallel of latitude in the state of Maine, in Vermont, in New Hampshire and in Massachusetts, where there are large numbers of good people, good citizens, who formerly came from the province of Quebec. I am sorry I mentioned that province because there are few who have a warmer feeling for the province and for the people of Quebec than I have. I will not be guilty of saying an unkind word about them. I have never done so and I never will. But on the other side, south of the 45th parallel of latitude, former Quebecers are enlisting because they have to. There is no trouble there. They are fighting. And in the United States there are some six million people of German extraction and five million people of Italian extraction. Altogether there are

approximately fifteen million people of axis extraction, but there is no trouble there. They are marching up and enlisting because they are called upon to do so.

Mr. GARDINER: They have not enlisted in any larger percentage than here, not as large.

Mr. MacNICOL: I am not prepared to argue that point.

Mr. GARDINER: That is a fact.

Mr. MacNICOL: I did not invite that remark from the minister, but if I looked into it, maybe I could show him that he is wrong.

Mr. GARDINER: You cannot show me that I am wrong.

Mr. MacNICOL: In spite of what the minister has said, they are all subject to be called up under their system.

However, to proceed with what I was saying, another lady told me that one of her sons had been overseas for almost five years and she thinks it is time he had a chance to come home. I agree with her. Any young man overseas for four or five years ought to be able to come back, but this is not possible if you are sending only 16,000 from the N.R.M.A. The public want the whole of the eligible N.R.M.A. to go overseas and then their husbands and sons and brothers overseas for four years and more will have a chance to come home. The former minister said something of that sort himself. I have another report of a lad who was overseas in the air force for two years and was thrown out. One man told me that he has four sons overseas and he said, "For God's sake, get tough; we cannot win this war unless we are tough; we cannot win it by pussy-footing." I wish I could do something in some capacity; I would be glad to do it. I have another report of a husband who had been overseas for about five years. He is now forty years of age. In my opinion all those of forty years and four years or more overseas should be home for a rest.

The workman is not given a chance. He goes to selective service and is sent on a job and he has to go. Why is it not the same in the army? It should be the same. That is precisely the question that one man, the father of two sons, asked me. I have a letter from a mother who has twin sons in Italy. They have been overseas for three and a half years. I do not see why her two sons should remain there so long without a furlough while others are not sent at all.

In conclusion, may I say this. When I was home on Saturday I read in the newspapers something about a proposal that had been made in the other house, to use the language that we are obliged to use with reference to that place, to the effect that the life of this parliament be extended. I am utterly opposed to the extension of the life of parliament. I do not believe in it and I have never done so. I listened to what the Prime Minister said so ably when the matter was mentioned before, and I could not agree with him if he went back on what he said on that occasion.

Mr. MACKENZIE KING: I will stay with you.

Mr. MacNICOL: I hope he does not fall for the agitation to extend the life of parliament. He can count on my support in bringing on an election.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. L. A. MUTCH (Winnipeg South): Mr. Speaker, I think I have attended certainly as many and perhaps more of the sessions of this house in uniform than any other of the uniformed members. In all my appearances here, and in the considerable number of times I have spoken, I have attempted to keep such remarks as I had to make in the house free from any suggestion that I have at any time used the experience it has been my privilege to have in the armed forces of the country for my own advantage or for political purposes. I make no apology for the fact, and it is a fact, that in such contributions as I have made to the debates of this house during the last four sessions I have attempted to keep as free as possible from purely political discussions, not because I am not interested in political discussion or that I see any great objection to it, but because I have felt that at times this might have proved to be a limitation on the service I was anxious to give and was endeavouring to give to the armed forces in my capacity as a soldier. To-night I do not propose to depart from that practice, although I make no promises for the immediate future.

During these years, I have, of course, made political speeches in my own constituency in the nature of reports to my constituents, and have taken part in the political activities of my constituency. But I am most anxious that the single purpose I have in mind in coming to this session of the house shall not be confused with any other issues which might be in my mind.

In 1942 my constituents in Winnipeg South indicated by a ratio of approximately twelve to one their desire that this government should take any and every step, including conscription, to assure adequate reinforcements to our soldiers overseas; and in the debate on bill No. 80 I stated that I would advocate and support conscription if it were required in order to reinforce our forces overseas. The people of my constituency, and I as their member, meant what we said—literally. I have never at any time qualified that declaration. I have supported the government in the light of that fact, and because I have believed in the policies of the government and in the leader of the government. I make no boast and offer no apology for saying that to me Canada, her sons and her honour are a first consideration. I have not cried "wolf" when there was no wolf, and I have no intention now or at any subsequent time of accepting less than that which in my judgment is adequate to meet the need as I see it.

After nearly four and a half years in uniform, mainly in Canada but also in Newfoundland and Great Britain, I am not ignorant of the Canadian army, its personnel, its organization, the composition of the forces, their capabilities and their needs. I am not unaware of the contribution Canada has made in other phases of the war effort. I appreciate the extremes of opinion that exist in this country. I know that much of this opinion is real and is based upon honest conviction. I also know that too much of it has its basis in prejudice and emotional stress. It has not taken me the nearly ten years I have been in this House of Commons to realize that in this house an hon. member is all too seldom placed in the position where he can give a simple yes or no to any proposition that comes before him. I am aware that it is the responsibility of an hon. member to think in terms of to-morrow as well as of to-day; that the duty of an hon. member is not only to the living but also to those as yet unborn.

For me, Mr. Speaker, the issue in this session is simple. On the facts as I understand them I was and am unwilling to take the risk, which in my judgment we would be forced to take, if at this time we refused to resort to conscription of N.R.M.A. personnel to reinforce our overseas army. For me the hour has struck which, when I spoke on bill No. 80 in 1942, I realized might come. May I add that neither at that time nor at any time since have I had the slightest doubt that the Prime Minister of this country meant what he said, as I in my humble capacity meant what I said, during that debate in 1942: "Conscription if necessary." My decision in regard to conscription was taken during the course of that debate. It was my own decision, and it left me with no problem once the facts were made clear, as they have been since the beginning of this session. I am gratified, therefore, although not surprised, that this government has kept its pledge. The crux of the matter before us this session is the question of reinforcements. The question of conscription was settled in 1942.

I have said that I am impressed with the need for a dependable stream of reinforcements. I cast my first vote in France as a youngster of nineteen or twenty. I knew what it meant to be one of seventeen people standing up to do a job which should have been done by fifty people. I do not pretend to think that a conscript, except in individual cases, is man for man the equal of a volunteer soldier, but I do know what it means to a man standing in the position in which I once stood to feel completely confident that somebody is standing behind him, that the people at home have not abandoned him and that in point of numbers, whether or not in point of efficiency, the chain of support is not broken, so that he does not have the feeling of being forgotten or abandoned. I will leave no stone unturned, as far as my influence may go, to see that this assurance is in the minds of the men who volunteer to fight for this country. But I differ sharply from those who suggest that the man in action to-day does not know what he is fighting for. I do not suppose any army ever organized anywhere knew as well what they are fighting for as does the present Canadian army. I do not think it requires the fanaticism which is common in some armies. We know what can happen under the pressure of fanatic appeal, and I know from experience as well as from observation how fanatic appeal will break against the solid phalanx of men who know why they are there, men who know that behind them stands a country from which they know reinforcements will come.

The number to be sent now is in my opinion adequate to meet the need. My interpretation of the order in council—and the government's statement leaves no doubt—is that all of the N.R.M.A. men now serving, or yet to be enrolled, are and will be available as required in the United Kingdom, in Europe and in the Mediterranean. It is clear that this is conscription, with all that it implies; and I deprecate greatly the statements of some of our hon. friends in the opposition who attempt to make it appear that that is not what it is.

I accept the fact that behind those 16,000 men who have now been notified by the

government that they are to proceed as reinforcements stand another 26,000 who are in process of being readied for a similar departure, if and when their services are required in the field of battle. Whether they go as volunteers or conscripts is only of psychological importance, because these are the 42,000 bodies, the 42,000 physical beings or personnel who were not standing in line. And, according to my interpretation of the order in council—and I think I can understand what I read—those who did not stand in line now stand in line. That, to me, is accomplishment of the essential thing, namely a dependable stream of reinforcements, bringing new confidence to those who fight.

Now, to those who declare that this government will not proceed along the lines I have accepted, I can only say that I believe it will. Because I believe it, I will vote confidence in the government; I will vote confidence in those men who, in my judgment, are not only best qualified to carry out this policy, but also in fact the only government which could give effect to the policy I desire, definitely, positively and in time.

For those who have reached this decision only after heart-searching—and some, I feel quite sure, in some trepidation—I have only this to say, this question to ask: Is it reasonable to doubt that he who has swallowed the camel will strain at the gnat? Conscription, by the application of the extension of territory to N.R.M.A. personnel is, in my opinion, clear and concise; and any attempt to belittle or becloud the issue is not in the interest of that to which all of us who assembled here in this chamber on November 22, gave, at least, lip-service. We were here to see that the men who needed reinforcements would get them.

Some one has spoken of this vote of confidence as "suspended sentence". I shall not advertise the publication which used that expression, because it has been very well advertised in the house recently. May I hasten to add that I do not hold this view. I have no doubt of the sincerity of purpose behind the declaration of the order in council. If I did not have that confidence I would vote for the amendment.

Now, as always, as a private member, I, and those whom I represent in the house, may say and do say to those to whom we give our trust: You must not fail us. Mr. Speaker, I have no fear that they will fail, and for that reason I shall vote for the main motion.

[Mr. Mutch.]

Mr. NORMAN J. M. LOCKHART (Lincoln): Mr. Speaker, before I engage the attention of the house on the more specific subject now under discussion I want to digress for a moment to bring to the attention of the government a matter which has just come to my notice, through the mail. I have reference to a communication just received from overseas dealing with discrimination, as they call it, against the volunteer fire service which went overseas, after having quit their good jobs in this country. These men are urgently appealing to the government to place them in the same position, for gratuities and other benefits, as members of the armed forces are entitled to. I bring this matter to the attention of the government, simply because of the urgent plea which has just reached me from overseas.

I consider it the duty of every hon. member to reflect the view of his constituency as best he can with respect to the issue now before parliament. Last week I returned home with the determination that I would satisfy myself as to the actual sentiments of the people in my constituency—because, after all, that is what we are expected to reflect. I returned home and held consultations with some of the heads of organizations that have written me in the past two or three weeks. I have no doubt the Prime Minister (Mr. Mackenzie King) has received, as I have, copies of many resolutions, which I shall not quote in detail. However, these are groups such as associations of business men and women, Daughters of the Empire, veterans' organizations of all descriptions, and scores of individuals. I say that these represent a true cross-section of my constituency. I say, further, that their representations have not been made on a political basis.

The opinions expressed in the resolutions I have received—and I repeat that I believe copies have been sent to the Prime Minister—are supported by letters received by mothers and fathers from their boys overseas. If the Prime Minister will summarize the intent and purpose in these resolutions I believe he will agree with me that he will have a clear conception of actually what is in the minds of the people from my constituency—and what I believe is fairly well representative of the whole of Canada. They want reinforcements sent overseas at once, and they want no limitations on those reinforcements. I imagine the Prime Minister has received several hundred copies of the ballot which was prepared by the Canadian Legion. This was published in my

local paper, alongside one addressed to myself. The one addressed to me was dated November 16 and it reads:

As the member of the federal riding of the county of Lincoln, I call on you to do all in your power to have the home defence army made completely active immediately, and available for overseas forthwith. I ask you demand a recorded vote on this subject, if brought up in parliament.

That was signed by one of my responsible constituents. As I say, alongside that was another ballot addressed to the Prime Minister which reads:

As a citizen of Canada I request that you make the home defence army completely active immediately, and available for overseas forthwith.

Those were both signed by the same individual who is known to me personally. That is the sentiment expressed by the people of my constituency. Never in my experience have I seen the people in my constituency wrought up to the extent they are at the present time. I was interested in what the hon. member for Davenport (Mr. MacNicol) said this afternoon but I do not intend to be quite as modest I do not think that what has happened has anything to do with the Prime Minister personally; it is simply an expression against the policy he is following. All one has to do is to go to a picture show to find out what happens when the Prime Minister's picture appears on the screen. As I say, I have never seen the people so wrought up. I repeat that all this is not against the Prime Minister personally, it is simply because of the serious situation that has arisen overseas.

Over the week-end I found the people of my country definitely thankful for the revelations made by the former minister of national defence (Mr. Ralston), for the clear and concise way in which he has presented the situation to them. Even though the former minister of national defence has revealed the means by which these conclusions, ending up in the order in council, were arrived at; even though he has revealed part of what occurred in the war committee when there was no doubt something in the way of an internal war started, the people are not satisfied with the back-tracking he indulged in at the finish of his speech. I say this in all sincerity. I am simply trying to indicate how these people whom I made it my business to get in touch with over the week-end are thinking.

The Prime Minister knows that there has been a wave of adverse public opinion sweeping across the country because of the evasions of the government during the past few weeks. The true situation has now been revealed. The Prime Minister, may try to lay that on the doorstep of the official opposition, if he likes; he may say it is a malicious press, if he likes; perhaps he may criticize the Canadian Legion, but I want to say that not only the Canadian Legion but every veterans' organization in the country have taken the same stand. Surely the Prime Minister knows that as well as I.

For the moment let us leave out the reference he made to the official opposition and to the press. May I pause here to say that perhaps we owe a debt of gratitude to the press, to the scores of papers across this country which have taken a firm stand on this situation. I want to say a word about the veterans' organizations in particular. These organizations are made up of the fathers and mothers of the boys overseas. Many of the fathers served in the last war; they served well and they know what war is. Among this group is to be found the true basis of the unrest that has swept across this country. I say that advisedly because I found out where this criticism is coming from. As I say, in the statement made by the hon. member for Prince the true reason for this unrest has been revealed.

The present Minister of National Defence, Mr. McNaughton, has admitted up to a point that this situation does exist and is of a serious nature. The Prime Minister admits it; but he still appears to evade the issue; he still appears to be trying to avoid sending all-out reinforcements to the boys overseas. I say most definitely that because of this evasion the people of this country have lost faith in the Prime Minister and in this government.

Some hon. MEMBERS: Oh, oh!

Mr. LOCKHART: That is all right; you can laugh, but make no mistake about it. I attended a meeting on Saturday night and I was asked to review the situation. I should like to indicate briefly what I said to that group of representative people. It was not a political meeting; it was a group of people who were associated together in a particular way, and I happen to be a member of the organization. During the course of the meeting I was asked if I could indicate what the present position was. The reference was to the situation that was being discussed in parliament.

I referred to the statement made by the Prime Minister, I think on November 8. I referred also to the statement made by the present Minister of National Defence. I referred at a little more length to the statement made by the former minister of national defence. I pointed out that the Prime

Minister and General McNaughton had declared emphatically that the voluntary system must continue. I pointed out that parliament had been assembled on that understanding. I pointed out that the first evasion as I saw it was in the irregularity in the way the session was opened. I said that the Prime Minister had indicated—I had not the *Hansard* before me to quote his exact words—that he would introduce a motion of confidence in the government, but I pointed out that the vote of confidence up to that point—and the Prime Minister will correct me if I am wrong—was on the voluntary system only.

Mr. MACKENZIE KING: My hon. friend has just said that I will correct him if he is wrong. I hope he will not ask me to do that because he has been wrong so often that I would have to be interrupting him all the time.

Mr. LOCKHART: Will the Prime Minister tell me where I am wrong up to this point?

Mr. MACKENZIE KING: I am trying to allow hon. gentlemen opposite to speak without interruption and I hope they will not trouble asking me any questions because I do not intend to answer them.

Mr. LOCKHART: We met here on November 22 on the assumption that the discussion was to be on a motion approving the voluntary system. I pointed out that on November 22 the official opposition introduced the principle of their amendment which is now before the house but that it was then ruled out of order.

Mr. MITCHELL: May I ask if my hon. friend was addresing a veterans' organization?

Mr. LOCKHART: I shall have something to say about the Department of Labour before I get through.

Mr. GARDINER: So you do not answer questions either.

Mr. LOCKHART: When we met here on November 22 no one suspected that the government would execute a somersault on the question of voluntary service overnight and that on November 23 the Prime Minister would introduce the order in council at three o'clock in the afternoon, providing for the drafting of 16,000 N.R.M.A. men for service overseas. Perhaps there was somebody behind the scenes who knew what was going on, but whatever was happening behind the scenes or in the war committee or elsewhere between November 22 and November 23 was not revealed until the government indicated the reversal of its policy on voluntary service on November 23. Within twenty-four hours this drastic change had come. Then followed the admission of General McNaughton to this chamber, and it was quite evident that he had not changed his mind on the voluntary system; in fact, he said so in this chamber. Almost his first words on November 23 in this chamber indicated his stand on this matter. I interpreted the words of the new Minister of National Defence to this group of people as meaning that he did not believe in the reversal of policy of the government which had been made within twenty-four hours, and I indicated what General McNaughton said he intended to do in carrying out the overnight reversal of policy of the government. I was asked on what I based my opinion, and by good luck I happened to have in my brief case a copy of *Hansard* of Thursday, November 23.

An hon. MEMBER: You must have been prepared for it.

Mr. LOCKHART: This was not a political meeting and I never expected to say a word.

Mr. GARDINER: Then I would like to hear one of your political speeches.

Mr. LOCKHART: I interpreted the stand of the new Minister of National Defence on the government's overnight change of policy; I was asked on what I based my opinion, and so I turned to page 6529 of *Hansard* of November 23, where in the second column I find that General McNaughton, in answer to a question put by the hon. member for Vancouver South (Mr. Green), said this:

> What is correct is this: where we have general service personnel, N.R.M.A., who have converted, if they are entirely suitable and are up to the standards of training which we require of them—and that cannot be stated in simple terms across the whole business, because some of the training will take advantage of facilities. We shall have people at certain stages in Canada, and certain places, and as regards others we shall want to use our facilities in England for working out. As long as there are suitable general service personnel available to fill the requirements, it is our intention to use them. We propose to make good whatever deficiencies there are from N.R.M.A. personnel.

It was on that assertion by General McNaughton and others that I based my opinion. Then I went on to read the next two questions, on the same page of *Hansard*, as follows:

> Mr. Green: So that the government's policy means this, that there may not be any N.R.M.A. personnel sent over at all between now and next May?
>
> Mr. McNaughton: Perfectly correct—if there were, as I see signs developing already to indicate, a most satisfactory start in the conversion of N.R.M.A. men. We would not use this authority, then, in any way, and I would be the most thankful man in this room.

Mr. Green: N.R.M.A. men will not be sent overseas if you can possibly avoid it?

Mr. McNaughton: I have no intention of using compulsion except to meet a deficiency, and having regard to the purpose we have of maintaining the strength of our armies overseas.

It was upon these statements of General McNaughton's that I based my opinion. I also pointed out, without giving away any secrets, that what had happened in the secret session only strengthened that opinion. That was as far as I went. I think any hon. member who was present at the secret session will agree that the information given in secret only strengthened the position that I took. Then I was referred to the address which the hon. member for Prince made in this house and I repeated as nearly as I could some of the statements that he had made. I pointed out that he had particularly stressed to the house the urgency of the situation, and that he had told us about the war behind the scenes here in Ottawa, and I undertook to see that those present at the meeting got copies not only of the Prime Minister's speech but the speech of the former minister of national defence, which promise I carried out. So that they are in a position to form their own conclusions as to what I told them. I was asked if the speech of the former minister of national defence was available and I said, "yes, in limited numbers." Then I was asked this question—I think the hon. member for Hastings-Peterborough (Mr. White) referred to it—if I did not think that the speech of the hon. member for Prince should be circulated across this country, in the manner referred to by the hon. member for Hastings-Peterborough. I stated that I entirely agreed. They did not know of the suggestion the hon. member had made; the idea came from themselves, and I thought it was a worthy one. Perhaps the Prime Minister will even yet consider it worth while carrying out. I suggested to my audience that they might write to the hon. member for Hastings-Peterborough, and gave them his address, but they did not think it worth while; they said I appeared to have all the facts, and they would be glad to have a few copies of the speech.

There is confusion of mind among our people; it is growing, and with that confusion their anger is also on the increase. I tell the Prime Minister that it is directed against the government and that he must take personal responsibility for it.

A highly respectable and reputable citizen, a prominent business man in my constituency, rose to his feet in this meeting and asked permission to read a letter and then to ask a question. He had just received the letter from his son in Italy. It stated that the hon. member for Prince, whom I will refer to as the former minister of national defence, had been in Italy one week earlier and had left the assurance that he would deal with the urgent situation immediately upon his return to Canada. Apparently this boy had that definite impression. I think the hon. member for Prince is to be commended for giving that assurance to the boys, for goodness knows they needed it. I need not remind the house to what extent the hon. member kept his word to the troops; he did so, perhaps, up to a point. The reason why he did not go farther was not of his own making, and it is obvious to the house. The Prime Minister and a number of the members of the war committee would not allow compulsion to be put into effect for overseas reinforcements. That is the statement I made to the meeting, and I believe it is correct. Some time between six p.m. on November 22 and three p.m. on November 23 the government changed their opinion. I pause to wonder if it did change its opinion, or was it a case of compulsion of another form? I do not know; I leave it to the house to decide. I am not so sure that there was an actual change of heart. Anyway, stormy scenes were enacted, and resulted in Canada losing a very capable minister of national defence, a man who assiduously applied himself to the job before him, a man who took the trouble to go overseas and get first-hand information and who assured the boys over there that he would stand back of them. What is more, according to this letter, they had the impression that these reinforcements would be over soon. I ask hon. members if the former minister of national defence did not make it clear to this house that reinforcements were going forward at once, in goodly numbers. I was asked if I really believed that the former minister of national defence intended to implement his promises. My answer was that he had staked his public career on it and resigned his office on the strength of it, so that I felt that the hon. member had conscientiously tried to discharge his duties and carry out the promises which he had made. Not much more need be said on that point. Events followed, and they continue to follow. People are aroused as never before. The end is not yet.

I desire to convey this to General McNaughton in a kindly way, and if I transgress a little in referring to him I crave his pardon. But the boy who wrote this letter, and who has been in Italy for a year and a half, spoke of General McNaughton as "their Andy," and he added that "if Colonel Ralston had left

'Our Andy' on the job the boys in Italy would not be crying out for help at the present time." I leave it to the judgment of this house and of the people of Canada to what extent that is true. To my mind the irony of the situation is appalling.

Mr. ROWE: He was "their Andy" a long time ago.

Mr. LOCKHART: I wonder what the boys in France, Belgium, Holland and elsewhere overseas are going to say when they read the speeches of the Prime Minister, the former minister of national defence and the present Minister of National Defence. They should have all this information; yes, and I am going to make sure that they do get it all. Then we shall wait for the next mail and see just what the boys overseas have to say on the general situation.

I see that the Prime Minister gave an indication that his motion would be one for an all-out vigorous war effort. He implemented that statement by using the same phraseology in the motion he presented to the house, but he skilfully avoided any reference to voluntary enlistment or anything of that kind. Yet every hon. member knows that that was the policy of the government up to three o'clock on November 23.

Then he referred to the marvellous war effort which Canada had made. Many of us know something about the marvellous accomplishments of Canada. I know something about what has been done by the manufacturers, by the farmers, by the factory workers, and by the women; but I often wonder, when listening to their speeches, whether the Prime Minister and some members of his government—I do not say, all—are afflicted with the same superiority complex—

Mr. ROWE: Inferiority.

Mr. LOCKHART: Well, this is a superiority complex, I fear. I wonder if they think that all the great and valiant achievements of our manufacturers, industrial workers, women and farmers would never have been effected if their government had not been in power. It is ridiculous to think that the same people could not do the job under any administration. After all these marvellous achievements—I say, by the people—we are now missing the boat on the most important issue, namely, reinforcements for our weary and worn-out boys overseas, particularly in the infantry. This is on the eve of victory, so the Prime Minister says. I say that we have a long, hard and tough road ahead of us, and the Minister of National Defence so told us. He pointed out to us in this house, partly in secret session and partly in open session, some of the things we have to combat before we are through. However, the Prime Minister still seems to think we are on the eve of victory. He speaks of anarchy unless we vote confidence in the handling of the reinforcement crisis overseas. Well, the house knows now whether it can vote confidence in the government or not, and if it is satisfied with the way in which this situation is handled, that is up to every individual member. But I say that when they get home to their constituents some of them may find the picture a little different.

We will take the Prime Minister at his word, unless he is skilfully evading again, as the hon. member for Dufferin-Simcoe says he is. Be that as it may, the people accept the statement of the Prime Minister that we are not to have an election. My people accept that statement; I accept it. But my people will not accept and I will not accept the deliberate evasion of the issue to get reinforcements overseas to our boys at once. Mark you, Mr. Speaker, the boys overseas will not accept it either, and I can produce many letters here. On behalf of my people I call on the Prime Minister to accept the principles embodied in the amendment moved by the official opposition to get behind our weary lads overseas by making every man in the defence of Canada army, called up now and in the future, available in any theatre of war.

In 1942 the Prime Minister declared that but one order in council would be required if compulsory service was necessary. Does the Prime Minister still say this is not necessary? How can he, when he has overnight passed a restrictive order in council accepting the principle, one which the new Minister of National Defence states openly he is not particularly in sympathy with? The statement was made in the house on the afternoon the order in council was passed. I call upon the Prime Minister—

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. LOCKHART: Mr. Speaker, I bow to your ruling. However, I have one or two sentences which I should like to finish. I call upon the Prime Minister to rescind order in council 8891 and come out courageously for our boys who need help at once. If the Prime Minister will do that, the purpose for which this house was convened will have been served. If he will not, I for one will not vote confidence in the Prime Minister or in the fragments of his administration. If that is a

challenge for an election the Prime Minister can take it or leave it. After my trip home over the week-end, I am satisfied that my people will not countenance any more of the pussy-footing that Canada has been subjected to since the former minister presented the true picture to the people. So far as my people are concerned, I back them up 100 per cent in one of two things: Either make the defence of Canada army called up under N.R.M.A., now or in the future, available in any theatre of war, or do as was done in the United States—let the people settle the issue.

Mr. FREDERIC DORION (Charlevoix-Saguenay): I cannot help remembering that it was two years ago last week, on November 30, 1942, that I was elected as member of the House of Commons for the constituency of Charlevoix-Saguenay. I believe I can assert that I have fulfilled as well as possible the mandate that was given me, although the task of representing the people for the past two years has not been a very easy one. I know that my coming to this house did not please everybody, but I believe no one can deny that I have been faithful to my electors in taking the stand I have taken during the past two years.

I believe in democracy. I therefore believe that we are here to be the spokesman for our electors and not to be the tools of a party or of some outside interests. I must say that I was never so happy as I am now to be independent of all political groups and thus to be enabled to speak freely. That is the reason why I will do my utmost to discuss on its merits the question that is before the house to-day, not forgetting the gravity of the hour.

I will also try to refrain from rousing passions, because I believe that at a time like this those who take this opportunity to play politics for the benefit of one group or another render very bad service to their fellow citizens. I wish to associate myself with the hon. member for Richelieu-Verchères, and to offer my congratulations upon, and my thanks for, the magnificent speech delivered last week by the hon. member for Rosthern (Mr. Tucker). In this connection I wish to congratulate also the member for Grey-Bruce (Mr. Harris). These hon. gentlemen have shown us that in spite of the malicious campaign of the last few weeks there are still in other provinces men of good will who can understand the sentiments of the French-Canadians, together with the fundamental basis of Canadian unity.

Before proceeding further, I should like to call the attention of the house to the meaning of the amendment moved by the leader of the opposition (Mr. Graydon) and the subamendment moved by the member for Mercier (Mr. Jean). As regards the amendment of the opposition, I should like to know if those who wish to support it are aware of the fact that in doing so they will admit that the government has already ordered all the personnel of home defence to go overseas. In fact, if I take the amendment and endeavour to understand it I shall try to read it in a different way from that in which it is worded, and it would read as follows:

> This house is of the opinion that by requiring all the N.R.M.A. personnel, whether now or hereafter enrolled, to serve in any theatre of war, the government has not made certain of adequate and continuous trained reinforcements and has failed to ensure equality of service and sacrifice.

Do you not think the members should be entitled to know exactly whether the Progressive Conservatives do admit that the government has already conscripted for overseas all the N.R.M.A. personnel?

With regard to the subamendment moved by the hon. member for Mercier, if we deal with it as I have dealt with the wording of the amendment moved by the opposition, in order that we may understand what it means, this is what we get:

> This house is of the opinion that by using to the best advantage the general service personnel in Canada and the volunteers overseas, without resorting to conscription for service overseas, the government has not made certain of adequate and continuous trained reinforcements.

I think the electors of Mercier will be glad to know what their member really wants in connection with the prosecution of the war; and by the amendment he has moved they will learn that their member has found that the present government has not done enough up to date, but that what he wants is a much more vigorous effort with conscription for overseas, because his motion constitutes blame on the government for not having imposed conscription for overseas.

Mr. DORION (Translation): Mr. Speaker, before beginning my remarks on the present debate, I wish to deal with a statement made last week by the hon. member for Cartier (Mr. Rose), in which he referred to me. The hon. gentleman has often alluded to my activities in the political field and as recently as last week he stated that I had fascist leanings. I wish to say to the hon. member for Cartier that, before questioning other people's loyalty, he should think of what and where he was at the beginning of the war. On the other hand, I do not admit that the hon. member for Cartier has the right to speak for French Canadians in this house.

Mr. Speaker, we must, no doubt, ask ourselves to what purpose we are gathered here at present, and the answer to this question is to be found in the statement of the right hon. the Prime Minister (Mr. Mackenzie King), made on Wednesday, November 22, in which he listed the reasons for the recall of parliament at this time.

I find at page 6505 of *Hansard* the following statement made by the Prime Minister:

Mr. Speaker, the present meeting of the House of Commons has been occasioned by the controversy which has arisen out of the resignation on November 1 of the Hon. J. L. Ralston as Minister of National Defence, and the desirability of affording to hon. members an opportunity of discussing all matters in reference thereto, and in reference to the situation which has since arisen, and which is a matter of first importance to parliament and the people of Canada.

Now, what was that controversy between the right hon. the Prime Minister and the former minister of national defence (Mr. Ralston)? The explanation is to be found in a letter tabled on the same day in the House of Commons, and recorded at page 6506 of *Hansard*. I shall read the end of a paragraph which enlightens us upon the nature of the said controversy. I quote:

The only difference—

I am reading from a letter written to the Hon. J. L. Ralston by the right hon. the Prime Minister.

The only difference which exists is one of the method or methods of meeting this fundamental vital necessity.

That is the reinforcements for our troops overseas. I repeat:

The only difference which exists is one of the method or methods of meeting this fundamental vital necessity.

Now, what happened? After this meeting of Wednesday, November 22, we returned here and Thursday, the 23rd, in the midst of a most impressive silence, the famous order in council 8891 was read. It is my contention that from then on, the reason for which we had been called here no longer held inasmuch as the disagreement which had existed regarding the methods of reinforcement for our troops overseas had been dispelled or was no longer of any account. For that matter, it is the former minister of national defence who so informed us, in a statement which he made on November 23, page 6524 of *Hansard:*

I know a little about the things about which General McNaughton has been talking. There is little difference between him and me. The only difference as I understand it, is that the general said there was a difference between us respecting policies. I think he rather attributed to me the policy of conscription for conscription's sake or conscription whether necessary or not. My policy has always been, and it has been frequently announced in this house, conscription when necessary, and I was following that policy when I made the recommendation I did which was not accepted by the government. I hope that the general will accept that correction, because there is no difference between him and me so far as the matter of policy is concerned. I understand his policy to be the same, that is to say, conscription when necessary.

Therefore, Mr. Speaker, it is obvious that after the sitting of November 23 the controversy no longer existed, and it was also obvious that there was no longer any reason for the debate which was to take place thereafter.

Mr. LALONDE (Translation): The hon. member must know that there was a substantial difference. The former minister of national defence wished to send overseas, I understand, 42,000 N.R.M.A. men instead of 16,000.

Mr. DORION (Translation) On the strength of the statement made and repeated by the former minister of national defence—and I do not think that I am mistaken—more has been granted to the present Minister of National Defence, Mr. McNaughton, than has been requested by the former incumbent. Unless I am mistaken, the former minister of national defence had requested 15,000 men, but his successor was allowed 16,000. But the figure is of no consequence whatever. As I said before, a decision has been taken on the matter of principle, and all that remained for us to do was to take cognizance of the settlement of a disagreement between the former minister of national defence and the right hon. the Prime Minister. So definitely indeed had the matter been settled that order in council 8891 authorizes the Minister of National Defence to send overseas all necessary troops, all the men he sees fit to dispatch, without the necessity of again referring the matter to the house.

The proper interpretation of this official document will be easier, I believe, if we seek the spirit in which it was made. In order to get a better understanding of it, I refer to certain statements made some time ago by the former minister of national defence and his colleague of the naval services (Mr. Macdonald). First, I shall quote the following words of Hon. Mr. Ralston as reported in *Le Soleil,* of July 28, 1940:

Our front line is on the English channel and we must place on that line all we have even if it means running short here, stated the hon. Mr. Ralston, Minister of National Defence, to-day.

This was according to a *Canadian Press* dispatch from Ottawa. Here is another statement, by a minister still a member of the

cabinet, reproduced in the Montreal *Standard* of October 24, 1940. Hon. Mr. Macdonald is reported as saying:

> We have sent men, ships, guns and aircraft overseas and we shall send more and more as long as there remains a Canadian dollar unspent and a single Canadian citizen to take the defence of freedom.

Mr. Speaker, I claim that the moment order in council 8891 was tabled, the die was cast, and in view of present and past statements of authorized persons, I say that this order must be constructed according to said declaration, and that, therefore, the ensuing debate is absolutely unwarranted. Not only is this debate unwarranted since November 23, but I blame the government for starting a discussion which has provoked a campaign of abuse toward the province of Quebec. It is probable that, had we returned home on November 23, the outburst of fanaticism sweeping certain sections of the country might have been avoided.

In support of this contention, I shall quote a few words from one of hundreds and hundreds of letters, which in my opinion serve no useful purpose, which we receive every morning:

> Canada must not permit the province of Quebec to blockade the national support of our armed forces overseas.

The blame is always placed on the province of Quebec. And this abusive and fanatical campaign against Quebec continues. I repeat that if this debate had not been started, we would not have been called here in Ottawa to receive such letters which come from all sections of the dominion and there would not be such a campaign by eight provinces against the province of Quebec. Further, the present debate is absolutely useless for, after all, this issue of conscription which has been discussed for two weeks, has been settled definitely and in principle long ago. To my mind it was first settled by the visit made by the right hon. the Prime Minister to Hitler in 1937, about which we knew nothing before August 11, 1944. What took place during that visit? I wish to repeat the statement made in this house on August 11 of this year by the right hon. the Prime Minister:

> I do tell this House of Commons to-day that my visit to Germany had as its objective to make it perfectly clear that, if there was a war of aggression, nothing in the world would keep the Canadian people from being at the side of Britain. That was known to the German government at that time, and my action in the matter was fully known to the British government; but I did not talk about it at the time, for it is just as well that some of these matters should not be spoken of until later years.

Now, Mr. Speaker, from that very moment, not only had the principle of participation in the war been decided upon as the result of a visit of the right hon. the Prime Minister to Hitler, but the principle of the enforcement of conscription, with all the consequences it entails to-day, had by that very fact been accepted.

Another happening also shows that this debate is useless because, once more, this discussion on conscription is only the consequence or the outgrowth of what has taken place in the last five years. The declaration of war by the Canadian government in 1939 could not but involve the enforcement of conscription for overseas service with which we are faced to-day. Is there a level-headed man in this country who, in 1939, when Canada declared war, has not immediately said to himself: No matter what is being said, no matter what the people of this country may do, conscription for overseas service will certainly be resorted to before long.

A third event to which I refer is the mobilization act of 1940. Again I say that at that time conscription was necessarily decided upon. Therefore, this debate that has been going on since last week is absolutely useless. The *Votes and Proceedings* of the House of Commons for Wednesday, June 19, 1940, give us the following account of what happened then:

> The house then resumed consideration in committee of the whole of Bill No. 43, an act to confer certain powers upon the governor in council for the mobilization of national resources in the present war:
>
> And the debate continuing.
>
> Objection was raised against a ruling by the chairman of the committee (Mr. Vien) on a point of order, and an appeal being made to the house:
>
> Mr. Speaker resumed the chair and the chairman of the committee made the following report:
>
> When the committee was discussing section 2 of Bill No. 43, an act to confer certain powers upon the governor in council for the mobilization of national resources in the present war, Mr. Lacombe moved the following amendment: "That all the words after "Whereas" be deleted and the following substituted therefor: 'the government's war policy must be free and voluntary'." The chairman ruled that proposed amendment out of order because it could not be moved during the discussion of section 2 of the bill, and in view of the fact that, under the provisions of rule 76 of the house, consideration of the preamble is left until all the clauses have been disposed of.

Reference to the record of that time shows that the right hon. the Prime Minister himself, on that day, requested that a vote be taken on the motion of Mr. Lacombe to find out, so he said, who were in favour of it. The *Votes and Proceedings* record that two members, only two, voted against participation in

the war: Mr. Liguori Lacombe, member for Laval-Two Mountains and Mr. Wilfrid LaCroix, member for Quebec-Montmorency. The vote was taken on Mr. Lacombe's motion, as requested by the Prime Minister. I see here a list of names which I feel bound to read, to apprise the public of the truth and prevent the parties mentioned from ranging the stand they have taken as reported in the *Votes and Proceedings*. Here are the names of the members from the province of Quebec only, who voted against Mr. Lacombe's motion:

Authier	Gauthier
Bercovitch	Gingues
Bertrand (Laurier)	Hallé
Bertrand (Terrebonne)	Jean
Black (Chateauguay-Huntingdon)	Lacroix (Beauce)
Blanchette	Laflamme
Bonnier	Lafontaine
Bourget	Lalonde
Brunelle	Lapointe (Lotbinière)
Cardin	Lapointe (Matapedia-Matane)
Casgrain	Leclerc
Cloutier	Leduc
Côté	Lizotte
Denis	Marier
Deslauriers	McGibbon
Dubois	Mullins
Dupuis	Picard
Durocher	Pouliot
Eudes	Power
Ferland	Rhéaume
Ferron	Ryan
Fontaine	Sylvestre
Fournier (Hull)	Thauvette
Fournier (Maisonneuve-Rosemont)	Tremblay

Mr. Speaker, this list reminds me of a ditty well known among our people, and these names will probably be used henceforth in connection with that song whose theme is "Ah les beaux noms, les beaux noms canadiens" (Beautiful, oh beautiful Canadian names!).

The fourth event which gave rise to the present situation is the speech from the throne of 1942, in which the government announced the holding of a plebiscite to request that the Canadian people release them from past pledges. On page 2, column 1 of *Hansard* for 1942, the following paragraph is to be found in the speech from the throne:

> My ministers accordingly will seek, from the people, by means of a plebiscite, release from any obligation arising out of any past commitments restricting the methods of raising men for military service.

When the vote was taken, on the main motion moved by Mr. Fournier (Hull) the following members from the province of Quebec voted against the address in reply to the speech from the throne. As for the others, they naturally voted in favour of the address.

Bertrand (Terrebonne)	LaCroix (Quebec-Montmorency)
Bourget	Lizotte
d'Anjou	Parent
Gauthier	Pouliot
Lacombe	Raymond
Lacroix (Beauce)	Roy

They are the only ones who, at that time attempted, but too late already, to oppose the law of conscription, the enforcement of which we are deploring this very day.

That is why I say that this conscription issue has been determined—it was determined, as I said before, by all the incidents to which I just referred. In conclusion, it is obvious, Mr. Speaker, that we were very far from that free, voluntary and moderate war effort promised in the speeches delivered by Liberal leaders on the declaration of war. In September, 1939, the war which was to be waged was a pink and easy war, according to statements made by the public men of those days and those who were responsible for the administration of national affairs. All that has changed, unless there was nothing true in all that, if we are to judge by the situation which is laid upon us to-day.

Mr. Speaker, I heard the other day the Prime Minister evoke the memory of the Right Hon. Sir Wilfrid Laurier and of the Right Hon. Ernest Lapointe in an attempt to convince the hon. members of the province of Quebec to give him their support at this juncture. If the Prime Minister had cared to put before the house what purported to be the opinion of the Right Hon. Ernest Lapointe, he would no doubt have referred to a speech which he delivered on September 9, 1939, and he would have detached the following excerpt. I quote:

> To those who criticize me to-day and who claim that I have changed my views, let me say that I am quite willing to show them the text of the speeches which I made on many occasions during the war. The change came on the conscription issue, which unfortunately was projected into the field at the time and which has sown the seed of discord of which even to-day we are reaping the bitter fruit.

And a little further on, the Right Hon. Ernest Lapointe said:

> Every speech that has been made has shown that this will be a gigantic conflict.

He was aware therefore of the enormous war effort Canada would have to make. In spite of that, he made the following statement:

> If Canadians go to the front line of battle they will go voluntarily as Canadians, under the control of Canada, commanded by Canadians and maintained by the Dominion of Canada.

And further on he added:

> The other school consists of those who also close their eyes to realities and are promoting courses which disunite Canada—because such measures will never be accepted or enforced by and in a most important section of the country. The whole province of Quebec—and I speak with all the responsibility and all the solemnity I can give to my words—will never agree to accept compulsory service or conscription outside Canada. I will go farther than that: When I say the whole province of Quebec I mean that I personally agree with them. I am authorized by my colleagues in the cabinet

from the province of Quebec to say that we will never agree to conscription and will never be members or supporters of a government that will try to enforce it.

For this reason, Mr. Speaker, had the right hon. the Prime Minister really been drawing his inspiration from the acts and policies of the Right Hon. Ernest Lapointe, he would not have attempted, the other day, to take advantage of certain statements, to request of the members from the province of Quebec a vote of confidence on the conscription motion that is presently before the house.

Numerous sub-amendments were offered in the course of the debate. Of course, I do not wish to make an exhaustive review of those that were ruled out of order. As regards the sub-amendment of the hon. member for Mercier (Mr. Jean) I said a moment ago how it should be viewed. Nevertheless, those sub-amendments which were submitted to us gave us the opportunity of wondering what are the real tenets of the groups which advocated them. The first was drafted by the C.C.F. party. It was immediately apparent that, in view of the theory I have just expounded, we could not support it, for it stemmed from the doctrine and principles which form the basis of the general policy of the C.C.F. party, a policy that, to me, appears unacceptable, especially by the province of Quebec. As far as I am concerned, I take this opportunity to disclaim any misconstruction, as attempted in certain quarters, of statements I have previously made, and which I do not deny, but which must be given their true meaning. I must say that I am far remote from the C.C.F. party as I cannot accept the socialist doctrine of that party. I am in favour of private enterprise provided it is duly controlled by the government, because otherwise—and that is to a certain extent, the situation which obtains to-day—it is rather private enterprise which controls the government. For my part, I wish that the development of private enterprise should continue in this country, but, as I say, under the rigid control of the government in power.

As regards the amendment of the Progressive Conservative party, I said a few moments ago what it amounts to. That amendment is nothing short of a request to the House of Commons to put all our manpower at the disposal of the government, so as to provide our armies overseas with an increasingly large number of men, regardless of the country's needs and regardless of consequences. The aim is to deprive this country of its manpower, no more, no less, but to whose benefit? I wonder. That is why that amendment moved by the Conservative party can certainly not have our support.

In regard to the main motion, it is obvious that, for several reasons, we cannot support it. The chief reason is that its adoption would constitute a vote of confidence in a government whose policy is absolutely opposed and contrary to that it advocated during the 1940 electoral campaign. Hence, we claim that the present government has no mandate to enforce the policy which it now carries out. We should vote against this motion because all the members sitting in this house have not been elected to enforce the present policy of the government. Therefore, if we wish to comply with the mandate with which we have been entrusted, if we wish to be honest with our electors, we must of necessity vote against the main motion.

The second reason why we must vote against this motion is that we claim that at the present time we have gone much too far in a war effort entirely out of proportion with our means; and that in 1939 and after 1940 in particular the dominion government has made commitments which far exceeded this country's abilities and resources. In 1939 as in 1940, if we had not rushed in blindly in order to display an unimpeachable loyalty by doing more for the war effort than any other country in the world, if we had remained within the reasonable limits of a war effort in keeping with the resources and manpower of the country, I contend that we would not find ourselves in the present emergency. What will the principle laid down in order in council 8891 lead us to? I read in the newspapers the other day that, according to certain figures which were supposed to be official, we had at the present time about 900,000 men in the armed forces. Any country which has 10 per cent of its total population under arms has reached the limit of its effort according to experts in vital statistics. Although we are at war because parliament has so decreed we are not really threatened in this country. If we consider, as it has often been stated in this house during the last two sessions, that we have fed the European countries and raised an army which almost reaches the limit of 10 per cent of our population, that is why I say that before the end of the war is reached, we shall find out, but too late, unfortunately, that we have gone far beyond our means.

Another reason for voting against this motion of confidence is our claim that the present government, in spite of what they have endeavoured to represent to our people,

is not the administration conducive to national unity. I shall go further and assert that the Liberal party, now in power, is a factor of national disunity. If the present situation, which we deplore, exists in our country, it is because for more than thirty years the Liberal party in the province of Quebec has stirred up and encouraged grievances, to gain political advantages. For the last thirty years the province of Quebec, as I pointed out in greater detail in a speech I made here on February 10, 1944, no elections, either federal or provincial, were held in which the Liberal party did not exploit to its advantage the feeling opposed to all participation in external wars. Evidence of unfailing loyalty is now the order of the day, as was demonstrated a short while ago by the hon. member for Bellechasse (Mr. Picard) who saw fit in his speech, to attack the independent members who sit in the house. I quote the following from page 6694 of *Hansard:*

. . . in French Canada the people who through all their political life had been friendly to the Tories are masquerading as independents. They are accusing the government, and I use their own words, of "betraying Quebec." They criticize the whole war effort and accuse those of us who have supported all government measures exclusive of Bill No. 80 of being tools of English Canada and of causing great harm to our racial group.

The hon. gentleman, whose party for thirty years campaigned in the province of Quebec asking the people to vote against the party responsible for war in 1914-1918, now tries to assume a feeling of loyalty, which dims that of our most imperialistic fellow citizens. There is another passage I wish to quote from his address. On page 6695, I find the following:

Now the cry is raised in Quebec: "Duplessis is back in power, the government has been forced to implement Bill No. 80 and Duplessis could not prevent it."

Does the hon. member for Bellechasse wish to insinuate that we have conscription to-day because the Union Nationale is in power in Quebec? This places a terrible responsibility upon the federal government. These were the words uttered in this house on November 30, in the speech to which I refer.

Recently, at a meeting held in his constituency, he again attempted to make political capital out of the 1914 war. I find in *Le Soleil* of November 25, 1944, the following:

Mr. Picard thanked all his friends for having expressed their opinion. He cautioned his audience against fomentors of discord, against the so-called independents, who are Conservatives in disguise, and the heirs of those Tories who in 1917 spoke against conscription but voted for it.

[Mr. Dorion.]

He is now trying again to raise that prejudice on which the province of Quebec has been fed for thirty years by the Liberal party. In that report from *Le Soleil* this most laughable explanation was given by the hon. member of the fact that he had not crossed the floor of the house, as some other members had done:

Some hon. members have seen fit to cross the floor of the house to sit on the opposition side. That is but a gesture. A member can just as well uphold his principles while keeping his seat, and moreover, in my case—

And here is the comic part of the statement.

—the seat which I now occupy is already on the left of the Speaker.

Mr. Speaker, we have another reason for voting against the motion of confidence, and it is because I claim that, since the beginning of this war, the government—and the responsibility therefor weighs especially on the ministers from the province of Quebec—has never taken the trouble to indicate true figures about the share of the province of Quebec in the war effort. At the beginning of November, when the Prime Minister spoke over the radio, I heard some statistics which had already been requested in this house but which we had not been given because it was said that their disclosure would have been detrimental to the public interest.

Had the ministers from Quebec taken care to show under its true light the nature of that province's contribution to the war effort, I claim that it would have been possible, in a large measure, to prevent the campaign of abuse and fanaticism which is so apparent at the present time.

This is another reason why I propose to vote against the main motion.

Another thing. It is obvious, in all this, that the French-Canadian ministers who have broken their pledges to the province of Quebec, their constituents and their fellow-citizens, have not done everything in their power to prevent the passing of order in council 8891. Moreover I am convinced that if the ministers from the province of Quebec had not been afraid and had had the courage to defend what it is their duty to uphold in this house, this order in council would probably never have been passed. I say that if the right hon. the Prime Minister had also had the courage to defend the stand which he had consistently taken since the outbreak of war, I am convinced that he would readily have obtained the vote of confidence which he intended to request on November 22 in support of the voluntary system. If the right hon. the Prime Minister had had the courage to maintain the stand which he

had taken since the beginning of the war and if it had been necessary to go to the country, I am convinced that he would have been returned to power with an even larger majority than he has today.

Mr. LALONDE (Translation): Would you have voted for it?

Mr. DORION (Translation): Certainly. We must not depend too much on this campaign of political frenzy stirred up at the present time to ascertain the real feelings of the Canadian people. We must realize also that in the English-speaking provinces, there are people who understand the situation. That is why I claim that they lacked courage or tried, once again, to deceive the whole country.

(Text) In closing my remarks, Mr. Speaker, I should like to emphasize the fact that, very fortunately, a certain press together with some individuals, seem to have seized this question of reinforcements to raise an anti-racial struggle in this country.

We often hear of Canadian unity in these days, and I wonder if those who preach it very loudly know what it is.

One must not forget that unity does not mean unification.

One must not forget that, in this country, there are two races with two different mentalities.

The French Canadians do understand that the English Canadians can still hold some close ties with the country they left not long ago, even if it be one or two generations ago, but it must be understood that you will never make Britishers out of the French Canadians.

I am sure that if our English-speaking fellow citizens went to the trouble of learning and of knowing the sentiments of the French Canadians, they would refrain from raising such issues as the one with which we are now confronted.

I am one of those who believe that there can still be understanding between the two races. But the majority must not try to overrule the minority and force it to submit to all its wishes.

Democracy, in a country like ours, cannot mean the domination of the majority over the minority; there must always be some understanding between the two; otherwise, it is not democracy; it is tyranny.

Mr. MAURICE LALONDE (Labelle) (Translation): Mr. Speaker, I realize that this is a momentous occasion and that it does not call for long speeches. I shall accordingly make just a few remarks in order to clarify the stand I intend to take on that most important matter, conscription of men for service overseas.

Before I do so, my good friend the hon. member for Charlevoix-Saguenay (Mr. Dorion) will no doubt permit me one observation.

I must congratulate him on the dignified and sincere way in which he has made his remarks, and I must tell him that I am becoming convinced that he is beginning to be truly independent.

The hon. member for Charlevoix-Saguenay has, perhaps involuntarily, left the house under the impression that those who voted against the motion introduced by the hon. member for Laval-Two Mountains (Mr. Lacombe), on June 19, 1940, in connection with mobilization bill No. 80, voted for a war effort that was neither voluntary nor free. If my hon. friend will refer to page 952 of *Hansard* for June 19, 1940, he will find that the vote taken in this house on that date was on a ruling by the Speaker. The hon. member for Laval-Two Mountains had moved an amendment reading as follows:

> That all the words after "whereas" in the preamble of the bill be deleted and the following substituted therefor: "the government's war policy must be free and voluntary."

Now, on that occasion the chairman ruled from the chair that the amendment was out of order. An appeal was made from his ruling and a vote was taken.

Mr. LACOMBE (Translation): Will the hon. member for Labelle permit me to interrupt him? The right hon. the Prime Minister, as my hon. friend no doubt remembers, personally requested that a vote be taken, after a remark by the hon. member for Lethbridge (Mr. Blackmore), and he stated that he wanted to know the opinion of some hon. members of this house on the matter, making it a matter of principle.

Mr. LALONDE (Translation): The right hon. the Prime Minister said, as reported at page 952: "Have a vote." He said nothing else. But it is nevertheless true that, notwithstanding all the statements that were made, the vote was not on the intrinsic merit of my hon. friend's motion—

Mr. LACOMBE (Translation): The hon member will perhaps let me make another remark. If he will read a little further, he will see the reply made on the same day by the Prime Minister to the hon. member for Lethbridge. He will notice that the Prime Minister stated: "For a long time I have desired to know the opinion of this house." He made it a matter of principle.

Mr. LALONDE (Translation): The right hon. the Prime Minister may have been seeking the expression of opinion, but the vote took place and is recorded in the sessional paper of the house. It was not taken on the

intrinsic merit of your motion. I do not believe the hon. member for Charlevoix-Saguenay wanted to leave the house under a mistaken impression.

Secondly, he made some so-called comments, expressing the hope that responsibilities would be shared and that the Quebec provincial government would not interfere in this matter of conscription. I agree with him in that respect, but I would very amicably suggest that he advise his good friend Mr. Duplessis not to pass another order in council as he did last week, order which came to the cognizance of members of the house and in which he registered a protest against conscription, without the least effect.

We are free, of course, to think what we like of such a move, but to my mind it indicates nothing but political tactics.

Mr. ROY: He does not agree with the Liberal policy.

Mr. LALONDE: I will come to that, and my hon. friend from Gaspé (Mr. Roy) will notice that there is but little difference between his opinion and mine, and I hope the premier for the province of Quebec, Mr. Duplessis, will not claim later that he was unable to prevent conscription. This year's election in Quebec was fought on a federal issue.

Mr. ROY: In 1939 also, the campaign was based on a federal issue.

Mr. LALONDE: Yes, in 1939 as well as in 1940 and 1944.

After a few opening remarks, Mr. Speaker, I will now resume the debate before the house. Bill No. 80, passed in 1942 by the present parliament, recognized the principle of the conscription of man-power for overseas service. Like a number of other Liberal members, I voted against bill No. 80 and against conscription, as evidenced by the records of the house. Therefore, I am able to state to-day that I have been as good as my word and that I have not broken faith with my constituents to whom I had promised that I would not vote in favour of a compulsory measure.

The right hon. the Prime Minister gave his word that, before bill No. 80 was put into effect, the House of Commons would be consulted and an order in council passed to that end. For five years the right hon. the Prime Minister managed to steer clear of the reefs. For five years he has faced the storm and held the fort against the might of various opposition groups which tried to force the enactment of such a measure. Yet, a few months prior to the end of the war, he gives in before the pro-conscription push. Order in council 8891 was passed on November 23, authorizing the Minister of National Defence to conscript 16,000 additional N.M.R.A. recruits. I emphasize the word "additional", for it implies additional commitments as far as the men are concerned. I claim, therefore, that the hon. Minister of National Defence now has the right to call 16,000 additional draftees.

Mr. Speaker, here is a full right-about-turn on the policy announced a few days earlier, here is conscription as denounced by the leader of the Liberal party for the past twenty-five years as well as by the late Hon. Ernest Lapointe, the late Hon. Fernand Rinfret and others. Here is conscription as I censured it myself, in this house, in my speeches to my constituents and in the newspaper of my riding. Here is conscription against which I have agreed to struggle unless it is absolutely necessary to save Canada, our beloved homeland.

I admit, with regret, that the explanations advanced by our military authorities and ministers, far from satisfying me that conscription is necessary to save Canada, have convinced me more than ever that the right hon. the Prime Minister and the Liberal government have been the victims of fully ripened and premeditated schemes, that the former minister of national defence has failed to rise to the occasion and could not curb the tory influence of the military bureaucracy which controls our army. Even in June 1944, it would have been easy to foresee and avoid the catastrophe and the conflict which now threatens to disrupt the Canadian confederation, had proper action been taken.

The former minister of defence (Mr. Ralston) admits that he was informed in June 1944 that reinforcements would be required at the end of the year, that is in December. What did he do? Did he take any action with a view of promoting voluntary enlistments? As far as I know, he did nothing of the kind. He admitted having received in August a telegram informing him that the situation was becoming worse, he admitted at page 6662 of *Hansard* that he did not communicate that telegram to the war cabinet. It was only after the receipt of a second telegram that he decided to submit the latter to his colleagues. Meanwhile did he do anything to promote voluntary enlistments? No, as far as I know, he did nothing. At page 6597 of *Hansard,* the right hon. the Prime Minister stated that it was not before the month of October that the former minister of defence submitted for the first time to the cabinet the matter of conscription draftees. Ever since June, conscription was in the mind of the former min-

ister of defence, and he then had to do something. But did he do anything with a view of promoting voluntary enlistments among French Canadians whose units seemed to have suffered particularly heavy casualties on the Italian front? No, in that respect again, he did nothing. And furthermore I wish to congratulate the Minister of National Defence for admitting frankly, as shown by page 6661 of *Hansard,* that the government does not possess at army headquarters, here in Canada, figures and data showing the number of reinforcements in the United Kingdom and Italy, so that one day he decided to make a tour of the European fronts to ascertain the situation of our armies which even our government did not know.

I feel that the war cabinet, the government and the people were deliberately left under a false sense of security. We have been left in a state of doubt, of uncertainty. Daily reports of our casualties and reinforcements should have been available here in Ottawa, so as to enable us to reinforce our brave soldiers on twenty-four hours' notice. There has been in this regard an unpardonable lack of organization, the serious consequences of which must be borne today, and which, in the judgment of the country unfortunately fall upon the shoulders of a man who is not responsible for it, the right hon. the Prime Minister of Canada. The chiefs of staffs of our army should alone bear the full responsibility. I have carefully listened to certain speeches, which invariably implied—but never adduced positive evidence—that the province of Quebec did not do its share in this war.

We did more than our share in agreeing to the declaration of war, but did so on the express and essential condition that there be no conscription for overseas service. Mr. Speaker, we assented to mobilization for service in Canada, for the mobilization act was based on the unavoidable duty every man in this country is required to fulfil, since he must defend the soil he loves and cherishes. In the province of Quebec, we accepted the taxes, we concurred in the loans, in fact, we subscribed generously. We agreed to the gifts of raw materials, guns, shells and so on, made to our allies totalling one billion dollars in 1942, one billion in 1943, and $800,000,000 in 1944. We accepted our share of responsibility in this war, Mr Speaker, and cooperated in the maintenance of national unity in the country, a condition essential to the success of the gigantic task we had undertaken in the interest of humanity as a whole.

We did not jib when French Canadians were asked to enlist that they might defend the cause of humanity, but was anything done to promote voluntary enlistment in Quebec? Not to my knowledge. On the contrary, I assert that everything was tried to discourage any attraction French Canadians might feel for service in the active army.

As a matter of fact, I know young draftees who could not speak a word of English, but who were sent to English-speaking units and dispatched, like so many heads of cattle, to the Pacific coast, in hostile surroundings, where they could not feel at home, and if perchance they did not obey orders given in a language they did not understand those young French Canadians were frequently made a laughing stock for English-speaking members of the active army. How could our compatriots be expected to volunteer in such unfavourable circumstances, when they were sent to places far remote from their province.

The Prime Minister said that the voluntary system failed on account of the campaign waged, after the appointment of the Minister of Defence, by the Tory organization of the other provinces which incited the people to follow their basest impulses. That campaign was launched by the Tories. In February, 1944, the Saskatchewan Conservative association passed a resolution calling for conscription for overseas service. On June 19, at Guelph, Ontario, Messrs. Bracken and McTague both demanded, in a public meeting, conscription for overseas service. On June 20, Colonel Drew, speaking in Winnipeg, also demanded the immediate enforcement of conscription for draftees. On June 27, at Ottawa, Mr. McTague again took up the cudgels for conscription and upbraided Mr. King for his stubbornness in refusing to send draftees overseas. On October 5, in Toronto, Colonel Drew made another plea for conscription, and on October 10, in Montreal, Mr. McTague blamed Mr. King for his failure to enforce conscription.

I am of the opinion, Mr. Speaker, that this clique which for years has been opposing the present government is much more anxious to bring about the defeat of the Right. Hon. Mr. King than to see the downfall of Hitler. I know that my views will not be shared in some quarters, but I am sincere about it.

These incidental remarks must not, however, make us lose sight of the only issue: the motion of confidence moved by the right hon. the Prime Minister, which reads as follows:

> That this house will aid the government in its policy of maintaining a vigorous war effort.

The vigorous war effort mentioned implies the order in council passed on November 23. Now, this order embodies the decision of the government to implement conscription for

overseas service. As I have stated, I am not convinced that such a measure is necessary and timely; this half-measure is only one step removed from the total conscription demanded by the Conservatives in their amendment which reads as follows:

That all the words after the word "that" to the end of the question be struck out and the following words substituted instead thereof:

"This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice."

Then comes the motion of the hon. member for Mercier (Mr. Jean) in which I concur wholeheartedly; it is worded as follows:

That all the words of the amendment after the word "reinforcements" be struck out and the following substituted therefor:

"by using to the best advantage the general service personnel in Canada and the volunteers overseas without resorting to conscription for service overseas."

Therefore, Mr. Speaker, I cannot agree with the first two proposals which both include constituent elements of a measure I do not endorse. I will, nevertheless, vote for the sub-amendment moved by the hon. member for Mercier and against the amendment submitted by the Tory party. I do not, however, forget the wonderful achievement for which the right hon. the Prime Minister deserves credit in this war. Surely our people understand the difficult situation with which he is faced, and sympathized with him. The right hon. the Prime Minister no doubt realizes the unbearable position in which have been placed many of his supporters who have constantly stood by him in times of stress. He is aware that a group of our colleagues, of whom I am one, have received a very definite, clear and explicit mandate. I have concluded a solemn agreement with my constituents, and I do not want it to be said that I betrayed them.

(Text)

Mr. JAMES SINCLAIR (Vancouver North): Earlier speakers have stated that the subject of this debate is not the principle of conscription, as that has already been decided. It was decided in the debate on bill No. 80 in 1942 when the government was given power to introduce conscription for overseas service if necessary. To-day's debate centres rather on the problem of supplying immediate, adequate trained reinforcements to the army overseas. I myself was overseas when the debate on bill No. 80 took place, so that perhaps the house will pardon me for a minute if I take time to make clear my stand on the issue of conscription.

[Mr. Lalonde.]

At the outbreak of war I believed in the voluntary system of enlisting the army, the air force and the navy in this country, and like almost every other member of the house I campaigned on that issue in the spring of 1940. Those, of course, were the days of the so-called phony war, when we all had a Maginot-line complex and felt that we could blockade the Germans into submission with little use of man-power. At that time the only bitterness in our armed services was among those who had volunteered and could not get into the service because they were so flooded with recruits.

At the time of the fall of France, however, my attitude towards conscription changed very greatly, and that change was crystallized by my service overseas. In Britain I saw democracy at war where everyone shouldered the responsibility assigned to them according to their ability to carry that burden. Those medically fit took part in the fighting services as they were directed; those who were unfit, those who were too young, those who were too old, those who had special abilities were directed into employment by the state, with fire-watching and A.R.P. work in addition, men and women alike.

Out of this equality of service and sacrifice came unity, a real unity such as Britain has never seen before, people of every class united by common sacrifice in a common aim, a unity which gave the people of Britain the courage to stand the dark days of the blitz undaunted and unafraid. I therefore declare myself unreservedly in favour of total conscription in time of war, and I intend to adhere to this belief even more strongly in time of peace because I am quite sure that if every Canadian citizen knew in time of peace that if war came he would be obliged to take his full share of the fighting and the sacrifices, then our people in peace time would be all the more resolved that this nation should pursue a course which would avoid war.

There are many I know who sincerely believe that the enforcement of total conscription in this country will set one part of the country against the other and contribute to national disunity. I feel that there is much more serious threat to national unity; if we do not have some uniformity of service and sacrifice it will not be one section of the country against all the rest; it will be a bitterness in every street of every city, town and hamlet in this land, a bitterness between the men and the families of the men who have volunteered and those who have shirked every appeal to carry part of this nation's burden.

Coming now to the matter of adequate, trained reinforcements, I do not intend to use

any of the welter of figures which have been given to this house in the last few days. Like my friend the hon. member for Yale (Mr. Stirling), I cannot remember which figures I learned in open session and may use, and which I learned in closed session and may not use. One fact, however, has emerged during this session; that is, that the Canadian infantry overseas are perilously short of trained reinforcements, and that immediate action must be taken to sustain them. This news is supposed to have surprised the cabinet. It surprised the people of Canada even more, for two reasons. First, in the press appeared the news that the Canadian army overseas was short of reinforcements, and at the same time we were told that we had in this country 130,000 general service men, together with 70,000 conscripts. How could we be short of men overseas with such a reserve in this country? I know our military men in this house have given a break-down of all those soldiers into so many categories; we are assured that the army has combed out all the fit fighting men from the more than 130,000 general service who are available, and we are told that these men number only some 5,000. The people of Canada do not accept that, and I do not accept it either, because there is a much simpler standard, which was given in the press at the same time, in regard to the use of man-power. I refer to the announcement of the winding up of the British commonwealth air training plan, which was undoubtedly one of Canada's greatest contributions to the fighting front in this war. The press announced that the scheme was being wound up; that we had trained so many aircrew there was no need to continue the scheme. Everyone here knows the long and intricate training needed to fit aircrew for battle; the many instructors needed both in the air and on the ground; the very great number of groundcrew required to service the aircraft and man the fields. But this plan, which turned out over a quarter of a million graduates, at its very peak used 101,000 men. So that the people of Canada may well wonder what the army is doing with 130,000 general service soldiers in this country, and may well feel, as I feel, that the army has not used its man-power as well as the air force.

There is a second cause of bewilderment, also more or less connected with the air force. At this time the people of Canada see one branch of our armed services, the army, desperately pleading for men. Such is its desperation that we are here in special session because of that crisis. At the same time in the daily press the announcement is made that another branch of our armed services is refusing to enlist men and, more than that, is discharging 70,000 of the very type of men the army is trying so desperately to get. What is the reason for this? Why should the air force find it so easy to get recruits and the army find it so difficult? It is not simply a matter of comparison, the army against the air force; it goes a little deeper than that. Since the start of the war every little break has been given the air force. From the start they were better dressed. Airmen wore collars and ties; they travelled tourist while soldiers travelled colonist; they were paid better; they got more commissions and faster promotions. Airmen slept between sheets while soldiers slept between blankets. All these little things built up and made the air force a very much more attractive service for the young chap who wanted to serve his country. These things, I think, were principally due to the driving force of just one man, the former minister for air, whom I regard as the greatest single loss the air force has sustained in this war.

If this preferential treatment had brought no good result of course I would be very much against it, but there is at least this to be said for it; it caused the army and navy to raise their standards a little in the direction of those of the air force. There is, however, one difference which is of very great importance in the present discussion of reinforcements. The former minister brushed over it very quickly in his statement, when he said that all anyone needed to do was read the records of the joint air training scheme to see what his attitude was. I refer particularly to the matter of relief from operational fatigue. Let me explain this. During the battle of Britain the planes and the pilots were so few that the dauntless few fighter boys of the Royal Air Force went up again and again against the enemy without rest or respite, until they were finally shot down. The same thing, of course, was true in the early days of bomber command. They had few planes and few pilots, so that the same men went out night after night against Germany. But as the production of planes and aircrew increased the R.A.F. were able to set up a definite tour of operations, 200 hours of combat for a fighter pilot and thirty trips for a bomber crew. That meant that aircrew no longer had to go on and on until the law of averages caught up with them and they were killed. At the end of a tour they were taken off and given a rest; then they served a period as instructors and finally came back to fight again.

Our former minister went further than that, however, and fought for recognition of the

principle that no set standard of operations could apply to all men alike. Some lads take thirty trips right in their stride with no apparent ill effects at all. Others do suffer from fatigue. After all, these Canadian boys of our aircrew are not professional killers of the nazi stamp. They are just boys, gently reared in Canadian homes; and some find after a few trips that the strain of taking those bombers up night after night, through flak and searchlights and night fighters, then limping back home with a crippled plane, together with the strain of seeing their comrades wounded and killed in the same aircraft and the strain of coming back in the morning and seeing that comrades in other aircraft did not return, mounted until finally the condition called operational fatigue set in. Our minister fought for recognition of the principle that for those chaps their operational tour was honourably ended, and to that end he instructed the R.C.A.F. squadron and flight commanders and squadron doctors to watch carefully so that, when this fatigue set in, the man should not be expected to continue until the end of his tour, which would be unfair to him, unfair to the crew and unfair to this country. Instead, he is immediately given a rest and leave at home, then a tour of instruction, after which he is fit to go back and fight again.

Therefore, in calculating the supply of reinforcements necessary for the air force squadrons, there were two calculations to be made: reinforcements for casualties, namely deaths, injuries and sickness, and reinforcements for relief. In this house, in both open and secret session, there has been a long discussion of the problem of reinforcements for the army. In every case the gauge has been simply the number of casualties. If our reinforcements exceeded the casualties, things were satisfactory; if our reinforcements were not up to our casualties, the situation was grave. When the honourable and gallant member for London (Mr. Johnston) made his maiden speech in this house, after four years of service overseas, he recited just a few of the major battles fought by the Canadian first division in Sicily and Italy, starting at Pachino and Agira, across the straits of Messina and up the Italian boot; dogged fighting, village by village, hill by hill, river by river, when quite apart from the bombing, the shelling, the strafing and the mines expected in warfare, the spirit of every soldier is tried by the heat and cold, the dreary monotony of army life, the mud, the sand, the filth, the endless diet of bully beef, the remoteness from everything left behind in Canada. But there is no operational relief for our men in the infantry as in the air force, because we have not adequate reinforcements.

Nothing can illustrate this better at this time than a letter which was passed on to me through the courtesy of my good friend the hon. member for New Westminster (Mr. Reid), to whom it was addressed, although the writer is a constituent of mine. She did not write me, probably because she thought I would be unsympathetic. I have already communicated the contents of this letter to the Minister of National Defence, and I shall be very glad to table the letter if anyone wishes me to do so. This woman writes of a neighbour's boy:

> The father fought in the last war and is a total disability veteran. The three boys are in the service, two overseas, one in the navy just back from overseas. The boy I am going to speak of is about twenty-five, in the Seaforths, went over in the first draft, in 1939, a volunteer, has seen action and plenty of it. He was in England for quite some time and as a dispatch rider was in a serious accident necessitating his being in a plaster cast for six months due to two cracked vertebrae and a fractured shoulder. He went back into action after that, landed in Italy and was wounded in both hands; still did not get home, and has seen continuous action since. His mother received a letter the other day saying he was in prison. It appears he was in an advance with some other chaps. He was on the roof of a building and a shell blew these other two chaps to pieces, all over this boy, and stunned him. He was badly shocked over this affair and begged to be allowed to come home. His nerve is gone and, as they refused his request he said he could not go in the line again, as he had had enough. Now the boy is far from being a coward, but he told his mother that he has seen so much blood and dead and dying he can't stand any more. . . . Five years seems a long time for a boy to be away from home. The Christmas at home would give him heart to go back and fight again.

I can say flatly that if this lad were in the air force that condition of operational fatigue would not have been permitted to go to that extent. The other evening I had the unpardonable rudeness to interrupt the magnificent speech delivered by the hon. member for Richelieu-Verchères (Mr. Cardin) when he said he did not believe that volunteer soldiers would want to be relieved by conscripts. Does anyone think that soldier would care whether it was a conscript or a volunteer who gave him respite from the lines?

The army now announces that those with over five years overseas service may be brought home, 450 at Christmas, and 250 each month thereafter, if shipping permits, if the reinforcement situation permits—and a series of other ifs, which the hon. member for Prince (Mr. Ralston) recounted the other day. At the present time we have over 10,000 men overseas who have been there for four years or more.

So that even if the "ifs" come through it will take three years to bring those troops home in rotation, for one month's leave. Some of the chaps can therefore look forward to serving seven years overseas before they will get home for a month's leave. And all this happens because we have not got sufficient reinforcements —not just to replace the casualties, but to bring relief to those who have done the fighting over there for so long.

It is for this reason I believe reinforcements should be provided not just to replace the number of casualties, but two or three times that number to stand behind the men who are fighting, so that there may be a rotation of front-line men. If it is the policy of supreme command to hammer, hammer, hammer the enemy without respite, I do not think it is the business of a member of this house to criticize that policy. But it is the business of this house to see that it is not the same Canadian lads in the line who are doing all the hammer, hammer, hammer and that they are replaced and rotated with fresh men. And so I cannot be content with a policy which is going to supply only 16,000 reinforcements from the N.R.M.A. army until next May.

The air force has gone one step farther now than have the other services. It has announced a policy of retirement to take place immediately. It is to apply first of all to those with overseas service, second to those with more than three years' home service, and then two years service. Those with more than two years home service will then be free from military call-up, although this week that period has been raised to three years home service.

While as an airman I am happy to see the air force again take the lead, yet as a member of parliament I cannot approve. Every volunteer in the armed services, whether he be in the navy, the army or the air force, joined the service to fight for his country, in the service of his choice, for the duration of the war. I cannot justify airmen having two years home service being discharged to civilian life, while a man in the Seaforths, overseas for five years, who has been on the job for that length of time, does not get that chance. Again, of course, this is a matter of reinforcements. If the army had reinforcements they, too, might properly be released, if they had given long service. I believe that any system of retirement and discharge now brought to bear, should be uniformly applicable to all three branches of the armed services.

At the present time we find great discontent among N.R.M.A. soldiers because, at last, some of them are called to give active service. At the same time, for the first time we have real discontent in the air force, but for the very opposite reason. Some of them feel that they have not had an opportunity yet to give that service they had hoped to give when they joined.

Every man who joined the air force joined as a volunteer. He enlisted to do overseas service, and most of them, there is no doubt, expected to be overseas within a short time. However, because of the demands of the British commonwealth air training plan over 100,000 of them were kept in this country. Most of them, however, had hoped that some day they would get overseas. Now ahead of them they see discharge. And with a feeling of self-reproach—and hon. members know there is no reproach as bitter as that—many of these men now feel that they have almost a zombie taint, because their service has been confined to Canada.

The question is what to do with these men. The hon. member for Rosthern (Mr. Tucker) suggested the other night that they be kept in the air force, and that our blows against Germany should be increased. There is a limit to the number of men we can put into the air force, in aircrew. At the present time in Canada there is a great surplus of aircrew. Overseas there are three operational aircrew, at least, for every operational aircraft. The tremendous supply of bombs and petrol needed to supply our daily raids of thousands of bomber and fighter aircraft, over Europe, are undoubtedly taxing our supply lines to the limit. Sending more aircrew overseas would simply add to the congestion and the strain on supplies. If there is one thing this war has taught us it is this, that victory will not be won through air power alone. In the end we still need the men on the ground, who go ahead of the tanks, to achieve victory.

Then, why are not these airmen transferred to the army, where they are needed? In our army, as General McNaughton has said, there have been transfers from ordnance and from service corps and other branches, to the infantry. But because we have not full conscription we do not transfer men from the air force to the army, as they do in Great Britain. Someone will say: If these men are so anxious to serve, why do they not join the army themselves? Quite a few have, but there are one or two very simple reasons why more have not done this.

First, there is the attitude of many airmen who say this: Why should we volunteer a second time, and this time not in the service of our choice, when there are 70,000 trained soldiers in this country who have never volunteered, even once, for any service? Bringing in total conscription would dispel that attitude.

Second, there is an understandable reluctance to serve in a new service, under strange regulations, after serving years in the air force.

The third reason is a much more direct one, namely the matter of pay. General McNaughton has explained that when a non-commissioned officer from some other branch in the army is remustered to infantry, as a private, his pay is held at the old level for six months. The air force has done better than that. When they remuster a man from aircrew they protect his pay until he can regain the rank he held formerly. But when a man transfers from the air force to the army he falls back to private rank—which does not bother him, particularly. But his pay also falls back to $1.50, and that makes a lot of difference to him. These men, when they joined the air force, adjusted themselves to their pay of $1.50. As they served in the air force and their rank went up, their pay went up, too, and they and their families took on new obligations. It would be unfair to ask these men to drop back to $1.50 a day on volunteering a second time.

To circumvent these conditions I made a suggestion some weeks ago to the former Minister of National Defence for Air (Mr. Power), that an R.C.A.F. regiment be raised, similar to the R.A.F. regiment of Britain, or the Herman Goering division of the German luftwaffe, open only to men now in the air force or the air cadets. While it would be just another army infantry unit, as far as fighting is concerned, yet within the regiment it would still be air force. The R.A.F. regiment have preserved that illusion by allowing the men to keep their blue caps, to keep the R.A.F. regimental numbers, to keep their R.A.F. designations of rank, and certainly our regiment could do the same. Such a regiment would have many attractions to R.C.A.F. personnel which the ordinary army service would not have. It would still be the air force in spirit; it would be a unit of men who speak a common language. It would be a proud unit composed of men who have volunteered, not once but twice in the one war to serve their country. It would be a unit which would require very little training, because all the ground-crew and aircrew have elementary training in ground warfare and, of course, are accustomed to military discipline. It would be the only chance offered to many thousands of keen men in the air force, who have been kept through no fault of their own at desks and shops in Canada, to get active service overseas.

The R.A.F. regiment in England serves only for aerodrome protection, but in Libya and in Sicily they gave valiant service right in the line. There were no infantry troops in the Afrika Korps in Libya which were equal to the Herman Goering division. We have a much better example at home in the United States marines. After all, they are only soldiers recruited from the navy. If the conditions I have outlined are met I believe an R.C.A.F. regiment could be raised at least of brigade strength within a month.

There is one other reason why I believe the whole N.R.M.A. army should be placed on active service. I think practically everyone in Canada is agreed that in any system of demobilization of our armed services the basis should be first in, first out. The air force is now carrying out this policy with its announced system of retirements and discharges. General McNaughton has announced that that will be his policy for the army. Therefore, this can only mean that he intends to keep the N.R.M.A. conscripts who do not go overseas, in uniform in Canada until every volunteer is demobilized. This means that either they are to be kept in uniform in idleness at a tremendous cost to the taxpayer, or they are to be farmed out in labour battalions as Hitler did in pre-war Germany, to be placed at work in civilian industry or in the construction of public works.

Nothing is gained financially by putting soldiers into industry. By the time you provide for a soldier's pay, his allowances, for dependents' allowances, for food, clothing, medical and dental care, there is very little difference between that and the usual labour pay.

While the use of soldiers may be justified in cases of national catastrophe such as floods and fires, it is difficult to justify the use of soldiers in civilian industry or on government works. I want to make myself very clear on this issue. I am not one of the military caste who believe that Canada's only worth-while contribution can be made by sending every able-bodied man into the firing line. Modern warfare is fought with much more than just men. Canada has made a magnificent contribution in the production of food and munitions and other implements of war, a contribution which many of our allies cannot make because they have not our resources and our factories. Certainly we shall not be helping to end the war quickly if we so drain our man-power for the fighting fronts that we cannot maintain our obligations for food and munitions.

It may be that we have over-reached ourselves in supplying men for the armed services. Other countries have done this, but they have acknowledged that they have done this and taken action to correct the situation.

Gallant little New Zealand has made a contribution on the fighting front which I think is unequalled by any other united nation, but they found they had over-reached themselves and they returned men to the farm and the factory. If we are in a like position, then we should do the same. It is not the conscript who should be returned to civilian life; it is those who have given the longest service in the army, the air force and the navy. They are the ones who should be sent back.

Nor should these men come from just one branch of the service, the air force. The Minister of National Defence for Air should have no difficulty in justifying his sensible policy for the air force, but can the Minister of National Defence tell the army in Italy and the army in northern Europe that airmen with short service, some of them going into the civilian air reserve with just fifteen months' service, are to be discharged to civilian life, while chaps overseas with five years' service are to be given no hope of relief or discharge or leave? Can the Minister of National Defence for Naval Services tell his sailors who have served five bitter winters in the little ships out on the north Atlantic that this course is fair? Can the Prime Minister tell the families of these soldiers and sailors that it is fair to demobilize airmen who have had only short service and allow them to pick the cream of the civilian jobs now available, whilst these men are kept overseas?

When New Zealand retired her men she retired them on the basis of length and character of service. The men of the army of the Nile, the men who fought in Greece and Crete, who marched under Montgomery and Auchinleck, were the ones who were given first choice at retirement. So must we do. If the entire N.R.M.A. army was placed on active service, then we could have an orderly process of discharge based on length and character of service. There would then be no necessity of holding 70,000 men in idleness all over the country, nor would there be any necessity of using labour battalions in industry.

Summing up, I believe that if the whole N.R.M.A. army is placed on active service, adequate and trained reinforcements in excess of those required to meet any casualties will be available, and so a proper system of operational fatigue relief could be set up for the army. Second, I think it will give a great lift to the morale of the men overseas, and even a greater lift to the morale of their families here in Canada if they know that adequate reinforcements are on the way.

Third, with the full use of the N.R.M.A. army I am quite sure that very quickly volunteers would come forward from the air force if they could do so under the conditions I have outlined.

Lastly, demobilization on a straight basis of length and character of service could be easily carried out without holding men in idleness or without putting them Hitler fashion into labour battalions to be used in industry.

If the order in council had put the whole N.R.M.A. army on active service without reference to any theatre of operation, then I would not have spoken to-day and I am sure that this debate would have been wound up a week ago. There have been vague and evasive assurances given at long length to the effect that the order in council did not necessarily limit the reinforcements to be obtained from the N.R.M.A. army to 16,000, that other orders in council could be passed if necessary. Apparently that word "necessary" has been a difficult word for this house to understand.

If that is the case, how much simpler and more direct it would have been not to mention any number but simply to put the N.R.M.A. army on active service? May I remind the house that no orders in council are necessary to send any size draft of general service men overseas—they just go. I am even more opposed to the restriction on the theatres of operation. There is no mention at all of Japan. Active service men in all branches of the service enlisted voluntarily for service anywhere and I cannot understand this sudden restriction in the service of conscripts. The government has announced already its policy for the Japanese war. It is that volunteers are to be called afresh. This means that brave and willing hearts who have fought so long will be again expected to volunteer, while those who have shirked all calls to duty will be again protected.

Let us look ahead to the Japanese war. If, as may happen, one phase of that war goes against us and we are short of reinforcements for one branch of the armed services, are we to have this sorry spectacle of parliament convened once again to make conscripts available for the Japanese war?

In conclusion, I find that the issue before the house is immediate and continued supply of adequate trained reinforcements for the Canadian army overseas. There are those in the house who think the government is doing too much; there are others in the house who think it is doing enough; and there are some in the house who feel that it is doing too little. If it were simply a matter of voting for or against the government motion, those who think the government is doing too much and those who think the government is doing too

little in this matter would be lumped in the same position, so that I think it is quite proper that amendments are being put forward to clarify the situation. I quite agree, however, with the hon. member for Richelieu-Verchères when he says that some of the amendments have done nothing but becloud the issue. The C.C.F. and Social Credit amendments tack on bits of their social philosophies and give ample reason to appeal to both conscriptionists and anti-conscriptionists in the next election.

The Conservative amendment—perhaps I should not say Conservative because if it were Conservative I would have no hesitation in voting against it because I am not a Conservative. I am a Liberal and a supporter of this Liberal government, but I need not go into detail to discuss the position of a government supporter who is not in complete accord with the government on one feature of its policy, as that has already been admirably done by the hon. member for Bellechasse (Mr. Picard) and the hon. member for Grey-Bruce (Mr. Harris). I need but say that my supporters have no doubt of my Liberalism because they nominated me last week knowing the stand I take on this question.

The issue is not Liberalism versus Socialism or Toryism. I realize that several of my Liberal colleagues have made speeches which indicated that they felt very much as I do on this issue, that all conscripts should immediately be placed on active service at the disposal of the chiefs of staffs, but in the closing moments of their speeches they have found reasons why they should not go that far but should support the government motion. I feel, like some of them, that some elements of the Tory party are striving to make political capital out of this crisis, but I do not feel that this motive is at all confined to the Conservative party in this house. I feel, like them, that the government policy on this subject is vague and elusive, and it is precisely because of this that I want to make sure to the people I represent that there is nothing vague or elusive or evasive about the stand I take.

The amendment proposed by the leader of the opposition states:

> This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice.

I think hon. members will realize that this sums up in simple and direct language the

views I have advanced this evening, and as I cannot talk one way and vote another way I shall therefore vote for that amendment.

If that amendment is defeated I shall vote for the government motion, with the realization that half a loaf is better than no loaf at all, that 16,000 reinforcements out of the conscript army is better than no reinforcements at all out of the conscript army.

Mr. G. RUSSELL BOUCHER (Carleton): Mr. Speaker, rising to speak after the hon. member for Vancouver North (Mr. Sinclair), I want to express my deep and sincere appreciation of the splendid, lucid and clear-cut stand that he has taken on the issue before us to-night. I am sure that every member of this house must have been thrilled by the references of this man who has served his country overseas and has seen the workings of conscription in Great Britain, who has seen the policy which the government there have put before their people under the inspired leadership of the Right Hon. Winston Churchill. He has given to the house, I believe, a true, lucid, frank and forthright view of our armed forces. May I in turn humbly, yes apologetically, give what I conceive to be the viewpoint of the home front.

If there was any doubt as to the immediate need of trained reinforcements for our army before November 22 last, that doubt has now been dispelled. Doubt has given way to alarm. The former minister of national defence (Mr. Ralston), after five years of loyal obedience to the will of the Prime Minister (Mr. Mackenzie King), after having made a thorough investigation of the situation overseas with respect to reinforcements and having come back and exhausted his efforts, even his patience, in trying to abide by the wishes of his colleagues that he support the voluntary system of enlistments for overseas service, has reluctantly resigned his office in despair at the government's policy. He recommended the sending of 15,000 N.R.M.A. men at once, and more to follow monthly, as reinforcements for our men overseas. His fear of catastrophe drove him to leave the government. The courage of his colleagues in dealing with that recommendation of his, faltered, and thereby they lost a true and trusted colleague. The Prime Minister then called on General McNaughton to continue the policy of voluntary enlistments which the former minister of national defence after five years of effort had found to be a failure. General McNaughton assumed the responsibility, in his own words, without full knowledge of the task. He, too, tried the voluntary system. Three weeks

passed by and that system did not prove a success. His failure brought panic throughout Canada. It brought about the summoning of the 245 members of this House of Commons to an emergency session. A party caucus was called by the government. Urgent cabinet council meetings were called and P.C. 8891 was passed. What did it do? It vindicated the stand taken by the former minister of national defence. It showed that the voluntary system had failed. It proved that trained reinforcements were required at once. It proved that more would be required later. It threw voluntary service out of the window. It changed the government's policy overnight. That order in council provided for the compulsory sending overseas of 16,000 N.R.M.A. personnel within the next six months, if, as and when required. But in the words of the new Minister of National Defence not one of these men should be sent over, yes unless against his will or against his hopes, because General McNaughton would be a happy man if none of them were compelled to go overseas. I refer to the arguments of the hon. member for Vancouver North in answer to that proposition.

What did the order in council not do? It did not adopt the recommendation of the former minister of national defence. It did not in any way cure the situation he found. It did not provide for the sending overseas of 15,000 N.R.M.A. men now, with more to follow monthly. It did not pacify public opinion. It did not give assurances of adequate trained reinforcements in the future for service overseas. Yet we are now asked to vote confidence in the government on its policy. What policy, may I ask? The order in council was passed and tabled at a time when this government, on November 22, were emphatically adhering to the voluntary system. The Prime Minister was emphatic in his denunciation of any compulsion for sending N.R.M.A. men overseas. On that basis was the notice of motion tabled in this house? Or are we asked to have confidence in the right-about-face policy of the government in casting out of the window their pet theory of voluntary enlistment, in rejecting a minister of national defence who for five years had persistently tried to meet the wishes of the Prime Minister and his colleagues, who had done all he could, under their philosophy, with all his military officials, to make, if his power could make, voluntary service fill the bill, and had failed? Or are we asked to vote confidence in the piecemeal present-day solution, a hand-to-mouth policy of compulsion, grudgingly conceded and not given with a spirit which would show a will to make it work? The Minister of National Defence, on November 23, the first day of his appearance in the house, showed us beyond any doubt that his spirit was not in the act.

Our spirit, Mr. Speaker, must be in the war. Our spirit must be with our men overseas. Our spirit must be to accomplish this task. It cannot be in anything less than that. And then they ask us to support what government? A government headed by the present Prime Minister who, time and again, has said he would not head any government that would bring in compulsion for overseas service, and who has convinced the members of this house that he is not a believer in compulsion. Yet he would have members of this house and citizens all over the Dominion of Canada believe that he is the man who is saving them from the compulsory method of service overseas. Or are we asked to vote confidence in a government of nineteen cabinet ministers who, having served five years, bring us to this war-time emergency, having seen the panic which has arisen among the people to-day, having seen this special session called and witnessed the about-face of the government itself, have not yet risen to their feet in this chamber to explain to the people how they have discharged their duty in their respective portfolios? Is it not remarkable that the Prime Minister, alone in his cabinet excepting for the deposed one, the discharged one or the resigned one, has stood in this house to give the Canadian people their impressions of this situation?

How can we vote for a government with a party following of 167 members among whom there are none willing to accept the leadership, and none willing to accept the responsibility of following any other leadership than the present Prime Minister, a government that will have no other leader than the present Prime Minister, a government who, in the words of the Prime Minister himself, are to have King or anarchy? This is a sad spectacle.

The former minister lost faith in his colleagues and left them. The ministers who remain have lost faith in themselves as leaders. None of the nineteen will accept the challenge of the Prime Minister—if, which I doubt, it was seriously given—to accept their responsibility in this day of emergency, to do their best to form a cabinet, to form a government, to solicit support, to carry their country through this crisis.

The people have lost faith in all of them. The army, the war veterans, the legion, the public press—denounced as it has been by the Prime Minister—have lost faith in him. The people of Canada have lost faith in all of them.

I cannot understand the situation. Surely Canadian soldiers and Canadian people deserve better things from the Canadian parliament. Surely the Prime Minister is not the only man in Canada who is indispensable. Surely there are men in this house and in this country able to lead the government; and surely there are hon. members willing and anxious to rise to the occasion and provide a leader who will satisfy public opinion and the spirit of our armed forces, our veterans and our newspaper publications, yes, who will give us the inspiration, the leadership and the courage of a Churchill or a Roosevelt.

We are invited to abhor the very idea of an election. Yet our great neighbour to the south can go through an election in time of war, and under our great British institutions we have seen minister after minister resign from the cabinet of Great Britain, accepting the honourable situation of being at odds with their colleagues, and the country carried on.

I do not think there is any doubt in the mind of any Canadian that, in the cabinet to-day we have three schools of thought. How, then, can there be cabinet solidarity? There is the King-McNaughton school, which will accept pressure under conditions of panic and will adopt the policy of compulsorily forcing some 16,000 N.R.M.A. men overseas, and yet they are against compulsion. Then there is the Colonel Ralston school, composed of those who, like the hon. member for Vancouver North, originally believed in the success of the voluntary system but have faced realities with courage, with conviction, with patriotism and with loyalty, and, abandoning the hope of voluntary service, have accepted the necessity at a time of crisis of recommending and adopting compulsory service overseas. We have also the Major Power school—I wonder how many of the cabinet belong to it—who say in effect that we Canadians, for the sake of those who hold the opposite principle as a fundamental article of faith, must, regardless of circumstances, oppose at any cost compulsion for overseas service. In the cabinet those three schools of thought were definitely in opposition to and in collision with each other. How under those circumstances can there be cabinet solidarity? This is not a healthy condition; it is not right; it is not fair to our Canadian soldiers or our Canadian people.

I say the Prime Minister has lost the confidence of all the Canadian people and should resign. Another should take his place, pledged to a courageous, all-out compulsory service policy. It would then be the duty and the honour of all hon. members to lend to a new man or to new men all our faith, all our support, all our hope and all our inspiration in carrying out to the utmost our commitments, our responsibilities and our obligations in connection with this war.

Six weeks have elapsed since the emergency arose. This parliament has been called to send our soldiers the necessary aid and to reassure our people. We members who have met have been asked to take courage in our teeth and convert action into achievement. Have we done it yet? Certainly not. We should do it now.

Possibly this war could be won without Canada. Possibly we could diminish our efforts and restrict our undertakings and let our other allies carry our load. Surely no Canadian can bow to this. What right would we then have to celebrate victory? What right would we then have to a seat at the peace table? What claim would we have to a say as to what policy should be pursued in post-war reconstruction or as to the form of the peace terms? Canadians should not tolerate the thought. We must perish the very thought of detracting, of diminishing, of withdrawing from any of our commitments, any of our obligations or any of our duties. We must do our utmost. Domestic unrest is alleged as one reason why we should pull our punches. Surely domestic unrest should not interfere with the life struggle, the struggle for existence itself, which is our responsibility to-day and which, in the words of the Minister of National Defence, is increasing daily. The toughest struggle is yet ahead, he says.

How fortunate we are in Canada to-day. Our homes are all here. Our civilians are not enslaved. Our living conditions are satisfactory. We have no aeroplane attacks; we have no submarine attacks; we have no artillery bombardment and no robot bombs. Not one house has been destroyed by enemy action. In the motherland one-third of the homes have been destroyed. They have suffered all this; we have suffered none. Our army has fought in a general way, in an extensive way, only since D-day, since July last, although two divisions did valiant service in Italy. But we did not have any all-out intensive fighting until D-day in July last, and yet our shortage of reinforcements commenced to pile up the following month.

What excuse is there for this government in our having had this crisis arise at all? What reason have we to fear anarchy, in the words of the Prime Minister, because of our failure to follow him? What right have we to slacken our efforts? Now is the time for us members to get a government in Canada which will inspire our people to their utmost effort. Now is the time for this house to

show courage. The Prime Minister has lost the confidence of the people. Now is the time to get and to assist a government under a courageous and inspiring leader. It is not a time to let party allegiance or personal prejudices interfere with our national duty. It is not a time for any member of this house to go home and say that he felt, because the past had produced certain results, that the crisis would work itself out, that our Deity would do the job for us or that our allies would accept our responsibility.

We at home cannot afford to be rubber stamps for the present policies of the present government under the present leadership. I think the situation is very well set out in an editorial which appeared in the Ottawa *Journal*, a part of which I will read with the indulgence of the house. It appeared on Friday, December 1, 1944, in a journal which I believe more than any other paper has been quoted by members of this house, yes, and by the Prime Minister himself only recently. I quote:

> For what parliament knows, and what the country knows, is that all the hurt and humiliation of these weeks would have been avoided had Mr. King, in the first place, kept his pledges—accepted Colonel Ralston's recommendations, and used the authority which the country gave him in 1942. The flouting of pledges; the protracted cabinet debates; the discreditable dismissal of Ralston; the pitiful fiasco with General McNaughton; the spectable of parliament summoned to do one thing and then asked to do another; the tragic rancour and unrest throughout the country; the misrepresentation throughout the world of the Canadian war heart; the possible fatal delay in sending reinforcements—for all of this evil Mr. King, with his political evasions and manoeuvres, is directly and wholly responsible. If there be those to doubt this, let them read the speech of Mr. King's former Minister of Defence—the most damning indictment of a public leader ever pronounced in the Canadian parliament in our time.

Whether the *Journal* be right or whether it be wrong, there is not a member in this house who cannot say that the opinion therein expressed is a very popular one with a large section of the Canadian people. I ask therefore, how can we expect unity, solidarity, devotion to duty and our utmost effort under those circumstances? I think that we members of the House of Commons, coming here for this short time, must do something. If we do not take courageous action now, the future of Canada will be upon our heads.

On motion of Mr. Diefenbaker the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, December 5, 1944.

The house met at three o'clock.

DUMBARTON OAKS

TABLING OF PROPOSALS FOR ESTABLISHMENT OF GENERAL INTERNATIONAL ORGANIZATION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, yesterday I informed the hon. member for Lethbridge (Mr. Blackmore) that I would see if there was a report on the Dumbarton Oaks conference which it would be possible to table. I hold in my hand a publication entitled Dumbarton Oaks Proposals for Establishment of General International Organization as Agreed upon by Representatives of the United Kingdom, the United States, the U.S.S.R. and China at Dumbarton Oaks, Washington, in October, 1944. There is included in the publication the text of a press release which I issued regarding the Dumbarton Oaks proposals on October 9, 1944. This is the only publication I am in a position to table, and I now table two copies in French and two in English—and have pleasure in sending one to my hon. friend, with my compliments.

CANADIAN FORCES

RESERVE ARMY—STATEMENT OF POLICY AS TO ITS ROLE IN THE FUTURE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I think the Minister of National Defence for Naval Affairs (Mr. Macdonald) promised yesterday, that if possible, he would give some report, or lay on the table a declaration of government policy with respect to Canada's reserve army. I should be very glad if he would do so at this time.

Hon. ANGUS L. MACDONALD (Acting Minister of National Defence): Mr. Speaker, speaking for the Minister of National Defence, Mr. McNaughton, I should like to give to the house a short statement as to the policy of that department as regards the reserve army.

1. In so far as our post-war military commitments and requirements can be foreseen at present, the reserve army will continue to play the same important role which it performed in the years before the war, and which it has so abundantly fulfilled during the anxious days of this war.

2. In this connection I would refer the house to the statement appearing in *Hansard* of February 14, 1944, in regard to the reserve army, and made by the then minister of

national defence. In that statement the splendid contribution to the war effort by that force was brought to the notice of the house. Its role was stated as follows:

(a) To maintain throughout the country continued interest in the Canadian Army and its activities, and to set the example to all citizens of preparedness at all times.

(b) To provide a continuing flow of reinforcements, for the forces overseas, by training young men of preenlistment age.

(c) To back up the civil authority responsible for the enforcement of law and order, if required.

(d) As a trained reserve to support the active forces available for the defence of Canada if the military situation should deteriorate.

(e) As a basis for expansion of the active army should the necessity arise.

3. It is intended to modernize the reserve army and to develop the efficiency of the force.

4. The reserve army is the name now given to that portion of the pre-war non permanent active militia which has not been mobilized for active service. The non permanent active militia is the framework of our national military organization in peace time. It is the policy to ensure the continuation in the post-war period of this framework which will then become again the major portion of our military forces. The men who have gone from these reserve units and who now fill the ranks of the mobilized active units will return to the reserve army and they and their units will find their military family association maintained so that there will be no break in the continuity of service and tradition of each regiment.

5. It is not possible at this time to assure each regiment individually that it will be continued or that it will be continued in its present type. The organization of our forces must depend upon our needs and must reflect modern tactical organization, and it is always possible that units may be required to change their type. However, to the greatest possible extent present units of the reserve army will be perpetuated in some continuing role. These are matters which are kept under constant review by the responsible military staff.

6. It is hoped that this statement will give assurance to the members of the reserve army that their work is important and that it is in the national interest that it should be continued; and that it is the intention of this government to protect the continuity of the reserve units to the greatest extent possible in the post-war period.

Mr. GRAYDON: I thank the minister for his declaration of policy, which I think has been awaited with eager expectancy by those connected with the reserve army.

CLOTHING ALLOWANCE—POSSIBILITY OF MAKING INCREASED PAYMENTS RETROACTIVE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to bring another matter to the attention of the minister, perhaps by way of notice because I realize that in his dual capacity he cannot be expected to answer offhand questions relating to national defence. However, I would ask if he would ascertain for the house whether or not consideration has been and is being given to the question of making retroactive the present allowance for clothing to personnel discharged from the armed forces. I ask this question because a number of those discharged prior to the change of government policy in this regard have been inquiring why at one stage of the war a man was given a clothing allowance of $35 on discharge, at another stage $65 and at still another stage $100. I wonder if the minister would get that information for me.

Hon. ANGUS L. MACDONALD (Acting Minister of National Defence): I shall be glad to discuss with the Minister of National Defence the point raised by my hon. friend, but I may tell him that up to the present the policy has been, as he has indicated, not to make these allowances retroactive. We changed to the higher rate some time early this year, I think, and at that time it was not our intention to make the increase retroactive. Up to the moment therefore the policy has been against the retroactive feature, but I shall be glad, as I have said, to talk the matter over with the Minister of National Defence.

EMBARKATION LEAVE FOR MEN COMPULSORILY ASSIGNED TO OVERSEAS SERVICE

On the orders of the day:

Mr. NORMAN J. LOCKHART (Lincoln): Arising out of a telegram which I received just a short time ago, and of which I sent notice as quickly as I could to the minister who, I assume, is acting minister of defence, I am asked to obtain information whether draftees conscripted for overseas service will be allowed the usual embarkation leave, or will

be allowed embarkation leave, and if so, how many days will be allowed. The inquiry comes from responsible citizens of my riding.

Hon. ANGUS L. MACDONALD (Acting Minister of National Defence): The answer to my hon. friend is, yes, they will be allowed embarkation leave. The minimum leave, I understand, is forty-eight hours.

CHRISTMAS AND NEW YEAR'S LEAVE

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Have any amendments been made to the regulations regarding Christmas and New Year's leave, or are any under contemplation? When may a reply be received to this question, in the interest of those who have to travel long distances? Are amendments to the regulations going to be considered before the house closes?

Hon. ANGUS L. MACDONALD (Acting Minister of National Defence): I prefer to give my hon. friend an answer to this matter, tomorrow, if that will be satisfactory to him. I should not like to speak on it offhand, without looking up the regulations.

Mr. CHURCH: This was made an order for return yesterday, but the return will not be presented in time. It would help recruiting if something was done about it at once.

BEEF CATTLE

MARKETING CONDITIONS—EMBARGO ON EXPORTS TO THE UNITED STATES

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I desire to draw another matter to the attention of the government, which might also be treated as a notice and dealt with later at greater length than they may care to deal with it at the moment. I refer to the congestion of cattle which is so acute at present in the stockyards across Canada. In this connection I would mention the shortage of stable accommodation for live stock during the coming winter months, and also the fact that I understand a number of farm organizations have brought this situation to the attention of the government and have asked that the government give consideration to the lifting of the embargo on the export of beef cattle from Canada to the United States, even if it is only a temporary measure, in order to relieve the situation which seems to be so serious. I should be glad to have a statement of government policy on the matter as soon as the government see fit to give it.

Hon. J. G. GARDINER (Minister of Agriculture): I am sorry I was not in the house when the leader of the opposition began his question, but I take it he is asking for information as to the position in relation to the marketing of beef cattle and the possibility of reopening the American market.

Yesterday I made a statement to the agricultural conference being held in this city at the present time. This is the conference that has been held each year since the beginning of the war, to lay out plans for the succeeding year. Plans are now being laid out for the crop year 1945, beginning in the spring. At that meeting of representatives of the different farm organizations and the provincial departments of agriculture, I stated that last week we consulted with the persons in Washington who are concerned with this matter, and the information we received was to the effect that they are experiencing just as great difficulty in handling cattle through their processing plants as we are experiencing on this side of the line, and the suggestion was made that we should not send beef cattle to the United States at the present time. That is the attitude taken there, and of course we are respecting that attitude. On the other hand, we have had representatives of the British government here for some considerable time now, off and on, suggesting that they are most anxious to have our beef in Great Britain. This year we have sent Britain 103,000,000 pounds of processed beef, which represents more live cattle than we have ever sent, at least in recent years, to the United States and Britain combined. We have an agreement with Britain under which they will take all the surplus beef we care to send them during 1945, and only at the end of last week they and we entered into an understanding that a similar agreement will be made for 1946. This means there is a market in Great Britain for all the surplus beef which is in sight at present in Canada, and there is a need for that beef in Great Britain from the point of view of the prosecution of the war. It is the wish of the Americans that we should process that beef and send it to Britain ourselves, rather than send it to the United States to have it processed and sent to Britain under their lend-lease arrangement. There is just as great difficulty being experienced in the United States, both in relation to labour and in relation to plant capacity, as there is in Canada. So that the three-way understanding is that we should market this beef in Britain if at all possible, and an attempt is being made to do so. The marketing agreements are being concluded which will make this possible.

The extra cattle that are on the markets across Canada at the present are not finished beef cattle. Any blockades on the market have resulted from the fact that for some reason or other people have been marketing very considerable numbers of cows, younger cattle and plain beef cattle. These are not the cattle for which there is likely to be any demand in the United States, to begin with, or which there is sufficient demand for here at present. As many of these cattle as can be turned into beef are being boned and put in the form of processed beef that can be shipped to Britain and utilized as food at the present time. Because we are able to announce that there is a market assured for 1946 we believe that at least the yearling cattle will be got off the market and fed by someone somewhere else. The assurance is given that the present price for finished beef will prevail right through 1946, so that farmers who have been looking for the war to end within the next three or four or probably six months and were therefore anxious to get out of the production of beef because they felt that there would not be a market for beef towards the end of next year now have the assurance, because of the arrangement entered into with Britain, that they can go on and feed their cattle and get rid of them at as good a price two years hence as they can get now. We believe that that will aid considerably in getting some of the stock cleared off the markets. In any case the suggested solution that has been made of opening the American market is not available to us at the present time.

Mr. SENN: The minister says that arrangements have been made or are being made with the British food ministry to send Canadian beef to Britain. Can he give us any idea of the price that is anticipated?

Mr. GARDINER: It will be an extension of the contract now existing, which is a two-year contract covering 1944 and 1945. The contract will be extended for one more year at the same price and for at least the same quantity.

Mr. FAIR: Following the reply just given by the Minister of Agriculture in connection with the prices for live stock sold on the markets and for which the packers are guaranteed their prices by the meat board, may I ask if any guarantee has been given to the farmers or the live stock producers as to the price they shall receive when they sell their live cattle on the market?

Mr. GARDINER: The present position is that there is a ceiling price on beef right across Canada, and under the agreement which we have with Britain the price at which beef is being sold is related to that ceiling price. I am speaking of finished cattle ready for slaughter. The price that is being paid for finished cattle on the markets right across Canada is a price which bears a proper relationship to the price at which beef is selling on the market. I have had correspondence from the province of Alberta no later than to-day; in fact, I answered one of these letters just before coming down to the house, indicating that there is little complaint with regard to the price obtained for cattle ready for slaughter. The complaint is with respect to cattle brought on to the market which are not ready for slaughter and which somebody must take off the market and feed before they can be sold on the market. There is no way that I know of in which we can compel one farmer to pay a higher price for feeder cattle to another farmer who wants to get rid of them when the deal is between those two farmers directly. They may live side by side. There is no feasible way of doing that unless we had someone at every place where this exchange of cattle takes place to grade the cattle and establish their value. But so far as cattle brought into the packing plants and sold ready for slaughter are concerned there is a proper relationship between the price of the cattle and the price of the beef that is sold from those cattle.

Mr. FAIR: My question had particular reference to finished cattle. I think that if the minister will look over the records for the past seven or eight weeks particularly he will find that there have been a whole lot of complaints, regardless of any letters he has had from Alberta. The farmers are entitled to protection which they are not receiving.

Mr. QUELCH: Arising out of the statement of the Minister of Agriculture, I should like to know whether any action is going to be taken as regards giving free freight on shipment of grain to the drought areas, so that the farmers there may be encouraged to hold their live stock until they are in a position to dispose of them satisfactorily.

Mr. GARDINER: There is no arrangement that I know of in connection with shipments to areas which have had poor crops during the last year. The practice in the past has been that any arrangements of that kind that can be provided for within the bounds of a province are made by the provincial government, but so far as I know nothing has been done.

Mr. BLACKMORE: May I ask the Minister or Agriculture whether any precaution has been taken by his department this year to

provide against such mishaps as occurred in respect to the marketing of finished beef last spring? The minister will remember there was a great deal of difficulty as regards price and also in obtaining ready markets.

Mr. GARDINER: Earlier in the session I announced to the house that the old system of ceilings and floors was changed as a result of the experiences we had last year, and we hope that the result this year will be a much better condition than we had a year ago. That was taken care of in the arrangements that were made last spring.

Mr. WILLIAM BRYCE (Selkirk): The Minister of Agriculture has referred to the beef situation as being quite satisfactory, that is with relation to well-finished animals; but what about animals which are standing in the stockyards for nine or ten days, waiting for a buyer to take them off the market? Surely a temporary market should be provided to take care of those. Take bologna bulls and canner cows and boner steers; they are not going out for feeding, they have to be processed, and it is up to the packer to take care of them. This is something for the beef board to look after. Will the minister tell me what he is going to do about it?

Mr. SPEAKER: Order.

Mr. BRYCE: But I want an answer.

WARTIME INFORMATION BOARD

STATEMENT ON PRINTING AND DISTRIBUTION OF PRIME MINISTER'S RADIO BROADCAST ON NOVEMBER 8

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to supplement a reply that I gave yesterday to the hon. member for Parkdale (Mr. Bruce) regarding the distribution of the broadcast which I made on November 8. I wish to make it perfectly clear that as President of the Privy Council I am responsible to the house for the activities of the wartime information board, and I take full responsibility for their action in distributing the broadcast.

The broadcast, as hon. members are aware, was in its essence an appeal by myself as Prime Minister for public support of the recruiting campaign for reinforcements by voluntary enlistments.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: That seems to surprise some hon. members, but that is the fact.

Mr. HANSON (York-Sunbury): That was only a minor point.

Mr. MACKENZIE KING: It contained significant information which the people of Canada were entitled to have, and which it was desirable to have made known as widely as possible. If the appeal was to be effective it was obviously necessary that it should have a wide measure of public support.

The distribution of the broadcast by the wartime information board was at the instance of the cabinet committee which had been formed to further the appeal for voluntary enlistments. If ever distribution was justified it was justified in the case of a speech making a national appeal on a matter of urgency, the importance of which was everywhere recognized.

Hon. members may be interested to know that in the twenty-six days since November 8, the date on which the broadcast was made, 6,297 men have volunteered for general service in the Canadian army, and of this number 2,701 are from the N.R.M.A., and 3,596 from the general public and the reserve army. These figures I understand represent the largest enlistment for a similar period since the outbreak of war.

May I say to the hon. member for Parkdale that in giving what he will recognize was an immediate reply to his question of yesterday I was misled by its wording as to the particular speech to which he had reference. My hon. friend's question was as follows:

> I should like to ask a question of the Prime Minister. In order that the public may have both sides of the issue fairly before them, will the Prime Minister direct the wartime information board to publish and circulate 87,000 copies of the speech made in this house by the former minister of national defence (Mr. Ralston) on November 29, 1944? This would correspond to the number of copies of the Prime Minister's speech, in defence of the voluntary system, as given over the radio on November 8.

I thought for the moment by his reference to something corresponding to a speech delivered in this house that the hon. member was referring to the speech that I made in the house and to the speech that the former minister of national defence made in this house. The speech I made in the house has not been distributed, so far as I am aware. In reply to the statements I made in my broadcast over the radio, the former minister of national defence issued a statement on November 12, just a few days later. So far as my first statement was concerned and the first statement of the former minister of national defence, those two statements correspond and both have been given fully to the public.

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, may I say a word? I accept the Prime Minister's explanation, of course, but I would just like to add that I think the public is entitled to receive full information as to the crisis which brought us together, and they will not receive that information unless it is distributed and made available for them to read, including the statement made by the former minister of national defence in this house, which was in effect a further reply to what the Prime Minister had said in his radio broadcast.

Mr. MACKENZIE KING: May I say to the hon. member for Parkdale that, as he is aware, the public will get its information as to the speeches made in this house from the official record of the debates of this house, that is to say, from *Hansard*. I do not think the public would thank the hon. member or any hon. member for giving over the radio at full length the speech made by myself or the speech made by the former minister of national defence in this house.

Mr. GRAYDON: Perhaps the Prime Minister would be good enough to amplify his statement as to the number of men who have enlisted by stating how many of them volunteered before the order in council was passed and how many of them volunteered afterwards.

Mr. MACKENZIE KING: I have not that information at hand.

Mr. GRAYDON: Perhaps the Prime Minister will get it.

Mr. MACKENZIE KING: I shall see.

LABOUR CONDITIONS

UNEMPLOYMENT INSURANCE ACT—POSITION OF UNEMPLOYED ELDERLY WORKERS

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Arising out of information I have received, I should like to ask the Minister of Labour what is the position regarding older people who have been employed during war time, in so far as benefits under the Unemployment Insurance Act are concerned, if they are laid off work because of age or declining efficiency.

Hon. HUMPHREY MITCHELL (Minister of Labour): I thank the hon. member for Vancouver East for having given me notice of the question. One of the principal conditions for the receipt of benefit under the Unemployment Insurance Act is that the claimant is capable of and available to work, but unable to obtain suitable employment. That is in section 28, subsection 3 of the Unemployment Insurance Act, 1940. If an elderly person made claim for benefit, the official handling the claim would look at his employment history, and if he had been recently employed that would be evidence that he was capable of and available for work. If an employer laid him off because of declining efficiency, it might be—and each case would have to be judged on its merits—that suitable employment for the claimant would be of a slightly lighter nature than his previous employment, possibly with some modification of his employment conditions. There is no age ceiling under the act, and we have in fact paid benefits to claimants who were about eighty years of age. It should be remembered that unemployment insurance is protection for employable people who become unemployed; it is not intended as a substitute for health insurance or for old age pensions, which are separate parts of the social security scheme.

NON-FERROUS METAL INDUSTRIAL WORKERS—WAGE SCALES—INQUIRY AS TO ROYAL COMMISSION

On the orders of the day:

Mr. A. R. ADAMSON (York West): I wish to address a question to the Minister of Finance. Unfortunately I have not had an opportunity of giving him a copy of my information, which I will send him with my question, but it is of sufficient importance, I believe, to be brought up in the house. It arises from a resolution passed by one of the locals of the United Mine Workers of America, the Brass and Copper Workers Union, local 811. They ask whether a royal commission is being set up to investigate the wage scales of the non-ferrous metal mining and production industry.

Hon. HUMPHREY MITCHELL (Minister of Labour): I think the hon. member should have addressed his question to myself. No consideration is being given to the setting up of a royal commission with reference to the matter that my hon. friend has just mentioned. I have received delegations from the organization concerned and the matter has been referred to the national war labour board, and the organization has been informed that the board is going to make an investigation.

Mr. ADAMSON: Is there—

Mr. MITCHELL: Just wait a minute.

An hon. MEMBER: He did not hear you.

Mr. MITCHELL: My hon. friend was wrong in the first place in the name he used; he did not know the name of the organization he was

talking about. The national war labour board is going to undertake an investigation of the subject-matter of the representations made by the organization concerned.

CANADIAN FIRE FIGHTERS

QUESTION OF GRATUITIES FOR VOLUNTEERS WITH SERVICE IN UNITED KINGDOM

On the orders of the day:

Mr. NORMAN J. M. LOCKHART (Lincoln): I have had several communications, which were referred to last evening, from our fire fighters overseas. May I ask the proper authority in the government to indicate whether any reconsideration has been given as regards gratuities for these men, or whether the policy is to remain the same? I have to reply to four inquiries from overseas.

Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): I may inform my hon. friend that the whole question is now receiving the government's attention.

THE WAR

POLICY OF THE GOVERNMENT IN MAINTAINING VIGOROUS WAR EFFORT—CONTINUATION OF DEBATE ON MOTION OF THE PRIME MINISTER

The house resumed from Monday, December 4, consideration of the motion of the Prime Minister (Mr. Mackenzie King) that this house will aid the government in its policy of maintaining a vigorous war effort, and the proposed amendment thereto of Mr. Graydon, and the amendment to the amendment of Mr. Jean.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, in resuming this debate at this time I intend to refrain as far as possible from anything in the nature of repetition; also, as is always my custom, from anything of a personal nature. I believe, after having read the debates in 1917 in connection with the Military Service Act, that this debate in the main has been on a very high plane, and one worthy of the highest traditions of parliamentary government in this country. On all sides of this house, regardless of where we sit, hon. members have made sacrifices in this war and their families have been affected as possibly never before in any war in our history. When we in this house can do what we did the other evening, when those who disagree with the member for Richelieu-Verchères (Mr. Cardin) can listen to a message of sincerity from him, and those who disagree with the member for Prince (Mr. Ralston) can give him the hearing which he received, parliamentary government in this country has touched a high plane in the discussion of public affairs.

I am going to epitomize in a very few words the stand I shall take to-day. I believe, sir, that the vast majority of the people of the country do not want partial conscription; they demand impartial conscription. They demand reinforcements. The trust that rests upon us on behalf of those who serve cannot be discharged by accepting order in council 8891, which in its very essence establishes rationed conscription, politically designed and by its very nature denying equality of service and of sacrifice everywhere in Canada. That order in council perpetuates the discrimination and the inequality of service that characterize the administration of the N.R.M.A. in Canada. By selecting 16,000 to go overseas and failing to say to the rest that they too shall be trained and sent overseas according to their training and fitness, we endanger the last vestige of unity in this country.

I believe that the keystone of Canadian unity must be equality of service. Racial dominance will never bring unity in Canada and there is no question of racial dominance in the demand on the part of His Majesty's opposition that the principle of equality of service and of sacrifice everywhere in this dominion shall be made a reality. I say that if out of this order in council there comes a continuation of the kind of administration that we have had in the past under the N.R.M.A., the order in council will do still more towards arousing the passions of the Canadian people.

To-day this country, as a result of the unfairness in which the administration of the National Resources Mobilization Act has been conducted, is torn by grievances, some legitimate and others accompanied by prejudice and by senseless bigotry, and I ask you sir, and through you the government, even at this late hour, to ensure that all provinces in Canada shall be equal under this administration; for only through equality among all the provinces will there be Canadian unity—and by equality I mean equality in responsibility as well as in benefits.

I try to understand the argument of those who look at the matter from another point of view; I try to appreciate what they have in mind; but I cannot understand the point of view of any member of this house who denies the common responsibility which every individual in this country has to the service of the state. Indeed a common responsibility is part of the law of the country, and it was brought in by members from the province of Quebec who demanded that in the build-

ing of this country, that in the assuring of equal sacrifice, that principle should be embodied in the law of the land. And it is.

I am going to refer to the Militia Act, because I believe that much of the talk in opposition to conscription fails to take into consideration the fact that conscription for service overseas has been a part of the law of the country since 1868, with the responsibility of every person in Canada to serve. That legislation was introduced by the Hon., afterwards Sir Georges Etienne Cartier, who gave Canadians a message that should resound to-day. That message was that there can be no confederation, there can be no unity as between two divergent races, unless there is a common acceptance of our equality and of responsibility of service to the state by all.

Under the Militia Act everyone between the ages of eighteen and sixty is liable for service. In passing it provides that anyone chosen to serve by ballot may secure someone to be his substitute in military service. That is still the law of the country. I come now to the sections in question. Section 64 reads:

> The governor in council may place the militia—

Which is defined as the military forces of Canada.

> —or any part thereof on active service anywhere in Canada, and also beyond Canada, for the defence thereof, at any time when it appears advisable so to do by reason of emergency.

Emergency is defined as a condition of war, invasion, riot or insurrection.

Who placed that portion of the act on the statute book of Canada? Another great Canadian of French origin, Sir Wilfrid Laurier, in 1904. Yet my friends rise in this house and say that there is no responsibility for service beyond the confines of Canada. The legislation to which I refer was first the product of the mind of the Hon. Georges Etienne Cartier and secondly the product of the mind, as a result of experience, of Sir Wilfrid Laurier. I would point out that Mr., afterwards Sir Charles Fitzpatrick, who was minister of justice at the time, made the following statement in the debate on the Militia Act in 1904—quoted at page 2194 of *Hansard* of 1917:

> The governor in council may send the militia of Canada out of Canada at any time when deemed necessary for the defence of Canada. If, in the opinion of the governor in council, it should be necessary, because of a war going on in India, to send our militia out there for the defence of Canada, they may, in the exercise of their discretion, do it, because they are the sole judges of what is necessary to be done in defence of Canada. But we do not think it advisable that that power should be absolute and unrestrictedly in the hands of the governor in council. We think it advisable that the period during which they may exercise that power should be restricted and that parliament should be called together and be consulted at the earliest opportunity. Parliament must be summoned in fifteen days and then the whole matter will be in the hands of the people's representatives.

In other words, Sir Charles Fitzpatrick recognized that under this act—and the government is proceeding under this act to-day—contained in the Militia Act our militia may be sent for service anywhere in the world. The last section of order in council 8891 reads as follows:

> Further, all personnel so dispatched or who may at any time be dispatched are, pursuant to section 64 of the Militia Act, hereby placed on active service beyond Canada for the defence thereof.

I should like the Prime Minister to explain whether parliament was called together pursuant to the powers contained in section 66 of the Militia Act, which provides the following:

> Whenever the governor in council places the militia, or any part thereof, on active service, if parliament is then separated by such adjournment of prorogation as will not expire within ten days, a proclamation shall be issued for the meeting of parliament within fifteen days. . . .

Was parliament called together pursuant to that section of the Militia Act, after the decision of the government to send these men overseas?

Mr. HANSON (York-Sunbury): No, they had not decided that.

Mr. DIEFENBAKER: The provision is still there, Mr. Speaker. No one can be sent beyond Canada unless parliament is called together within the period named therein.

In 1917 Sir Wilfrid Laurier accepted that principle. He accepted the principle that our men should serve anywhere in the world for the defence of Canada. All he asked was that there should be a referendum to determine what the people of Canada wanted. Well, we have had a referendum in Canada on the question of conscription. The Prime Minister himself admitted that fact on January 26, 1942. Towards the end of his speech he was dealing with the submission of the plebiscite question to the people of Canada. He said, as reported on page 51 of *Hansard:*

> It will be seen that in seeking freedom for itself to act on all matters pertaining to war in accordance with its judgment, the government is taking a course which will remove all legitimate excuse for controversy, and the course best calculated to maintain the unity of the country in this time of war.

Mr. Homuth: Then what will they do?

Mr. Mackenzie King: That will depend in part upon what my hon. friend and those who are round him will do.

Mr. Homuth: Do not worry about us.

Mr. Mackenzie King: I am quite prepared to trust the people; my hon. friend certainly is not. Just here may I pause to say that if my hon. friend is afraid that the people will pronounce against conscription, for that is what he has in his mind, and he is still prepared to have conscription put into force without any reference to the people, then I should like to know how he expects that the unity of this country is going to be maintained.

In other words, what that means is this: On January 25, 1942, the Prime Minister in submitting the question of the plebiscite to the Canadian people was endeavouring to secure from them a vote on the question of conscription, and he so stated. It is true that in June, some months later, after the result of the vote, he said that at no time had there been any intention on the part of the government to consider the vote as one on conscription.

Every condition necessary to the carrying into effect of the Militia Act has been met. We have the law; we have had the referendum. Now at a period in our history when the reinforcement situation is as serious as it is the government produces an order in council; it is rationed conscription. In one part of Canada the government can say it covers only 16,000; in another part of Canada it can say, as General McNaughton said, it may not cover anybody, and in still other parts of Canada those who support it will be able to say: Well, it covers everybody if you read it carefully. Rationed conscription will not meet the demand; rationed conscription will not assure unity in this country; rationed conscription will destroy unity. The Prime Minister should answer this question. He has answered it only indirectly so far. He failed to answer it the other day when it was put by the hon. member for Victoria, B.C. (Mr. Mayhew) in the course of a very fine address. The question to which the people of Canada have a right to an answer, not by explanation, not by evasion, but by direct answer, is this: Do you or do you not intend that every man in Canada called up under the N.R.M.A. who is fit for overseas service shall be rendered available to be sent overseas?

To-day the Prime Minister said that there had been a very large enlistment during the past few days. Yes, Mr. Speaker, there have been enlistments, but I ask you to understand the circumstances under which that enlistment is taking place. I have a letter here which will give some indication as to why these 2,701 N.R.M.A. men enlisted during the past few days.

Mr. BERTRAND (Laurier): Because there is no more sabotage.

Mr. DIEFENBAKER: "There is no more sabotage." Let me say to the Minister of Fisheries that when he delivered a speech recently in Valleyfield, Quebec, no hon. member in this house had ever done the harm to Canadian unity that he did in that speech. "No more sabotage", says the Minister of Fisheries. I say to you, sir, that on November 8 the minister made a statement that there would never be conscription; that the war was over; that never would he alter his opinion. Why is he in the cabinet?

Mr. BERTRAND (Laurier): I never made the statement that the war was over.

Mr. HANSON (York-Sunbury): The press said you did.

Mr. BERTRAND (Laurier): If the hon. member is taking the article that appeared in certain newspapers and acts on them as if they were true, then he will be wrong for a long time.

Mr. ROSS (Souris): Why don't you deny it?

Mr. ROWE: When is your resignation coming?

Mr. SPEAKER: Order.

Mr. DIEFENBAKER: The only denial I received is the denial that he predicted that the war was over. There is no denial of the other statements, and the people of Canada want to know. I ask the Minister of Fisheries if he is any more anxious to-day, is he any more desirous to-day than he was on November 8, to assure that the reinforcements shall be sent overseas? That is the question the people want answered.

Mr. DUPUIS: By voluntary means.

Mr. DIEFENBAKER: So far as the hon. member is concerned I am not going to enter into any controversy with him. I am dealing with a member of a cabinet which is supposedly based on solidarity, but where there is such a diversity of opinion as indicated by statements appearing in the press in the month of November. Because of that diversity I find it impossible to understand how they are able to hang together.

When I was interrupted I was dealing with the question of enlistments, which the Prime Minister mentioned to-day. Here is the kind of representation that is being made to these N.R.M.A. men. They used to have what they called the N.R.M.A. squeeze. But that squeeze is no longer in existence. To-day—and I take the responsibility for saying this—and for the last few days, representations are being made to the N.R.M.A. men at Petawawa. They have been advised that if they now enlist,

instead of being sent overseas compulsorily they will have their enlistment for active service antedated six months. The result is that instead of receiving only $7.50 per month, beginning now their allowances are to be dated back six months.

Mr. HANSON (York-Sunbury): Bribery.

Mr. DIEFENBAKER: Furthermore, the representation is being made that if they enlist now they can secure the voluntary service medal in one year instead of eighteen months. Furthermore, the non-commissioned officers in the home defence army at Petawawa have been advised that if they go active their ranks will be confirmed. The only active men who can have confirmed ranks to-day are those in a low category, who are unfit for overseas service. This type of conduct is discrimination against the men who volunteered in the service of this country.

In his great speech the other evening the hon. and gallant member for Prince (Mr. Ralston) gave us more than a peep into cabinet council: he opened the door. He did not have to tell us as much as he did, because the speeches of certain members during the last month have revealed the attitude of members of the cabinet. I shall now refer to them briefly. They reveal that there is no unity in the cabinet! Unity there must be, if this legislation is to be enforced fearlessly, definitely and assuredly, to maintain our reinforcement situation overseas. Are the ministers in agreement? I have been amazed at the silence of the ministers of the crown in this debate. The hon. and gallant Minister of National War Services (Mr. LaFleche) made a speech the other day in which he said this:

> I hope that not a French-Canadian conscript is sent overseas. Reinforcements are needed, and should come as volunteers.

He has continued a campaign such as that to which I have just referred.

Then, we have the statement of the Minister of Justice (Mr. St. Laurent) who, by the way, since making that speech on November 6, has been even more silent than usual. This is what he said, as reported by the press and undenied, as was the statement allegedly made by the Minister of Fisheries (Mr. Bertrand), until it was denied to-day in part. This is the statement of the Minister of Justice:

> Colonel Ralston, who is a great Canadian, believed that a coercive measure had become necessary to provide our armies with reinforcements should the war last several months longer. I am convinced that if the government had agreed to look at the question in this light, the vast majority of the province of Quebec would have felt that they were betrayed by their English-speaking fellow-citizens. That would have been disastrous. . . . They may be mistaken, but they will not betray you.

That is the statement made November 6. Let me turn to it again, where he said that there was but one line of action, and that was volunteer action. Then he added this:

> National unity would have received a destructive blow in such a way that it might have taken decades to rebuild it.

Sir, through you I ask the Minister of Justice this question: Was he speaking for the record on November 8, or has he, too, changed his opinion since that time? What is the reason for the change? To-day we have conscription, partial though it be. Is he to-day of the same opinion as he was then?

And now we come to the Minister of Munitions and Supply (Mr. Howe), who delivered an address in Chicago in which he said that so far as this question was concerned it was a political question rather than a question of meeting an urgent need. Well, Mr. Speaker, he had before him the representations of the hon. member for Prince. He had before him General Stuart's memorandum of October. He had before him General Murchie's memorandum of October. And yet he said it was a political question rather than an urgent need. Has there been any change in his views since November 16, when that speech was made?

The view taken by the former minister of national defence that there is urgent need for reinforcements, is the view of all of us, reinforced by what we heard in secret session. The government had before it the information when those statements were made.

I shall now deal with the Minister of Fisheries, when he said:

> The King government has shown itself able, through the voluntary service policy, to raise an army which is the pride of the country. And it still believes that the latter's efficiency would be maintained by the same policy.

What took place between November 20 and to-day? What took place in the cabinet between November 20 and the bringing in of this order in council?

Mr. HANSON (York-Sunbury): The gun; the gun.

Mr. DIEFENBAKER: When the people of Canada first read about this order in council there were many who felt that it would be carried out. What hope is there of the implementation of that order in council, even as it now is, in the hands of a cabinet divided in discord, speaking in a confusion of tongues, as they did between November 2 and November 23, and reinforced now by General McNaughton,

who on the floor of the house made the statement that he was going to continue the system of voluntary enlistment and, in answer to the hon. member for Vancouver South (Mr. Green) said he could not say that any who were conscripted would be sent overseas by May 1?

I must hurry on to deal with one other matter, namely, our amendment. It covers two propositions accepted by the hon. member for Vancouver North (Mr. Sinclair) in the brilliant address he delivered last night, one which only experience and vision could have prompted. He supports us in this, and the former minister of national defence says we are right. We insist that all men in the N.R.M.A. army be available for reinforcements, to maintain and sustain our troops overseas. We demand on behalf of the people of Canada assurance of equality of service and of sacrifice. In the former minister's remarkable address he excoriated the government; he revealed the inner workings of it; he showed the hopelessness of any expectation of a united and relentless maintenance of our overseas army. Then, after an excoriation the like of which this parliament has never heard, he ended by saying to the Prime Minister, "I believe in the opposition's amendment, but I will support you. You stand indicted on what I have said. All I give you now is this warning: don't do that again." Don't do that again. What opportunity are the members of this house going to have to say to the government that it must carry out this policy? I can tell you, Mr. Speaker, that as soon as this house is adjourned there will be very little hope that the members of it, reinforced by public opinion, will be able to demand what the people of Canada have asked us to demand and have asked us to continue to demand, regardless of the press which sometimes says that we should return home. We hear the voice of the people in all parts of Canada. It has been said that the aroused feeling of Canada was organized resistance. It was organized by the common emotions of men and women who have given their all. Let me tell you of one man in the Prime Minister's own constituency, an Indian by the name of Arcand, a man denied citizenship, but a man who has nine sons in the armed forces of this country, with one son who was turned down as unfit. The message of that man, not a citizen, unable to vote, denied equality with the rest of us, is: "Won't you do something, you members of parliament, to see that my boys overseas are assured of reinforcements?"

I should like to have dealt with all the amendments, but I have not time. I want to deal with one of them, however, and then I shall be through; that is the amendment of the hon. member for Mercier (Mr. Jean). The hon. gentleman's amendment amounts to this. It asks that the membership of this house shall vote non-confidence in the government on conscription, and then shall turn a mental somersault and support the government in its policy of a vigorous war effort. That is the situation. It is designed—I cannot say intentionally—to allow those hon. members to support the government and at the same time remain on friendly terms with their supporters. It enables them to take diametrically opposite stands, to speak out of both sides of their mouths, depending upon where they were speaking. I suggest, sir, that the people of Canada have the right to know what, if any, arrangements were made in regard to the bringing down of this amendment. The Prime Minister stated last evening that he did not want to answer any questions, but there is one question I believe he should answer. Has the Prime Minister at any time during the last week or so given an assurance to any group or bloc or member of parliament that this is the last order in council that will be brought down by this government? The Minister of Agriculture (Mr. Gardiner) has kept very quiet on this subject but the other day Mr. Charles Bishop, a distinguished member of the press gallery, said: "Sixteen thousand is the limit for the Honourable J. G. Gardiner." We should like to know whether 16,000 is the limit and also whether or not any promise has been made to anyone that no more will be sent.

Mr. MACKENZIE KING: May I answer my hon. friend at once? I have made no promise to anyone.

Mr. DIEFENBAKER: That is exactly the point I have been making. The Prime Minister dare not tell the people of Canada that he intends to assure that the additional 42,000 men are made available for overseas service and that there will be further orders in council. The answer he gives me is simply this: "I won't tell you that. I won't tell the people of Canada that." Well, Mr. Speaker, the people of Canada want an answer to that question. They want to know that we are not shadow-boxing with this problem.

Why the provision that the N.R.M.A. men shall be made available for service only in Europe? Speaking in Chicago the Minister of Munitions and Supply said: "When the war is over in Europe we are going to send our troops, our airmen and our navy over to the Pacific." On September 18, 1944, at Quebec, Mr. Churchill said that the Prime Minister of

Canada demanded and insisted upon Canada's participation in the Pacific area on the conclusion of the war in Europe. Why, therefore, are these men not made available for service anywhere? Why is their service to be confined only to one part of the world?

Finally I ask the Prime Minister another question, and I think the people of Canada have a right to an answer. Will he give the assurance that in the administration of this order in council every part of Canada will be represented according to population, as nearly as possible, in order to assure equality of service and of sacrifice? You may say to me, sir, that the people do not want that assurance. My reply is that they demand it. They know there has been no equality up to the present. The records of "Canada at War" will tell their own story. Those records will indicate still further discrimination unless we have the assurance that the present course will be discontinued now.

I conclude, sir, by simply saying that there are hon. members all over the house who will say privately that they believe in everything in the amendment. There is no politics in it.

Some hon. MEMBERS: Oh, oh.

Mr. DIEFENBAKER: All right. That has been our stand since 1940. I did not expect any other response to that statement, because hon. gentlemen opposite have been so much accustomed to that that they judge us over here by the same standard. I say to the government now, unless you assure equality of service and of sacrifice, unless you give us an answer—not the sort of answer that the Prime Minister gave me a moment ago but an unequivocal answer, one that the people can understand, that will bring together those who voted "no" on bill 80 and those in the cabinet who have been vociferous in the denial of the need of reinforcements—unless we have that assurance we shall return to our constituencies with our people convinced that we in this house have not discharged our responsibilities.

To the government I say this: You have an overwhelming majority but, sir, that majority does not represent the viewpoint of the people of Canada on the question before us, and if the Prime Minister will not answer my question I say that his government does not represent the people. You have over there an arithmetical majority. You have over there a mechanical majority. But that mechanical majority is but a meaningless survival in so far as the opinion of the people is concerned.

As we approach the end of our term, no one on this side of the house, so far as we are concerned, wants an extension of parliament. But we do say this. If the government has taken the measures which it says it has, and has these men on the way overseas to assure reinforcements, there is no reason why the confidence of the people of this country in this government should not be tested by an election. Reinforcements are on the way, but a divided cabinet will carry out the policy, a cabinet in which there certainly are members who do not believe in that policy. There is only one way in which this matter can be decided, and that is not by an extension of the life of parliament but by giving the people an opportunity to speak and by giving them it now. Then you will get an answer that will demand equality of service and sacrifice in this war.

Mr. A. G. SLAGHT (Parry Sound): Mr. Speaker, I desire to make my position clear with reference to this most important matter. This house is doubtless aware that I am retiring from public life at the conclusion of the present parliament. I have so notified the executive of our great district of Parry Sound and with regret have told them that for personal and other reasons I find it impossible to become their candidate again. It is no secret to hon. members that I have on occasion differed from my party on questions of policy and that I have not hesitated to say so, either in committee or on the floor of this house, and particularly has that been so in connection with the subject of monetary reform, on which question I entertained strong views. I make no apology, Mr. Speaker, for having differed from my party on that subject, nor for the time which the hon. member for Vancouver-Burrard (Mr. McGeer) and I occupied in committee and before this house a few months ago, because, as a direct consequence of our disclosures there made, one of the great chartered banks of this country which it is not necessary for me to name was forced only a few days ago to disgorge and pay to the public treasury $2,200,000 as additional taxes for the year 1943 which up to this late date they had improperly retained out of their earnings of 1943 under the guise of an undisclosed inner reserve fund. Some of the other banks are still to follow, and when the full amounts have been recovered it will be seen to represent a very heavy tax as applied to the smaller taxpayers of this country. My colleague and I are well content to leave it to the judgment of the people of Canada as to whether our efforts on their behalf were not fully justified.

It may interest parliament to know that the sum I have just mentioned, $2,200,000, is a greater sum than it costs this country to main-

tain parliament each year because on the average, sitting 125 days, it costs to maintain both houses, the Senate and the House of Commons, with all the help required both part-time and full-time $1,850,000. And remember, there is more money yet to be recovered from the banks.

My colleague and I were reviled by prominent members of the Progressive Conservative party, with the single exception of the member for Qu'Appelle (Mr. Perley), to whom I accord full credit for his courageous stand, and as well by prominent members of the Liberal party, as timewasters and funny money men. It is not easy to differ with your party, but I believe that many great reforms for which the Liberal party in this country has been responsible within the past fifty years have been largely due to the fact that it is of the essence of Liberalism that men within that party are justified in refusing to answer the crack of the party whip when they believe they are right in opposing it, and it is to the glory and credit of the Liberal party that that should be the case. Let me make this comment. The very opposite prevails with my Tory friends across the floor, and hence the origin of that well-known expression "a hidebound Tory."

When I came to Ottawa at the opening of this adjourned session on November 22 I had fully made up my mind that unless the government undertook to send the necessary reinforcements from the trained draftee army in Canada to meet fully the needs of our boys overseas I would vote against the government, and I made my position in that regard very clear to some friends of mine in the cabinet and to other Liberal friends. In my opinion, Mr. Speaker, the course advised by General McNaughton and adopted by this government is the proper course to take in the light of all the circumstances to-day—and I am using there an expression which the Prime Minister has many times used and which I believe has governed him in the course which he has charted for us.

Let me say here that I believe the course taken by the former minister of national defence is one deserving of great credit, and not the least does he deserve credit because after reviewing the entire situation he has decided, and has so announced, to vote against the Tory amendment and to vote for the resolution of the government. I join with him with confidence in that course and I adopt the reasons which he gave to the house that brought him to the decision that that is the proper course to adopt in the interests of Canada. But in addition to the reasons he put forward I have some further reasons which I desire to state.

General McNaughton has taken full responsibility and has given his assurance to this parliament of his determination to do what? I quote his exact language. "We are determined," he said at page 6519 of *Hansard:*

> . . . with all the strength we have that our troops in action will not lack for reinforcements to carry forward our part in the war in northwest Europe and in Italy. We intend to march forward with our allies to crush Germany finally into defeat and to confirm the safety of the peace which follows. There is no doubt about this intent. That has been stated by the Prime Minister on behalf of all in clear, explicit terms.

General McNaughton further said on the same page:

> It is absolutely necessary to the confidence of our fighting forces in the European theatres that there be a substantial reserve of reinforcements made available overseas. The absence of such a reserve might mean casualties that would not otherwise be incurred.

He also paid a tribute to his predecessor, the former minister of national defence, in these terms, at page 6524:

> Mr. Speaker, in closing I would just like to express my appreciation to my predecessor in office. He left me the most of his personal staff, without whose loyal aid I could not possibly have carried through the tasks and duties of these last three weeks. I am deeply obliged to him and to them for all that they have done to serve the public interest in this matter.

In that situation, and in the ability and integrity of General McNaughton, I have great confidence and faith, and my opinion is that of the great and overwhelming majority, not only of the people in Canada, but of the members of our armed forces in the actual theatre of war; they share my confidence and faith in General McNaughton.

I have listened closely in this debate, and so far as I recall no member of this parliament has challenged either the ability or the high integrity of General A. G. L. McNaughton, our present responsible Minister of National Defence. Let me place upon the record some very important expressions of confidence in him which were made public at the time of his resignation as commander in chief.

In December, 1943, I read from my personal organ the *Globe and Mail,* an extract from its issue of December 27, 1943—across the front page in heavy type, the main headline is, "McNaughton Resigns." It is followed by a front-page article by Ross Munro, from somewhere in England, date-lined December 26. The following extract is taken from page 2 thereof:

> Popular Commander
>
> General McNaughton's overseas leadership has had a full measure of achievements and deep satisfaction which compensated him for much

of his toil. The growth of the Canadian force from one poorly equipped division to a full blown army under his extremely popular direction has been one feature, but apart from the development of fighting formations, the general also took a deep interest in the development and manufacture of war equipment, munitions and weapons.

While Canada's No. 1 soldier was overseas, he has never forgotten his scientific interests which he applied to war problems to save Canada's fighting men.

Before being selected on October 6, 1939, to take command of the Canadian First Division, General McNaughton was president of the National Research Council of Canada.

New shells, new mortars, new guns and vehicles have been put into their hands to a considerable degree through his insistence. The Canadian force is now one of the finest equipped in the world.

General McNaughton has been a military leader in the top bracket among the allied commanders in Britain. His troops are considered among the elite in the United Kingdom —well trained, well disciplined, fit and full of enthusiasm.

Who is there to gainsay that description? Practically all the newspapers across Canada containing articles on General McNaughton were laudatory, and properly so. The Montreal *Star* of December 27, 1943, had an editorial entitled, "A Great Soldier Retires." The *Family Herald and Weekly Star* of January 5, 1944, had an editorial entitled "A Great Man Retires." Let me give the house something from across the water which appeared at that time; here is a British view. As published again in the *Globe and Mail* of December 29, 1943, there appears with heavy type in the lower left-hand corner of page 11, the heading, "McNaughton Lauded by *Daily Express*." This was cabled from London with the dateline December 28 by the Canadian Press. I quote:

In an editorial on the relinquishment by Lieutenant-General A. G. L. McNaughton of his command of the Canadian Army overseas, the *Daily Express* said to-day:

"Britain will treasure the memory of that December morning in 1939, when he arrived with the first Canadian contingent. It was high generalship to have inspired, trained and equipped a growing army through all these weary years of waiting without the stimulus of battle", the newspaper said, adding:

"Fate robbed General McNaughton of the pride of leading them as battle approaches, but not of the satisfaction of leaving them as a splendid fighting force to his successor."

Our Minister of National Defence is the man who raised, trained and equipped this very army we are discussing, which army's future has been committed to his hands in the matter of reinforcements; and, as a responsible member of this house, speaking only for myself, I say to him that we shall look to him, in carrying out the solemn pledge he has given to this parliament, to give special heed to the following matters. I do so with, perhaps, some temerity, but I feel that I may be serving a useful purpose.

First, that he will require the commander in chief and the commanders in the two theatres of war, and of the pool in England to make full, regular, accurate reports of the exact conditions of the Canadian pools of reinforcement, and I make bold to suggest to him that these reports should come through to his desk in Canada as often as every twenty-four hours, even though such reports contain merely the two words, "no change".

Second, that ample advance reinforcements be sent forward from Canada to fill the needs so reported to him from time to time.

Third, that he should repeat and emphasize the instructions to all responsible officers in the theatres of war that no men who have been wounded are permitted to return to the front line unless and until they have made entire and complete recovery with a proper period of convalescence.

Fourth, that the men in our Canadian army on active service, who have been abroad for years, and who have seen front-line fighting, should be granted home leave with the opportunity of returning to Canada and being replaced by reinforcements. General McNaughton, the house will recall, has already advised us that this is a special feature of his proposed administration.

If these directions are carried out under his command, as I believe they will be, then, so far as this problem is concerned, nothing else matters, and the situation is fully met.

I desire to bring a further matter to the attention of this house, and perhaps particularly to that of the hon. and gallant member for Vancouver North (Mr. Sinclair), whose brilliant address yesterday I enjoyed so much. I refer to the amendment which the Tory party have placed upon *Hansard*, and upon which we shall be required to vote.

Their house leader, the hon. member for Peel (Mr. Graydon) moved, seconded by the hon. member for Lake Centre (Mr. Diefenbaker), their amendment, which I find at page 6622 of *Hansard* of November 27, and which reads as follows:

That all the words after the word "that" to the end of the question be struck out and the following words substituted instead thereof:

"this house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice."

I desire the house to note the special care which has been taken in the wording of that resolution under which this party would require all N.R.M.A. personnel to serve in any theatre of war. To my mind the meaning of those words is absolutely clear and free from doubt. Any schoolboy will tell you that "any theatre of war" means any part of the world where war is being carried on. My charge against the Tory opposition, or as I should say, the Progressive Conservative opposition—

Mr. HOMUTH: It never matters what you call us anyway.

Mr. SLAGHT: I am going to suggest a new name for you before I get through. Be patient.

Mr. HOMUTH: Go ahead. I have a few for you too.

Mr. SLAGHT: My charge is that they are not being sincere with parliament or with the country in placing an amendment of that kind before the house and supporting it with a lengthy speech from the house leader and other members, and then four days later putting up as acting house leader the member for York-Sunbury (Mr. Hanson)—I believe he is behind the curtains—to state on November 30, very clearly, that that is not the policy of their party and that their party is not ready to support our allies, the United States and Britain, and is not prepared to make our men available to fight against Japan, notwithstanding that, as pointed out by my hon. friend the member for Lake Centre (Mr. Diefenbaker), we have pledged ourselves to help the United States with Japan. Let me quote what the hon. member said as reported at page 6688 of *Hansard,* in reference to our army:

> . . . and we can only fully support them if we have an order in council passed that will once and for all make these men available as reinforcements in any theatre of war.

The hon. member pointed out that there were some aspects of his speech in which he spoke only for himself, but he was speaking as acting house leader, appointed by his party to that task, and this is what he announced to this parliament and to the public of Canada. To continue:

> I am not including Japan as one of those theatres of war, because that is another consideration altogether.

What sort of pledge is that for a great national party? Hon. members opposite know that Canada has declared war on Japan and is at war with Japan. It is the old Tory dodge of saying one thing and pretending that it means another, and trying to get the voter both going and coming, like the gentleman who was selling hymn books and playing cards. I suggest it is political trickery of the most deplorable type. I was astonished when I heard the member for York-Sunbury make that statement, the amazing statement that, under the amendment which that party is asking us to vote for, Japan is not included as one of the theatres of war and that Japan is another consideration altogether. Immediately on the conclusion of his speech I asked him if he would permit me a question arising out of his remarks. He said he would, but he did not undertake to answer until he heard the question. And then I proceeded to ask certain questions at page 6690 of *Hansard* of Thursday last, November 30. In doing so I made it expressly clear to him that in speaking as leader of his party, having regard to the amendment as to any theatre of war, he had said that it did not include Japan, and I pressed him to say whether it would include enforced service in Manchuria, China, Burma and India. Let me read what took place:

> Mr. Slaght: I do not ask the question to embarrass the hon. member in any way. But speaking as the leader of his party and having regard to the amendment which reads:
>
> ". . . by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war."
>
> I understood him to say that that did not include Japan. I ask him now whether it does include enforced service in Manchuria, China, Burma and India?
>
> Mr. Hanson (York-Sunbury): The hon. member can take his own interpretation from it and I can take mine.
>
> Mr. Slaght: I asked for yours.
>
> Mr. Hanson (York-Sunbury): I am not under cross-examination here. I have been speaking under a great strain and I decline to submit myself to cross-examination at this time.

The acting leader of the Conservative party was dealing with the very terms of their amendment, and he put this house off with the subterfuge that they will not declare whether their policy includes enforced service in Manchuria, China, Burma and India.

Mr. GRAYDON: May I interrupt my hon. friend—

Mr. SLAGHT: Why do they not treat the house to a little candour?

Mr. GRAYDON: May I interrupt the hon. gentleman?

Mr. SLAGHT: No, I prefer not. Wait until I have concluded.

Mr. GRAYDON: May I ask my hon. friend a question on a point of privilege? Some pretty hard and severe things have been said by my hon. friend—

Mr. SLAGHT: The hon. gentleman has every chance to make his position clear.

Mr. GRAYDON: I want to make the position of this party clear, and I would like to have the opportunity, if I may, to say—

Mr. SLAGHT: I am not yielding my rights to the hon. member. I will answer any questions that my hon. friend likes to ask on his own time. Now, what about his party leader? Mr. Bracken, at the very time that the member for York-Sunbury, acting as leader of his party in this house, made the statement that Japan was not included, and when I asked him the question, was, if my eyes did not deceive me that day, hiding behind the gallery clock, in the gallery right over here.

Mr. ROWE: And Mr. McNaughton was up in this gallery.

Mr. SLAGHT: The leader of my friend's party is sometimes over here, behind me, where I do not get a chance to see him—

Mr. ROWE: And Mr. McNaughton is hiding here now.

Mr. SLAGHT: How I would have liked that day to have the right to turn to him and ask him to stand up and answer my question.

An hon. MEMBER: You may get the chance.

Mr. SLAGHT: Where do they leave the question, this great party? They leave it right here. The acting house leader, the member for York-Sunbury, authorized to lead his party, says in effect that he is too tired to answer. Too tired to answer! The real leader—

An hon. MEMBER: He is an old man.

Mr. SLAGHT: I do not say that, but we are dealing with their position as they have taken it, because it is the old Tory dodge, that of riding two horses, wishing to have it both ways, going and coming. They have an eye on the election and on the country when they put up such a performance as this.

Mr. BOUCHER: You are afraid.

Mr. SLAGHT: The acting leader is too tired to answer. What about the real leader, the absentee leader? I hope he is here to-day. He ought to be across from us, sitting right here, open to question and ready to answer. He ought to be helping us in time of war and leading his party if he has the ability to lead. But he finds safe refuge behind a gallery clock, sometimes behind a pillar; and he has been doing that for two long years except when he has taken time off to hire halls across Canada to go out and preach party political doctrines in time of war. That is the compliment I have to pay him. May I suggest that the reason is that he is too timorous. The other is too tired while the real leader, who has had a rest for a few years, is too timorous to answer my question. What a party! Now, if they are looking for a new name I commend this to the member for Waterloo South, who interrupted me on the question of names. If they are ready to change their name, if they think the present one is not working too well, I will in good faith offer them a new name for their party—the tired and timorous party.

Mr. BOUCHER: That is a smart one.

Mr. SLAGHT: They can be popularly know as the "T and T" party—not TNT, because that has some real power behind it. Through the course of their own amendment as officially refined and repudiated, when you strip it bare, there runs a scheme. There ought to be several actors in the scheme to help them to rig up the amendment and make it sound good. Then the house leader spoke on it and made an able address. Let me compliment him on it. He did not retract anything from it. Then sickness overtook him and the new hero was sent into the house to represent the party. He got up and announced that Japan is not included in the theatre of war. That is the trick and that is the scheme that I wish to denounce. I want to suggest that it is all done with an eye on the election, to play both ends against the middle, to ride two horses at one time, like the old maid who went to market with a basket on each arm, one for the peanuts and one for the bananas.

Mr. ROWE: That is mostly peanuts.

Mr. SLAGHT: Are we to vote, am I to vote to throw the country into the turmoil of an election which would undoubtedly delay the sending of reinforcements?

Mr. HOMUTH: Why would it delay sending reinforcements?

Mr. SLAGHT: Of course it would. You cannot run this country with a leader behind the gallery clock.

Mr. HOMUTH: Did the United States election delay the war effort?

Mr. SLAGHT: Let me conclude with one word to—

Mr. GRAYDON: The man who handles reinforcements is behind the clock.

Mr. SLAGHT: There can be only one answer to this question. The men overseas must be reinforced, and arrangements have been made to provide reinforcements.

Mr. ROWE: That is why an election would not matter.

Mr. SLAGHT: The country is so situated that no alternative government could take over if the present Prime Minister resigned, without dissolving the house, and every hon. member knows it.

Mr. ROWE: You know better than that yourself.

Mr. SLAGHT: If the house were dissolved and an election called it would mean at least seventy days' delay, and defeat the very purpose of this debate. What kind of service do you think you would get in this country if that happened?

Mr. ROWE: It would not mean a day's delay.

Mr. GRAYDON: An election would step it up.

Mr. ROWE: You are afraid to go to the country, that is why.

Mr. SLAGHT: There is a volume of noise from a very large source. Our task, Mr. Speaker, is to provide reinforcements for the overseas army, to provide them when they are needed, and nothing else will do. Because this country has no workable alternative government before it, we must go forward, I submit, with the plans already made.

Just a word to my French-Canadian friends. I have the greatest admiration for them. I think I see better than some men the difficulties that have confronted them in the past and confront them now, and sometimes it makes me boil when men want to impugn the courage in battle of the French Canadians. I remember some time ago joining with twenty thousand French Canadians and English-speaking Canadians in the square in front of this building and bowing my head and raising my hat in tribute to Robillard and Morin, two young French Canadians.

I wish to conclude my remarks by making an appeal to every hon. member of this house. I wish to do it in the words of Abraham Lincoln, uttered in the second inaugural address, seventy-eight years ago. These words are almost prophetic in their application and are just as true to-day as they were at that time. They are just as true in their application to the present situation as they were to the Americans at that time. Mark them, and let me read them:

> With malice toward none; with charity for all; with firmness in the right as God gives us to see the right, let us strive to finish the work we are in; to bind up the nation's wounds; to care for him who shall have borne the battle, and for his widow and his orphan—to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations.

Mr. GRAYDON: On a question of privilege, Mr. Speaker, I was not allowed to interrupt my hon. friend. He desired that it should not be done and that is his right. But I do wish to raise a question at this time. It is a very simple one. May I say that I approach it with a sense of profound pity and sorrow. I regret that an hon. member of this house, for whom I always had a high personal regard, attempted to insert into his address this afternoon what may be regarded as the rough-and-tumble of peace-time politics, which is definitely out of place at this time.

Mr. SLAGHT: If my hon. friend has any questions to ask me, I am here to answer them.

Mr. GRAYDON: I am going to ask Your Honour to see—

Mr. SLAGHT: Before the hon. member can make a speech he must conform with the rules of the house. He is not in conformity with the rules at this time.

Mr. GRAYDON: Surely I have some protection on a question of privilege.

Mr. SPEAKER: Order. The hon. gentleman has raised a question of privilege. I should like to hear the question.

Mr. GRAYDON: The question is this: My hon. friend referred to the leader of my party—

Mr. CLEAVER: Let him get himself elected.

Mr. GRAYDON: Will my hon. friend from Halton come out from behind the barn and sit down? May I say—

Mr. CLEAVER: The hon. member for Halton is not behind the barn.

Mr. HOMUTH: He is under the barn.

Mr. GRAYDON: If I am not to have protection in this house I want to know it now, because I am relying upon that protection.

Mr. SPEAKER: The hon. member has raised a question of privilege and he is entitled to state it. I now ask him to do so.

Mr. CLEAVER: Mr. Speaker—

Mr. SPEAKER: Order.

Mr. CLEAVER: I rise to a question of privilege. The leader of the opposition said that he was speaking on a question of privilege on behalf of Mr. John Bracken. Mr. John Bracken is not a member of this house and has no right to the privileges of this house.

Mr. GRAYDON: I ask to have the right to state my question of privilege.

Mr. GARDINER: Don't abuse other people while you are doing it.

Mr. GRAYDON: I am now being interrupted by a member of the cabinet as well; but I think—

Mr. GARDINER: I suggest that you do not abuse other people while you are asking for that privilege.

Mr. ROWE: You are pretty good at that yourself.

Mr. SPEAKER: The hon. gentleman may state his question of privilege—

Mr. GRAYDON: May I—

Mr. FRASER (Northumberland): You are just sore, that is all.

Mr. GRAYDON: Mr. Speaker, I have had to appeal for your protection on previous occasions. This, I think, is the worst I have ever experienced. I hope it will stop now.

An hon. MEMBER: It is your own fault.

Mr. GRAYDON: If I am not going to be allowed to speak I should like to know it. Surely there must be some power in this house to prevent interruptions.

Mr. SPEAKER: Hon. members will kindly give the leader of the opposition the opportunity to state his question of privilege without any interruption.

Mr. GRAYDON: May I say to Your Honour that while the hon. member for Parry Sound was speaking in the vein in which he did, he referred to the fact that the Hon. John Bracken was timorous.

Mr. SLAGHT: Who is he?

Mr. MACKENZIE (Vancouver Centre): We do not know him.

Mr. GRAYDON: Mr. Speaker, I have more interruptions. My hon. friend attempted to interrupt me when I was speaking previously. Surely I have some rights in this house. I appeal to the membership of this house to allow me to finish my statement. If they are not going to do so I will have to sit down and abide by the ruling of the house itself.

Mr. McGEER: A member has the right to speak to a question of privilege in this house.

Mr. SPEAKER: I cannot say what the question of privilege is until the leader of the opposition has stated it.

Mr. GRAYDON: The hon. member for Parry Sound said that the Hon. John Bracken was timorous, and then proceeded to make some slighting remark respecting his being in the gallery.

An hon. MEMBER: That is right, too.

Mr. GRAYDON: I am afraid it is impossible for me to go further. I am sorry to say that this is the first time since coming to the House of Commons that I have been refused a hearing. I am not going further with it.

Mr. SLAGHT: May I reassure my hon. friend in this way—

Mr. HOMUTH: You are through.

Mr. SLAGHT: He asked me a question.

Mr. SPEAKER: Order.

Mr. ROWE: It works both ways; sit down.

Mr. SPEAKER: If the leader of the opposition wishes to state his question of privilege I shall be glad to listen.

Mr. GRAYDON: I have tried five times, and I am not going to try again.

Mr. SLAGHT: Speaking to the question of privilege—

Mr. ROWE: It works both ways; sit down.

Mr. SLAGHT: Speaking to the question of privilege—

Mr. ROWE: A rule should work both ways.

Mr. SPEAKER: Order.

Mr. SLAGHT: The house leader of the opposition made the statement that the hon. member for Parry Sound had referred to the fact that—

Mr. HOMUTH: The hon. member has not risen to a point of order. He has finished his speech, and he is out of order when he stands up now.

Mr. ROWE: It should work both ways.

Mr. CASSELMAN: Mr. Speaker is on his feet.

Mr. SPEAKER: I understand that this is a question of privilege.

Mr. SLAGHT: Speaking to the question of privilege, the leader of the opposition put it this way, that the hon. member for Parry Sound—

Mr. HOMUTH: Mr. Speaker—

An hon. MEMBER: Quack, quack, quack!

Mr. HOMUTH: The leader of the opposition rose, but he did not have an opportunity to put his question of privilege to the house. The hon. member for Parry Sound has nothing to answer, and therefore he is out of order.

Mr. MACKENZIE (Vancouver Centre): Solomon.

Mr. SPEAKER: I hope the hon. member will not ask me to decide upon the question of privilege until he has stated it. I should be glad to hear the question of privilege.

Mr. HOMUTH: What is your question of privilege?

Mr. MACKENZIE (Vancouver Centre): We have a new speaker.

Mr. SLAGHT: The leader of the opposition said that the hon. member for Parry Sound had referred to the fact that the Hon. John Bracken was timorous. In other words, if it be a fact I certainly referred to it. Let me say to him—

Mr. HOMUTH: Order.

Mr. CASSELMAN: The Speaker is on his feet.

Mr. SLAGHT: In the use of that word I meant that he—

Mr. ROWE: The Speaker is on his feet.

Mr. SPEAKER: From what I have heard there is no question of privilege.

An hon. MEMBER: Disgraceful.

Mr. ROWE: Your steam roller is wearing out.

Mr. ARMAND CHOQUETTE (Stanstead) (Translation): Mr. Speaker, I am taking part in this debate on account of the extraordinary circumstances in which conscription has been accepted as an integral part of the present Liberal government's policy. I must admit that, being a new member of the house, I have found it an exciting drama, although, in the end, I feel somewhat worried and depressed in the knowledge that such an important step as that taken a few days ago, should have come out of a political upheaval rather than as the natural sequence of serious discussions.

As far as I am concerned, the matter is now perfectly clear. The government have resorted to compulsion as a method of reinforcing our troops overseas and have made conscription an important part of the Canadian war effort. The Prime Minister (Mr. Mackenzie King) solicits a vote of confidence to pursue that war effort and, in so doing, requests us to support his conscription policy, which is now wholly part of that effort. My colleagues from Beauharnois-Laprairie (Mr. Raymond) and Rimouski (Mr. d'Anjou) have already clearly expressed the opinions of our group, as endorsed by the great majority of the Quebec population and by an increasing number of people from other parts of the country.

I do not intend to repeat what they have already said on the matter, although I realize that it is impossible to put too much emphasis on their arguments if we intend to give our fellow-citizens of other extraction a clear idea of our views and if we wish to attain, in this country, to a mutual understanding based on equality and fair play. That is the price of unity in Canada and any other solution to the problem can only perpetuate the disunity between the two major racial groups.

I now wish to refer for a few moments to certain parts of the speech delivered by the Prime Minister last Monday. Indeed, it was an astonishing speech in which even more astonishing arguments were expounded. I may add that it was not a matter of principle and of military emergency which was in the mind of the Prime Minister on that fateful evening of November 22 when occurred the most sudden political about-face ever recorded in our parliamentary history.

As I said before, it was not a matter of principle or military emergency. It was a matter of political expediency. And to illustrate my point, I shall quote here the portion of the speech in which the Prime Minister related, in sentences well chosen for his future biographies and on a tone of mixed candour and cynicism, how, as soon as he was made aware of the urgency of the situation, he placed the whole problem before his ministers hurriedly convened in the council rooms. The Prime Minister said:

> I made a passionate appeal to every one of my colleagues—I think I may so describe it—not to press for any extreme position; to be as united as they possibly could, yielding up the extreme position, whether it was for all-out conscription under Bill 80 or whether it was for no conscription, realizing that there and then we were face to face with a situation which meant that if we could not agree and could not meet parliament the next day in as united a position as was possible, the only result would be that I would have to announce, on behalf of the government, that we were not in a position longer to carry on because the division in the cabinet was so complete as between those supporting the one point of view and those supporting the other.

As the hon. members can judge from the words of the Prime Minister himself, no question of principle was involved; the situation to be faced at the time was merely political. No mention was made of the necessity of reinforcements, because that was admitted by the ministers. On that night, nothing but the instinctive desire to survive with his cabinet was in the mind of the Prime Minister and permeated all discussions that took place around the council table. To show the trivial nature of the situation, I shall quote again from the same speech:

It was in those circumstances, as a result of the deliberations of that night, with members of council responding to the appeal to do everything possible to come to an agreement, that we were able to agree on the passing of an order in council which, without resorting to all-out conscription, would ensure the men at the front being guaranteed the necessary reinforcements.

There was a first crisis, then a second one. Thus did the Prime Minister, with his undeniable liking for historical analogies, record the various phases of the political upheavals which occurred during these last weeks and which, as I said, brought about the adoption of conscription.

Mr. Speaker, I claim that, in all that time, instead of two there has been but one crisis, that which involved the survival of the government and ended in the passing of the order in council. That such an important and serious decision should have been taken not as a result of a complete review of our military position and our national interests, but as a consequence of a compromise between opposite views of various members of the cabinet, passes the imagination. This order in council appears as a political manoeuvre of the worst kind, when we realize that the lives and well-being of thousands of our youth, the hopes, fears and tears of countless fathers and mothers have hung and still hang to such a degree on the immoderate desire of a man, or a group of men, to remain in power.

I shall go even further. In 1939, I opposed our participation in the war and, had I been privileged to be a member of the house at that time, I would have voted against our entering the conflict. I still hold with all my soul and conscience to the same views and the events of the last five years have convinced me more than ever that our participation in the present war has been our greatest mistake since 1914. The hon. members around me may repeat to their heart's content: Think of the glory and prestige Canada deserves for taking her place at the side of Great Britain in her struggle against Germany.

Frankly, I fail to see why the glory and prestige of a nation should be measured by the streams of blood and tears shed by her sons and daughters. War can only be a final means of defence and any other conception of this art could be nothing but a return to barbarism when might was right, and when, as a consequence, the military art was considered as the height of attainment and brought certain privileges to those who had mastered it.

My hon. friends can also tell me: "This is a fight for civilization, Christianity and freedom", but I do not believe them. I did not think so in 1939 and, had I altered my opinion in the meantime, the imperialistic leanings flaunted by some of our allies and which will completely pervade for some time to come the war effort of the united nations would inevitably have prompted me to change my mind. I must admit, however, that had I been convinced, in 1939, that we were fighting to preserve civilization, Christianity and freedom, I would have been ashamed to contemplate a moderate participation, a restricted war effort, and to reject unreservedly total conscription of wealth and man-power as did our political parties and particularly that which is under the leadership of the present Prime Minister.

May I say again, however, that I did not believe those statements because, amongst other things, those who claimed to profess them did not act as though convinced of their truth. I would not be too critical, for even though the highest moral values hang in the balance, few men are able to rise entirely above the intrinsic shortcomings of human nature. Yet, there are limits and the spectacle which the government has made of itself these last few weeks, both in cabinet meetings and in the house, oversteps, in my humble opinion, the bounds of the most elementary moral sense one expects to find in public men.

My ministers were forsaking me; my resignation was imminent; there was no one to replace me, and had the government been defeated, Canada was threatened with anarchy. Here in substance are the main arguments advanced by the Prime Minister to justify his right-about-turn in adopting conscription. Strange to say, in dealing with such an important measure which imperils the lives of thousands of young men, no appeal was made to the exalted ideals of civilization and Christianity, nor to the more limited interests of our country, nor even to military needs. Could it be that we no longer believe in these ideals or that military operations are now directed to some other end? Time will tell.

I maintain that political strategy is at the root of the recent order in council. The Prime Minister himself has admitted as much; he adds, however, that there was no one to replace him and advances that reason for putting conscription into effect! The Prime Minister considers himself indispensable and it would seem that, in order to keep him in power, the sacrifice of a few lives and the violation of a few principles are well worth while. Mr. Speaker, do you know of any philosophy more harmful to government by the people than that of one man's indispensa-

bility? It justifies every act of tyranny and betrayal, and I remember hearing it uttered by the leaders of the countries we are fighting in this war.

How can we believe that the Prime Minister is the only man in the house able to assume leadership of the country? Were it so, I would be forced to the conclusion that minds and hearts have become dangerously enfeebled by a continuous nine-year period under the Liberal regime if, here or elsewhere in Canada, stalwart men can no longer be found who are able to assume the responsibility of leadership. Such is not the case, however, and the other day, Colonel Ralston raised the curtain a little higher on the Prime Minister's real intentions when he pointed out that his leader, in offering his post, hypothetically speaking, to his cabinet colleagues, was carried away by a rhetorical outburst.

The day following the Prime Minister's speech, two powerful mouthpieces of the present government, the Toronto *Star* and *La Presse* of Montreal ran the same headlines: "The defeat of King means anarchy". Mr. Speaker, proper government of a country, of a democracy, can never depend on a single man. Recognition of such a principle constitutes the first step towards dictatorship, and I claim that such extremely dangerous propaganda threatens the maintenance of our free institutions, since it is even more pernicious than ideologies imported from foreign countries. Have no fear, the eclipse of some man or other will not cause anarchy in Canada, but the turmoil which now troubles the minds and hearts of our citizens can perhaps be traced to the insidious tactics of one who betrayed his plighted word, broke his solemn pledges, one who now attempts to throw our people into a panic by brandishing before them the spectre of anarchy in public administration.

Now, Mr. Speaker, I wish to make a special appeal to the ministers and members from my province. I know most of them personally. In their private life they are worthy people, endeavouring to earn an honest living and lead their families into the paths of duty and honourableness. I shall, however, point out to them that public life is but an extension of private life, affording new opportunities, on a larger plane, of practising those virtues so essential to social peace and well-being.

They will answer that the requirements of politics differ from those of private life. That may well be, but, nevertheless, they should never stand in the way of honour nor of respect of the plighted word. These expressions should have the same meaning and the same limitations, whether they apply to a member of parliament or an ordinary citizen. Honour and respect of the plighted word demand at this time that all the members from Quebec, from the hon. Minister of Justice (Mr. St. Laurent) down to the lowliest representative, register a unanimous protest against the government's policy, by withdrawing their support; and I beseech the Prime Minister to ask others than the French-Canadian members of his party to disgrace themselves and to follow him in the meandering paths of compromise and trickery and to permit them to keep what they cherish above everything else and what has heretofore been the pride of our people, the word of honour.

I realize, however, that the Prime Minister is determined. In the course of his public life, he has deserved the reputation of a skilful and wily politician. The government's about-face on the evening of November 22 could well be looked upon as the final act of a lamentable tragedy. As I said before, the Prime Minister is determined, and there is a last act which is so akin to the whole drama that, unquestionably, both sprang from the same clever mind. I refer to the sub-amendment moved last Friday by the former parliamentary assistant to the minister of justice, the hon. member for Montreal-Mercier (Mr. Jean).

What, after, all, is this sub-amendment if not a further government scheme to create further confusion? It is thought that several French-Canadian liberal members will support this measure and then support the motion of confidence moved by the Prime Minister. Can anyone imagine a more ridiculous and dismal situation?

I say to my hon. friends from Quebec opposite: conscription is of your making. You have carefully paved the way for its introduction by your submissiveness and your passivity; you have helped shape it by your approbations and your guilty acquiescence; you have for years coddled and fondled it as a beloved child. And now that your grateful leader throws it into your lap, you reject and repudiate it. You refuse to recognize it as your own.

Mr. LALONDE (Translation): My hon. friend will allow me to say that later the Liberal members from Quebec voted against bill 80 which recognized the principle of conscription for overseas service. I would ask him to be fair towards those members.

Mr. CHOQUETTE (Translation): So much the better if there are exceptions.

Mr. LALONDE (Translation): There are more than a few, and my hon. friend should take note.

Mr. CHOQUETTE (Translation): But the record speaks for itself; it is authentic and significant. Let us thumb the pages: 1937, vote of approval for armaments; 1939, vote in favour of the declaration of war and of the dispatch of an expeditionary force to Europe; 1942, approval of the plebiscite, of bill 80 and of billion-dollar gifts; 1943 and 1944, approval of further billion-dollar gifts and of a total war effort. And throughout this period, each year a vote of confidence was given to the man who was the prime mover. No, you can no longer deny it, conscription is your creation, your legitimate child.

Mr. LALONDE (Translation): With the qualification I mentioned a moment ago.

Mr. CHOQUETTE (Translation): To disapprove conscription and approve the war effort of the government seems to me, Mr. Speaker, a flagrant contradiction.

Mr. LALONDE (Translation): Your leader approved the military estimates in 1938.

Mr. CHOQUETTE (Translation): Since November 22 last, conscription has been officially recognized as an integral part of our war effort. It is a logical consequence of the government's policies. But the guilty person is the leader of the present administration; he presided over its launching after making it unavoidable by his policies, and he has promised to enforce it to the limit. It is futile and misleading to make a show of condemning the act and then to absolve its sponsor, of opposing it and then express confidence in its chief author.

By all means, Mr. Speaker, let us put an end to all that; let us have no more such quibbling and hateful scheming. Let us have the courage of our convictions and, above all, let us have the courage to face all their consequences. The order in council imposing conscription is not a compromise between two opposite points of view. It is purely and simply a recognition of the principle of coercion for service overseas under bill No. 80. The authority conferred on the government as regards the dispatch of draftees overseas is general and the number of draftees so dispatched can be increased should circumstances require.

In closing, I wish to comment on some statements made the other day by the hon. member for Bellechasse (Mr. Picard) in the speech he delivered in this house. He referred to isolationist utterances of such people as Groulx and Laurendeau. I do not know what he means by isolationist utterances, because that expression has been construed in a number of different ways and according to the needs of entirely opposite causes. However, if he will permit me, I shall remind him that the two men whose names he mentioned, Canon Lionel Groulx, one of our most prominent historians, and Mr. André Laurendeau, provincial leader of the Bloc Popluaire Canadien, are among those who reflect most accurately the views and feelings and an overwhelming majority of our compatriots. And I do say, with them, that we do not want to isolate Canada from the rest of the world no more than we want to separate the province of Quebec from the other parts of the country. We are above all Canadians and we wish that Canada as a whole should belong first to its citizens and that it should be the heritage of each and every one of us. We demand complete independence for our country and I do not think that the fact of being supreme masters of our destinies could isolate us from other countries and raise a China wall between ourselves and our neighbours.

Mr. Speaker, those are fables deliberately spread by politicians much more concerned with the unity of their own party than with national unity. We consider the whole of Canada as our motherland and we are bent on making it our motherland everywhere. That is the reason of our claims, that is the reason of our struggles. To bring about the recognition of the whole of Canada as our motherland, is the noble object we have assigned to ourselves. It should be not an English or a French Canada, but a Canada where both races would enjoy the same rights, the same privileges and the same opportunities, not only in Quebec but also in the eight other provinces of the dominion.

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, we meet here at a time of great events which are shaping the future of the whole world. Our course should be in keeping with the lofty purpose of those who are driving forward to victory without counting the cost. The political fortunes of any government or of any member of this parliament are wholly unimportant. The one thing that matters is the full and unreserved support of our

fighting men in these crucial days of mounting military struggle when every man, every weapon and every ounce of strength are needed to finish off our tottering enemy before he can regain his strength and his military resources. It is from that point of view that we must examine the facts.

The units of our land forces are in need of reinforcements and in desperate need, as we now know. We have in Canada many thousands of men in various stages of training. The one question for us to answer is whether we have the courage to meet our honourable obligations to our fighting men and see that all men physically fit in uniform will be available as reinforcements without any reservations as to numbers or procedure. That, Mr. Speaker, I submit is the one and only issue before this house. The people of Canada want all-out use of its man-power. They will not be satisfied with any half-hearted and uncertain measure such as the one now before us, and our men overseas most certainly will not be satisfied with anything but honest, open-handed support.

We are told that this course will send 5,000 men over as reinforcements next month. That is not enough. We have been sending that many month after month for years. Normal wastage from sickness and accident would call for that many men under present conditions. It will do very little to bring the fighting units and reinforcement pool up to strength.

It has been claimed by General McNaughton that we got no help or very little help from conscription when it was imposed in 1917 in the last war. Nothing could be farther from the truth. By this means, in the ten months following conscription in the last war the average of recruits obtained was approximately 16,000 a month. The contribution made by Canada's armed forces to the triumph of the last 100 days of the last war was the result of conscription honestly applied. It should be no less to-day. By this limited conscription we are hoping to secure only 16,000 men. If the 156,000 that were obtained under conscription in the last war constituted very little help to reinforce the four divisions then operating in France, what use will 16,000 men be to reinforce the five divisions overseas to-day? This half measure which is proposed will solve nothing. Sixteen thousand draftees are to go, but when, we do not know, and the new Minister of National Defence has not enlightened us. But what of the other 44,000 draftees now in uniform, and what of the thousands who will be drafted during the next few months as they come of age? Are they to fight or are they not? That is what our men at the front wish to know. Already there is a deep and burning sense of injustice in the minds of our fighting men in the active army. Now a new type of injustice is to be introduced between different groups of draftees. What a spectacle for our allies at a time when their respect and goodwill are so important!

The Minister of National Defence replies that the compulsory system produces inferior fighting men, at a time when the full load of battle on land is being borne by the men of Britain, the United States, Russia and other allied countries whose armies were all raised by total compulsory use of man-power. What strange arguments we have heard! The government is to compel a limited number to serve, but it still does not believe in doing it in that way. The new Minister of National Defence makes it appear that it would be a grievous sin against national unity if we employed our men in uniform where those men would be of some use. Then in the very act of sinning in this way he vigorously proclaims his unblemished virtue because he has not sinned still more.

This is simply one more shameful episode in five long years of eager searching for the line of least resistance. When we hear of the bitterness which might be caused if we do our duty here, let us all remember the bitterness there will be in the minds and hearts of young men about to risk their lives for our freedom if they learn that once again they are to have some vague formula in the place of reality. Two years ago it was "conscription if necessary but not necessarily conscription." Now, at this turning point in the world's history, when General Eisenhower tells us that every man is needed at the front, we have a new formula offered us, "compulsion if necessary but not necessarily compulsion."

Unless the members of this house show that they are red-blooded men, worthy to be called Canadians, and demand the all-out use of our soldiers in uniform wherever they are needed, we shall be shamed before the whole world and we shall have sown in the minds of the best of our youth seeds of injustice which may bring stern retribution when they return again to their homes in Canada.

The hon. member for Prince (Mr. Ralston), the former minister of national defence, returned recently from the fighting fronts in Italy and northern Europe. What he saw and heard convinced him that reinforcements are desperately needed in the infantry. The former minister of defence is a competent observer. He knows from the experience of three years as minister of defence that the

voluntary system will not produce adequate reinforcements. Accordingly, the conscription of able-bodied men of military age for service overseas is imperative. Our men at the front are asking for trained reinforcements. The wounded in the hospitals are pleading for help for comrades still locked in mortal combat with the enemy.

This is a matter of men's lives. Gallant soldiers are spilling their blood while we talk. Brave boys are dying on the Rhine while this government manoeuvres for votes. Any cabinet minister who shrinks from the duty of sending reinforcements is not worthy to occupy a place in the government of Canada. If the Prime Minister (Mr. Mackenzie King) will not discharge the sacred duty of his office which he has been entrusted with, he should efface himself in the national interest; he should make way at once for a real war leader who is prspared to enact and enforce total conscription to maintain our gallant fighting forces in full strength.

In the speech made by the Prime Minister on June 10, 1942, he said, as reported in *Hansard*, at page 3234:

> It is not the intention of this government to resort to conscription for service overseas unless circumstances should arise which would render the use of compulsion imperative, such for example as the maintenance of the necessary reinforcements for Canada's army overseas.

The former minister of defence says that this time has arrived. However, the Prime Minister dismissed his trusted friend the former minister of national defence because the latter did not give him the advice he desired. His action reminds me of an old friend who never liked to give up his liquor, and when advised to do so by his doctor, got over the difficulty by calling in another doctor. In the same way the Prime Minister would not take Colonel Ralston's advice, but, like my friend, called in another doctor who gave him the advice he wanted. This advice was tendered by General McNaughton in spite of the fact that only a week before he had refused to express an opinion on the reinforcement situation owing to lack of knowledge, because he had been out of the army for nearly a year.

Declarations were made by the former minister of national defence, the minister for the navy and several other ministers in regard to the adoption of conscription for overseas when necessary. I need not repeat those statements. May I say to them that their opportunity has now come to show that when they speak they mean what they say and that the integrity of their word of honour means more to them than the trappings and emoluments of office.

We are led to believe that so bankrupt is the Liberal party in leadership, and this by the Prime Minister, who ought to know, that if he resigned there is not one in his government who can replace him and the government of the country could not be carried on, that it is a case of "King or anarchy." This statement should be resented by at least two or three members of his cabinet. The vote of confidence by his followers for which he is now asking means nothing because they were elected four years ago and the views of the citizens of Canada to-day are overwhelmingly against the Prime Minister and his government. Neither would an affirmative vote retain the confidence of the troops overseas, who are very much perturbed by the limited proposals made by the government.

No country has been so humiliated as we have been by our Prime Minister, who stands condemned before the Canadian people. May I congratulate the former minister of national defence upon the very frank statement he made a few evenings ago, in which he repeated with even greater emphasis the imperative need of additional reinforcements overseas by the end of December. If the Prime Minister had accepted his advice these reinforcements would have left Canada last month in ships already arranged for and been over there in time.

Although the Prime Minister is primarily responsible and must bear the major part of the blame for this delay, the present Minister of National Defence must assume his share of responsibility, as must also the other members of the cabinet. We do not yet know what this delay in the arrival of desperately needed reinforcements will cost in the lives of our brave men at the front, but whatever the cost, the parents and wives and relatives of those men will hold the Prime Minister and his government responsible.

The present Minister of National Defence has said that arrangements were made soon after the passage of the order in council, for ships to transport 5,000 additional reinforcements towards the end of December. The situation which the former minister of national defence envisages, namely, that there will be a delay in sending these reinforcements unless the present government receives a vote of confidence is not a logical one. The order in council has been passed and is now in effect, and the movement of troops has started and will continue even should there be a change of government or a general election. The activities of the United States army did not cease during the presidential election, nor did those—

Mr. RALSTON: That was not run on the question of conscripting needed men to be sent overseas immediately.

Mr. BRUCE: There was a considerable controversy in regard to the army during that election. Nor did the activities of the armies cease in Australia or New Zealand during the elections held in those countries. The officers in charge of the administration of defence, the navy and the air force would continue to function even if we were driven to the extremity of having an election at this time in Canada which, although I would deplore it, I do not think would be altogether a misfortune.

May I repeat that the reasons given by the hon. member for Prince for supporting the motion are, in my judgment, unconvincing and illogical, and his whole argument would justify him in supporting the amendment proposed by the Progressive Conservative party which, from his own statements, represents his views as well as ours.

The Prime Minister the other day made much of the fact that he had asked each member of his cabinet in turn if he would take on the duties of Prime Minister if he, the Prime Minister, resigned, and they all declined. This was a characteristically empty gesture, just such as the one the Prime Minister made to Mr. John Bracken when he said he would not oppose him if he stood for election in Selkirk. He knew quite well that no Liberal or Conservative could be elected there. He made the same gesture to Mr. Meighen in South York and everyone knows how faithfully he carried it out. Death or the electorate alone will separate the Prime Minister from his office.

In order to keep the record straight I would like to affirm that at no time did I agree with the policy of the then leader of the Conservative party, Doctor Manion, in regard to conscription. I have always felt, as I have indicated in a number of speeches made in this house, that conscription of man-power was the only way to ensure equality of service and sacrifice. At that time I favoured a national government because I believed that it was only in that way that we could get a maximum war effort and preserve national unity.

Moreover, I was imbued with the necessity of having as leader of the government at this critical period of the war a man who himself knew by experience what war meant. In my first speech as a member of this house on May 24, 1940, I gave reasons why the present Prime Minister should step aside and make way for a man who had distinguished himself in the field of battle. Everything that has occurred since in the conduct of this war under the present Prime Minister has amply justified the position I took at that time.

I wish to refer now for a moment to the question that was brought up by the Prime Minister's suggestion that he would visit the governor general and advise him as to his successor. There is not the slightest doubt that a retiring Prime Minister has no right even to offer advice as to his successor, let alone have it accepted. It is entirely within the discretion of the crown to ask or not to ask for such advice. There is also not the slightest doubt that even if the crown chooses to ask for such advice it is not bound to follow it. There is certainly ample authority for this position as far as the United Kingdom is concerned; and in the absence of very strong and positive proof to the contrary, the presumption is that the same rules hold in Canada.

I need refer only to Lowell's "Government of England", which book I have under my hand, 1920 edition, volume 1, page 34, where both the rule and the reasons for it are admirably stated. Marriott's "This Realm of England", at pages 25, 329, 340-1, 350, confirms the same viewpoint. Jennings in his "Cabinet Government", at pages 20-46, also confirms this practice. The case of Mr. Galdstone's retirement in 1894 is, of course, classic and conclusive. There was no crisis, no question of a change of party or anything of that kind; merely a question as to which of Mr. Gladstone's colleagues should succeed him as head of the Liberal government carrying out precisely the same policies as Mr. Gladstone's government. Queen Victoria did not even ask for Mr. Gladstone's advice as to his successor, although he was fully prepared to give it if asked, and not even Mr. Gladstone, with his unequalled experience and authority, had the temerity to offer the advice unasked. That will be found in Morley's "Life of Gladstone", volume 3, at pages 512-514. If I had time I would read it to the house.

As to Canada, I may refer to Sir John A. Macdonald's clear and explicit statement of the true constitutional doctrine in Pope's "Correspondence of Sir John Macdonald", at page 316; also Sir Richard Cartwright's statement in his "Reminiscences", the volume of which I have here, at pages 117, 119, 120 and 121.

In 1926 the Prime Minister appeared to claim for himself, among other non-existent rights, the right to name his own successor. As will be seen on page 1 of Sir Richard Cartwright's reference, this claim has never received any support from even the most biased authorities.

If a government is defeated in the house or at the polls the modern rule would appear to be that the crown must, on the retirement of the government, send first for the leader of the opposition. Only if the leader of the opposition refuses to take office is the crown at liberty to consult others; and it may then consult whom it pleases. When a prime minister retires without having been defeated in the house or at the polls the crown may consult whom it pleases. This is certainly Jennings' view and appears to be Lowell's. This view may be found in Jennings' work on "Cabinet Government". Hon. members may read it if they wish. It seems clearly good sense.

Again, the presumption is that the same rule holds in Canada as in Britain, and that presumption can be overthrown only by clear and positive evidence to the contrary. So far as I am aware no such evidence exists.

Mr. King, in his letter of July 3, 1926, told Lord Byng that he "could not assume the responsibility of advising Your Excellency to send for Mr. Meighen". That will be found in Dawson's "Constitutional Issues", at page 75. There was no need for him to assume any such responsibility. If there is one point in British constitutional practice which is firmly established, it is that the crown is not obliged to accept, or even to ask, the advice of an outgoing prime minister as to who his successor should be, even if the same party remains in power. The authorities for this statement are legion.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BRUCE: Mr. Speaker, in conclusion, may I say that if this country wants chicanery, instead of fidelity to our fighting sons and to our honour, then the Prime Minister is the right man to keep in charge. If we want twistings and contortions and political gymnastics, he has had more experience than any other man alive. If the Canadian people are true to themselves and still have regard for common decency, respect for our past and our name in history, they will take command of this crisis and insist upon the selection of a leader in whom the nation can have confidence, one who will surround himself with the best brains to be found in the country, either within this house or without, members of any political party or of none, men who know the meaning of sacrifice and of honour.

[Mr. Bruce.]

To be indifferent to the call of honour, to desert our hard-pressed and hard-fighting sons and brothers, is to make this country infamous forever.

Mr. F. G. SANDERSON (Perth): Mr. Speaker, I rise to make some brief observations in this important debate which is before parliament and this country. History will record it as the most important and far-reaching in its consequences, not for a day, a week or a month, but down the years to come.

The government of the day under the leadership of the Prime Minister (Mr. Mackenzie King) has a war record, to date, second to none of the allies fighting with Canada in the same cause, on land, on the sea and in the air, for victory and peace. In my humble judgment, since the war started in 1939 the government of the day has received from all parties and groups in the house considerable support pertaining to the war. This is as it should be. We are all united for victory and peace. The government of the day has also received strong support from all the people in every province in its victory loans, with every loan oversubscribed by millions of dollars. The people of Canada, wherever they live, east or west, north or south, are war conscious, not politically conscious. They want the government to go on with the war without hesitating, and the government of the day or any other government that might be formed, should beware. The voters who send members to parliament are not thinking of political parties or candidates at the next election. They are working and praying for victory and peace, and that our gallant men overseas will never lack reinforcements.

I now come to the mounting casualties as shown in the army lists we receive each day, and I am afraid these casualties will continue for a long time. Do not let us fool ourselves by thinking and saying this war will be over in a few months. We must fight, and with all our might, to the bitter end.

To my hon. friends from Quebec I wish to say briefly that all down through the years since 1925, when I was first elected to parliament, they have been very kind to me. I have many close friends who come from Quebec. I do not hold the same views on conscription that they do, but when I retire from political life I shall always cherish my friendship with them.

I should like also to pay sincere tribute to the former minister of national defence (Mr. Ralston), the former minister of national defence for air (Mr. Power), the Minister of National Defence for Naval Services (Mr. Macdonald), the Minister of Munitions and

Supply (Mr. Howe) and the Minister of Finance (Mr. Ilsley), and I should like also to wish the new Minister of National Defence, General McNaughton, every success in his new responsibilities.

My riding in Ontario, the county of Perth, is very strong for conscription. A very large majority voted "yes" in the plebiscite, as the records will show.

In closing, may I say that I sincerely hope that before the January session commences the Minister of National Defence will be able to send overseas all the reinforcements needed by our fighting men. With this in mind I will vote against the amendment and in favour of the main motion.

Mr. GEORGE BLACK (Yukon): It may be a somewhat surprising statement to make, Mr. Speaker, but I am going to commence by saying that in my opinion this meeting of parliament has been entirely unnecessary and a waste of time and public money. Let me tell you why I make that statement. In 1942 this parliament adopted legislation which gave this government unlimited power to carry on the war that it had declared in 1939. The government needed nothing further from parliament to enable it, in the words of the Prime Minister's motion, "to maintain a vigorous war effort." At each session parliament has voted ample sums of money. The people of Canada have lent the government all and more than has been asked of them with which to wage war.

For this war this government had the experience of the last war as a guide. The government of that day attempted to keep its army on the battle front up to strength by voluntary enlistment. It failed. That was nearly thirty years ago, and it was proved then beyond any doubt that it could not be done. There was no reason to believe that the voluntary system would be successful in this war after it had been proved a failure in the last war. The plans of the government in this war entailed a much larger fighting force than in the last war, which made it all the more difficult to keep that force up to strength. What this government should have done, as it knew at the time and was derelict in its duty in not doing, was to have adopted compulsory selective service from the beginning of the war, with equality of service and of sacrifice for all. If this had been done there would be no meeting of parliament here today; there would have been no crisis; there would have been no disunity. That would have been the law of the land for the past five years, just as it has been in the United States and most of the other allied nations.

As an illustration of the unfairness of the voluntary enlistment system let us suppose that another member of this house and I were young men again, healthy and fit in every way for army service and in a position to answer the country's call. The other man volunteers. He goes forth to war, offering his all; perhaps he gives his life. Should I be allowed to shirk my duty and remain at home in safety and comfort, perhaps also profitably, while he gives his very life for me? I do not think any hon. member would say that was fair, but that is what the voluntary system of enlistment amounts to. The loyal, brave men go; those not so brave stay at home, while battles are fought and lives are lost on their behalf. That is the policy of this government. In my opinion every healthy inhabitant of Canada of war age owes his life to the state. The man of money owes his money to the state; and when the state needs that money it takes it without compunction. How much money would the government get from income taxes if it took only the money of those who volunteered to pay?

Before continuing to discuss the policy of the government and its effects let me bring to the attention of the house a press report with regard to the treatment accorded our men in the way of transportation when returning from the front. This is a letter published in the first issue of the new weekly, *The Overseas Mail,* published in Montreal. The Vancouver *Sun* copies it, saying that it knows nothing about the publication and nothing about the writer of the letter except his palpable sincerity. The facts, however, are supported by the word of hosts of others in uniform who have gone through the same experience. This is his story:

Editor, Sir: Now please don't get me wrong, because this isn't a grouch. I just want to know something in a quiet sort of way.

Why is it that us men who left Canada three or four years ago and went overseas boasting about how good our country was, come back to find we have got to eat a good many of our words? The other day I arrived back for 28 days' foreign service leave, along with a crowd of R.C.N. ratings, some soldier casualties, and a few Royal Navy lads on duty.

We disembarked at New York, and were treated by the American Red Cross exactly as if we were Yanks ourselves. You know the kind of thing they give you. . . . The moment you land you're handed doughnuts, a cup of real coffee (for a change), a chocolate bar and a container of milk if you want it. It makes you feel good, and kind of proud to be "home", even though you have to remind yourself you're still in the states.

You see the amazed looks on the faces of the British sailors, and you think well, that's impressed them a bit, anyway.

Then they put you on a swell pullman train with bunks for everybody and plenty of good food in the diners, served the way you remember

it used to be. So you keep on crowing to the British boys about it always being like this in Canada.

Then suddenly, you hit the border. And you're no sooner across the border into Canada than you, and the wounded pongoes, and the R.N. are transferred into an ancient, dirty, colonist car where you are crowded in four to a seat for a 24-hour journey, and where the filth is literally knee-deep. And smell!

They give you your grub in a central galley and you carry it back to your seat to eat it. The plates often aren't clean and you can't keep the cinders out of the stew—and even without the cinders the stew can't compare with the ordinary rations you've been getting in Britain for quality.

The train I was transferred to at the border was all that and worse. It would have been bad enough if they'd given us that sort of hard graft from the start in New York—and remember that we had one guy with both legs amputated and another with only one arm and the dressings still on it, and another guy with something the matter with his eyes—all France casualties. But when they treat us good to the border and then make us look so cheap once we're in Canada, well, it makes you wonder what the score is.

Surely there isn't a shortage of railway carriages, now that the big troop movements are over? Even in Britain we never travelled as crumbily as on that journey, even in the middle of the blitz!

I'd just like to know the answer so that I won't have to feel ashamed the next time I meet one of the British sailors on that draft.

That is something for the government to consider and to rectify.

To resume, the government of former days and the government of to-day tried to keep their armies in battle up to strength by voluntary enlistments, and both failed. The former minister of national defence did all he could to make that system, the policy of his leader, successful. He tried for nearly five years, and then he went over to the battle front and consulted with the officers commanding there. They called for reinforcements. He saw for himself that they needed them. He returned to Canada and reported to the Prime Minister and to his cabinet colleagues the dire need of the volunteer army for reinforcements and told them that they could not be had by voluntary enlistment. That should have been enough. The former minister of national defence was not speaking as one without experience. He has a proud war record, a record that some of his colleagues should envy. He speaks by the book. What did the government do? Did they answer the call for help from our gallant men over there, the call relayed to them by the former minister of national defence? No, instead they turned a deaf ear to the call of these men in their extremity. Why? Not because they did not believe that help was needed, but because they feared that if available help were sent they would lose some political support in a certain part of Canada.

The Prime Minister cast about him for a Moses to lead him and his government out of the dilemma in which they had placed themselves. They thought they had found one in General McNaughton, who told them he believed he could get the sorely needed help by the old, played-out voluntary system. What reason was there to suppose he understood Canada better than the former minister of defence who for five years had tried it out and found it a failure?

The former minister of defence was forced to resign. He was replaced by General McNaughton. It did not take General McNaughton five years to fail, or five months to fail. He failed from the beginning; he is failing now.

What happened? The former minister of defence recommended to the government that the men called up under the National Resources Mobilization Act be sent on active service in answer to the call for help from the men on the battle fronts. For that he was forced out of the cabinet, and within a remarkably short time his successor finds that his predecessor was right and he, McNaughton, was wrong. The government of which he is a member surrendered and adopted a policy of limited conscription.

General McNaughton, now Minister of National Defence, is opposed to that new policy, even declaring in this house that he will not carry it out unless he is forced to do so. Imagine a minister of the crown saying that of the policy of his government, that he will not carry it out unless he is forced to do so! He disagrees with the policy of his government, but he does not resign his lucrative position as a member of the government.

Since his appointment to his present office as Minister of National Defence he has made two public speeches, one at Arnprior and one at Ottawa. In both those speeches General McNaughton not only defended the voluntary principle as against conscription, but insisted upon its superiority. He especially asked the Ottawa audience of veterans to hear the exact words he used at Arnprior. He said he advised the government—

Mr. HANSON (Skeena): Mr. Speaker, on a point of order, when the present speaker, the hon. member for Yukon, was in your Chair I happened to be one of the humble members, and he would not allow me to read a telegram. Therefore I take objection that he reads his speech.

Mr. ROSS (Souris): The previous speaker, the former Deputy Speaker, has just read his.

Mr. BLACK (Yukon): General McNaughton said he advised the government, when he was summoned "to form and lead the Canadian army overseas", thus:

I made it clear that we could carry our effort to success if we based it on a voluntary system.

Again he remarked:

I say if that army had been raised otherwise than by the voluntary method we would have had no army worthy of the name.

Mark those words, "no army worthy of the name."

What about the British army? Is the British army "no army worthy of the name"? Would General McNaughton say of it that it is "no army worthy of the name"? It is a conscript army. Why should a British conscript army be any better than a Canadian conscript army?

When the Americans joined the British in Africa to drive the Germans out, followed up to Sicily and to where they are now in Italy, will General McNaughton say of them that they are "no army worthy of the name"? The American army is a conscript army. Have the American armies in France shown themselves to be "no armies worthy of the name"? Would General Eisenhower say that of them?

What about the Russian armies, armies which fought so magnificently at Stalingrad, at Leningrad and in many other hard-fought battles in which they defeated and rolled back the Germans? Would General McNaughton say of them that they are "no armies worthy of the name"? They are all conscript armies, all the armies of these countries to which I have referred. Who in this world should sneer at them and say, as was said of the Canadian conscripts, that they would be "no army worthy of the name"? Why should a Canadian army called up for service under the National Resources Mobilization Act be "no army worthy of the name"? That is what the Minister of National Defence would say of them.

One matter of which this house has not been informed and of which this country has not been informed is as to why the present Minister of National Defence is in Canada at all and not with his men overseas, to use the Prime Minister's words of him, for this is how he described him, "He, the builder, the first commander of the Canadian army. I knew there was no man who had the interests of the army and the men overseas closer to his heart". If they are so close to his heart, why is he not over there with them? Not because of ill health. We had that from him; he announced it when he came home. You only have to look at him now to know he is in good health. If he could not have carried on as supreme commander he, if they were "so close to his heart", might have stayed with them, have been with them where they are now on the battle front instead of leaving them to go into battle without him. He came home, was promoted after coming home, and on top of that he treats himself to a cabinet plum worth from $12,000 to, if he can be elected, say $16,000 a year.

That is not McNaughton the soldier, the idol of the army, the idol of Canada. That is McNaughton the politician, the fallen idol, the idol with feet of clay.

Mr. MACKENZIE KING: I think it is desirable that Your Honour should hear what the hon. member is saying. May I say to him that if I have not interrupted him time and again in his references to General McNaughton it is because I have been considering the source from which his remarks are being made.

Mr. BLACK (Yukon): I am quite willing to have the Prime Minister or anyone else in the world consider the source from which my words came, and I think the source will be found quite as reliable and quite as respectable as some other sources.

Mr. CRUICKSHANK: Who wrote it?

Mr. BLACK (Yukon): If General McNaughton, as the Prime Minister said of him, really "had the interests of the army—"

Mr. HANSON (Skeena): On a point of order, Mr. Speaker—

Mr. BLACK (Yukon): "—and the men overseas close to his heart—"

An hon. MEMBER: It is not a commander's job to be in the front line.

Mr. BLACK (Yukon): I am a member the same as you are, and am entitled to speak my mind.

Mr. HANSON (Skeena): Mr. Speaker, I have risen to a point of order, and I want to know whether the rules have been changed so that everyone can read his speech.

Mr. CASSELMAN: This afternoon the hon. member for Parry Sound (Mr. Slaght) read his.

Mr. SPEAKER: The hon. member for Skeena has called attention to the fact that the hon. member for Yukon (Mr. Black) is reading his speech. I need not point out the rule that an hon. member may not read his speech.

An hon. MEMBER: Tell him you are reading someone else's.

Mr. BLACK (Yukon): I must admit I made copious notes and I make frequent references to them. I am quite sure they would have just as much effect on the hon. member who has just objected if they were extemporaneous as if they were written; he probably would not understand them anyway.

Mr. HANSON (Skeena): I may not understand the rules, but I have been told what the rules are.

Mr. BLACK (Yukon): I am glad they are having some effect on somebody.

If General McNaughton really "had the interest of the army and the men overseas close to his heart—"

An hon. MEMBER: Order.

Mr. BLACK (Yukon): —and is such an ardent advocate and supporter of the system of voluntary enlistment—

Mr. SPEAKER: Order. General McNaughton is not a member of the house and is therefore perhaps not entitled to the privileges of hon. members; yet the remark which the hon. gentleman has just made, that if General McNaughton had the interests of the soldiers at heart he would do certain things, is one which I do not think the hon. gentleman would care to address to General McNaughton in his present capacity. I hope therefore that the hon. gentleman will exercise moderation.

Mr. ROSS (Souris): Fish of one and flesh of the other.

An hon. MEMBER: What about Bracken?

Mr. MACKENZIE (Vancouver Centre): He is not a minister of the crown and never will be.

Mr. HANSON (York-Sunbury): One rule for one and another for another.

Mr. BLACK (Yukon): Do I understand the Speaker to object to my making references to the present Minister of National Defence?

Mr. SPEAKER: The hon. gentleman perhaps did not hear what I said. What I said was that if General McNaughton, not being a member of the house, may not be entitled to the privileges that members enjoy, he is nevertheless a minister of the crown in charge of the department of defence, and I suggest to the hon. gentleman that in his references to him he should not impute motives which are neither friendly to General McNaughton nor such as would come in justice from the hon. gentleman.

Mr. ROSS (Souris): That is a matter of opinion.

[Mr. Speaker.]

Mr. BLACK (Yukon): I regret if what I have said, and my manner of speaking do not meet with your entire approval, Mr. Speaker, but I am sure that if General McNaughton, having ceased to be a soldier and gone into politics, is going to be as thin-skinned as the remarks made here on his behalf to-night would indicate, he had better get out of politics. If the government wants volunteers, if the present Minister of National Defence wants volunteers—and I say that in all humility, not wishing to offend him—they are going about it in the wrong way. The government's policy, the minister's announced policy, his every utterance, are all the greatest deterrent to voluntary enlistment that could be devised, and I will show you why. What does voluntary enlistment now mean? What does it result in? It results in this. For every volunteer that comes forward one draftee remains safely at home; for every hundred volunteers one hundred draftees remain safely at home, while volunteers take on their duties. Could anyone say that is fair. This order in council, as I see it, is not fair even to the draftees because it does not take them all but picks out a few and leaves the rest. Under these conditions it is no wonder that the voluntary system has failed. Can young men be expected to volunteer under such conditions to take the place of draftees whom the government keeps at home? As I have said, and I have illustrated it to the house, the policy of the government and of its spokesman, the Minister of National Defence, tends in fact to wreck and to hamper the policy of voluntary enlistment. You could not make a stronger argument against it than they make themselves.

Instead of limiting it to 16,000 reinforcements to be sent over a period of months and months in the dim and distant future, and perhaps not all, if the present Minister of National Defence has his way, if the order in council had made all draftees liable for service where war is being fought, where they are needed and desperately needed, and where our fighting men are calling for them, then there would be an incentive to volunteer, but not under the policy of this government or the policy of the Minister of National Defence. The government could then have fairly said, even at this late date, that its policy is that of maintaining a vigorous war effort. But surely the government does not expect the people of Canada to agree that its policy of sending a comparatively small number of draftees, in all possibly 16,000 over a period of time, when 60,000 are available now, is a policy of maintaining a vigorous war effort. Surely that does not add up.

If the government will now replace that order in council, which limits the number of draftees who may be sent to the war to 16,000, with an order in council under which all draftees will forthwith be sent to reinforce the men in the firing lines, that would be a policy of maintaining a vigorous war effort, and I would support the government in that policy, but not in the present makeshift policy.

Mr. HUGUES LAPOINTE (Lotbinière): Before proceeding with this debate I should like to make one remark about some of the words which I heard expressed by the hon. member who has preceded me with reference to the Minister of National Defence. Members may have different views as regards the policies of the government, but one thing on which I think everyone will agree is that a man who, like General McNaughton, has built up the Canadian Army and made it what it is now, should at least have a decent reception in this house. I understand that the hon. member and his family have a very nice war record. I say, sir, that makes it worse because, before being a politician himself, he was a soldier and as such he should have had the decency to watch his words.

I do not wish to prolong unnecessarily the debate on the motion before the house. However, I would feel lacking in my duty to those whom I represent here and I owe it to myself in all justice to explain, why I shall vote as I intend to do on this motion. It is not my intention to discuss here the relative value of conscription as opposed to the voluntary system of enlisting men for our army. Any arguments that I might expound or any facts that I might state before the house would be but a mere repetition of arguments and facts which are already known and which I have had occasion to express in previous debates. Furthermore I feel that it would only be discussing an issue which to all intents and purposes has already been decided. I believe that my views on this issue are well known and I have seen no reason yet to change them. I have always believed, and I am still of the opinion, that the voluntary system is the only practical system of recruiting an efficient army in the circumstances in which we find ourselves in this dominion. Suffice it to say that this system has not, as some hon. members would like us to believe, been a failure in this country. It has provided Canada with an army of great strength whose deeds will live forever in the most glorious pages of our national history. It has sent into the sky an air force which has done and is still doing all of its share in blasting from the skies the once feared German luftwaffe. It has sent across the seas a navy which has now reached the third rank, after the British and the United States, among the navies of the united nations. Surely, Mr. Speaker, a system which has brought about such achievements cannot rightly be termed a failure. No, that system has not been a failure, and it can still bring about adequate results if certain individuals and responsible bodies in this country will use it for the purpose for which it was intended and not as an instrument to overthrow the King government.

However, the situation now is such that whatever may be the views of hon. members on this issue nothing can be changed. We are faced with an accomplished fact, and hon. members are now asked by this government to support it in the prosecution of a vigorous war effort. The Prime Minister (Mr. Mackenzie King) himself said that the vote on the motion which he presented could not be interpreted as a vote in favour of or against conscription for overseas service, or as an approval or disapproval of order in council P.C. 8891. However, I do recall that in 1942 when bill No. 80 was presented to the house the Prime Minister said, I believe, that when this government passed the order in council necessary to put into effect the powers granted to it by bill No. 80 hon. members would be given an opportunity to show either their approval or their disapproval of such an order. If we are to take the Prime Minister's words as regards the meaning of the present motion and reconcile them with the views he expressed in 1942 then, the present subamendment as I see it, after the subamendment presented by the hon. member for Bellechasse (Mr. Picard) was declared out of order, is the only way any hon. member may have of expressing his views on or his approval of the order in council.

I was elected to this house for the first time in the general election of 1940. Speaking for myself alone, I wish to say that the only reason I received such support in the riding which I represent is that I was the official Liberal candidate. The people of Lotbinière, like the other citizens throughout this country, had heard the solemn pledges which the leaders, not only of our party but of all parties represented here except, I believe, the New Democracy party as it was called at the time, had taken concerning the conscription issue. They believed the leaders of our party; they put their faith in them, and they elected me simply because I was following these men. They believed that the tradition of the Liberal party of which I was the candidate, and the doctrine which had

always been preached, rightly or wrongly, was one of no conscription, and they elected me to follow that doctrine.

I wish to point out, Mr. Speaker, that I was not the one to assume certain undertakings and in the name of the party to make pledges to the people. I simply followed in the footsteps set by my leaders, and by the leaders of the other parties, as I have already said. Now, I believe—I may have illusions in this connection—that I have attended as good a political school as any other hon. member in this house. I have always been taught that politics was not a game of diplomacy, but that it was the most serious task to which any man could devote his talent and ability, and that to represent one's fellow citizens in the House of Commons was possibly the greatest honour and privilege to be vested in any man. I was also taught that pledges and promises once given had to be kept. I repeat, I am speaking only for myself. I may have been politically unwise when I followed the lead given by the head of our party during the general election. It is possible that I should have anticipated that the crisis such as the one we are going through now would eventually result; but I do say this: personally I cannot go back on the word which I solemnly gave to the people whom I represent in this house, especially when I am not convinced that this order in council was necessary for the winning of the war and the security of Canada. Furthermore, as regards this point, I will not permit any man to doubt my sincerity or impute any political motives to my action. It is purely a question to be settled as between myself and my own conscience. It may be considered as a selfish attitude to take, but I would rather withdraw from public life than have it be said by any man who had placed his faith in me that I had failed to keep the word I had given.

One hon. member stated the other day, following a subamendment which was presented, and had conclusions similar to the present one, that if that amendment were adopted by the house it would be considered that we were deserting our boys overseas. I do not believe I am a deserter. I am not more of a deserter, anyway, than some hon. members who refused to give their full support to the policy of the voluntary system, when that policy was the only means of providing reinforcements for the men overseas. No one in the house knows more than I do what the boys at the front are going through. At the same time I do not believe that the sending over of 5,000, 10,000 or 15,000 N.R.M.A. personnel will change the situation. I do not believe that it will relieve the pressure on the men now at the front, because that is not the way things take place. These men will be distributed all over the front. They will be swamped among other men who are already there. And, as the former minister of national defence for air rightly pointed out, there is not one commander, no matter of what level he may be, who will take out his experienced men and replace them with N.R.M.A. personnel, no matter how well trained they are. They will just fill in the gaps at times; and the same men who have been carrying the fight throughout will keep on plugging ahead. I know that, because I have seen it done. I do not know how it was done during the last war. I was not there; but I know the way it is done now.

I heard the hon. member for London (Mr. Johnston) praise the men of the infantry on the Italian front. All he said of the men on the Italian front is true of the men in north-western Europe. They are the men who, supported by the air force, the artillery and the armoured corps, are winning the war. No amount of bombing or shelling can capture an objective. It takes men on their feet to go forward against fire, and to dig out the enemy from his defences. And that is what they are doing. It is exactly because of the very nature of the duty which an infantryman must perform that you need a man of determination, of character and of courage who will go forward under any conditions, in order to fill the ranks of the infantry.

I do not challenge the courage of any of the N.R.M.A. personnel, as other people are willing to do. There is no monopoly of courage on the battle front—although there seems to be some here in Canada. And on that point I should like to remark that the so-called zombies—which, incidentally, is a term I never heard until I returned to Canada—exist not only in the N.R.M.A. personnel. Every country has been blessed with them. You will find them in Canada. You will find them in this country in some of our services, under the disguise of general service men. You will find them in the United States. You will find them in England. It is the same the world over, I expect.

This debate and the campaign which has been carried on throughout this country, to some extent has had for its purpose playing on the sentiments and emotions of mothers, sisters and wives. I ask those people, and I ask hon. members in the house who may have sons in the infantry in the front line to-night: whom would they rather have to-night in a slit trench along the front line, fighting it out, possibly holding back a counter-attack under the most intense conditions; whom would

they rather have, the man who is there because he wanted to go there and who will stay there to fight it out and die, if necessary, or the man who is there simply because order in council P.C. 8891 was passed by this government?

I was interested the other day to read the comments of war correspondents who were writing about the reception our draftees might receive overseas. I recall that one of them seemed dubious about the manner in which the men at the front would receive them, while another one expressed the thought that the front-line soldiers would be glad to see them. I do hope that is the case. I have questioned members of the forces who served during the last war, and who were there in the front line when conscripts arrived. That is one of the reasons why I do hope this correspondent was right. But I must say I doubt that statement, and I doubt it as much as I doubted the statement made by certain commanding officers here in Canada to the effect that the draftees were eager to go overseas, and were just waiting for the government to assume its responsibility. Events of the last week proved that I had at least a pretty good reason to doubt those statements.

Another reason why I cannot agree on the change of policy is the consequences which I fear will result from that change. In my mind, what is even more important than the fact that possibly 15,000 Canadians will be sent to serve overseas, against their will, in spite of the pledges made by the government, is the fact that for a long time the people of Canada will have lost some of the faith they usually have in their public men. In my opinion the value of our parliamentary institutions is based upon the good faith which can exist between electors and the men they have chosen to represent them. I fear very much that as a result of this changed policy Canadians in all provinces will no longer have in our public men that confidence which I believe is so necessary in democratic institutions.

Irrespective of the complexity of the problem now facing us, the fact remains that one responsible party which, for many years, shaped the opinion of the majority of the people in this country, has brought into force an act which is absolutely contradictory to all its pledges and undertakings. It is not the judgment which the electors may pass now, at a time when the country is going through a period of mob hysteria, that is important; it is the judgment they will pass after the war is over, when they can analyze the facts in their true light, in an atmosphere of peace. I, for one, do not want to share in any way the responsibility for a policy whose enactment by this government may in future undermine faith and confidence in public men. Certainly I do not want to criticize the Prime Minister unduly. I realize as well as any one, and better than some people, the situation in which he has been placed, and I should like to make my own the words pronounced in this house a few days ago by the hon. member for Bellechasse (Mr. Picard). I for one am convinced that no other man in this country could have governed and achieved the success the Prime Minister has achieved in the last five years. In this crisis he had the courage to remain at his post and to lead, at times alone, one of the most difficult, most extenuating and at times most pathetic battles in our parliamentary history. It is a tragedy that at this period of the war, when victory appears certain, he should find himself at such an impasse, and that he should be forced to adopt a policy which, rightly or wrongly, is creating in Canada a state of national disunity. The whole career of the Prime Minister has been consecrated to the edification of a truly Canadian nation. As the hon. member for Bellechasse well said, history will show that no one in this country will better deserve to be termed a nation builder.

I deeply regret that because of the wording of the motion now before the house I am not able to express to him the confidence I have in his ability to run this country during the difficult times through which we are passing. However, I do not see how I can vote with the government on the main motion, thereby expressing my confidence in the leadership the Prime Minister has given, since I cannot completely dissociate from the motion the order in council which was passed two weeks ago and which is now part of our war policy. I believe I truly express the sentiments of the people whom I have the honour to represent here when I tell the Prime Minister that there is no one else whom they want to see as the head of the government of Canada, but on the other hand they cannot forget the breaking of a pledge which to them was sacred. I hope, Mr. Speaker, that the task to which the Prime Minister has devoted his whole life, and the national unity which he succeeded in realizing in Canada, will not come to an end because of the present issue. I trust that, once the turmoil of this battle is ended, Canadians will realize at last that they should not be separated from one another, that they should not hate one another because of a mere political issue.

I returned to Canada not quite three weeks ago, and in closing I ask the indulgence of the

house to let me tell of one incident which occurred while I was in France. Over there I served with the Regiment la Chaudière. We were part of the eighth Canadian brigade, one of the assault brigades which landed at H-hour on D-day, June 6. The next morning, through the actions of the previous day and after counter-attacks during the night, I found that I had lost more than half of my company. I reported that fact to my battalion headquarters and asked that reinforcements should be sent to me immediately. It happened that on the previous day the craft which was bringing our reinforcements had been sunk, and the reinforcements had not arrived; but I did get reinforcements that same afternoon. And the men who came to reinforce a company of the Regiment la Chaudière were men from the Queen's Own Rifles of Toronto, men from the Regina Rifles, men from the North Shore Regiment of New Brunswick; and they were glad and proud to do so. That night, while certain unpleasant things were going on, I was thinking to myself, "I wonder how many people in Canada would believe such a thing could be true."

There were no differences of race or creed on the beaches of Normandy on D-day when a tank unit from Winnipeg supported an infantry unit from Quebec. There was no national disunity on the airfield of Carpiquet, when men from the North Shore Regiment of New Brunswick and men from the Chaudière Regiment of Quebec fought side by side, supporting each other. There was no national disunity on the hills of Falaise, when boys from Montreal and boys from the west went forward together against the common foe. There was no national disunity on the cliffs of Calais and Boulogne when men from Toronto and men from the lower St. Lawrence fought together and pushed jerry back into the sea. Surely if the men at the front can achieve this national unity and attain this spirit of brotherhood the people back in Canada, and especially hon. members of this house, can fight the war on the home front following the example set for them by our Canadian forces overseas.

I regret to have detained the house for so long, Mr. Speaker, but I am at my last point. I would go as far as to say that in my opinion, and I believe on this point I represent the opinion of many of the men overseas, if here in Canada we cannot achieve a community of spirit; if we cannot learn to understand one another better, then the hardships, the miseries and the losses we shall have suffered during this war may well have been in vain.

[Mr. H. Lapointe.]

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I want to take this opportunity of complimenting the hon. member who has just taken his seat (Mr. Lapointe, Lotbinière). His address for the past half hour has been like a breath of fresh air in this chamber after most of the stuff to which we have listened to-day.

I wish to assure you, Mr. Speaker, that it was not and is not the intention of the members of this group to occupy very much of the time of the house in discussing the subject now before us. We came to this session with the realization that the members of the House of Commons had been convened to discuss a matter of urgent public importance in which all of the people of Canada were vitally interested, and like most of the other members of the house we came here with very little knowledge of the actual facts in the controversy between the Prime Minister (Mr. Mackenzie King), as it appeared, and the former minister of national defence (Mr. Ralston).

In the time at my disposal this evening I shall try to place my own views on this matter before the house. The hon. member for Rosetown-Biggar (Mr. Coldwell) made a clear and concise statement of the position of this group and then went on to move an amendment which in our opinion, if acted upon, would be the only real solution of this problem. Indeed, had that been the policy since 1939, and were it the policy now, I am reasonably sure that the members of the house would not be here discussing this matter at this time.

Let me say at the outset that the people of my own constituency are interested in this matter purely from the national point of view. There is no conscription problem in that end of the country because, when you attain the age of eighteen years on Cape Breton island, if you do not go into the service you simply do not eat. There is no employment there; there was none when the war broke out; there is still no employment for those leaving school and very little for those who are returning from this war. I say that because it is not a constituency problem. Everyone who is eligible for the service is either in the service or he is frozen to his job in an essential war industry if employed.

When we left to come to this session of the house our conception was that the issue was not conscription but immediate reinforcements for our armies in action on the different battle fronts. My mind was made up before coming to the house that what

I would have to guard against was becoming inveigled by political catchwords and slogans by those who were seeking to make political capital out of an unfortunate situation. I say that for this reason. As the hon. member for Rosetown-Biggar indicated, it was my privilege to pay a short visit with him and the hon. member for Melfort (Mr. Wright) to England, France and Belgium in September and October of this year. When I left England to return to Canada I came back with certain definite impressions, and perhaps the first was that the people of the north American continent little realize how fortunate we are to be living on this side of the world, free from all the miseries, hardships, confusion and the uncertain future facing those on the other side of the Atlantic.

My second impression was that Canada had in the field, in the air, and at sea, armed services that were second to none in the world. I came back very proud indeed of our boys in northern Europe and in the air force and our navy personnel. I think that in the European theatre of war they have done perhaps one of the best jobs that has been done by any army in that field.

My third impression was that in Europe the toughest fighting, and the heaviest casualties, I believe, are still to come. The allied armies on the Rhine facing the Siegfried line are up against a system of fortifications three hundred miles in length and about thirty miles in depth, constituting the greatest fortifications the world has ever seen, and those fortifications are manned by a fanatical army that has been taught nothing but to hate and kill. That is what our boys are facing.

When this issue of reinforcements was raised I found it hard to understand because, during the entire period that we were in England, where we met with Canadian army personnel both at the top and the bottom, I never heard one word about a shortage of reinforcements, with one exception. I did meet boys back from Italy who said that in that country the reinforcement problem was somewhat tense and had been for a year past. But with that exception we heard nothing in England about a shortage of reinforcements.

We had the experience in Belgium and France of spending a night with those responsible for the routing of reinforcements to the line units, and again there was no intimation of a shortage. We spent a short period at staff headquarters where, as the hon. member for Rosetown-Biggar indicated, the direct question was asked of one who had the responsibility of directing the army reinforcement situation at that time, and his answer was that the situation was quite satisfactory. That was on the 2nd of October. We spent part of an afternoon in the forward reinforcement camp. I would not hazard a guess as to how many men were in that camp, but it was quite a large number, and again we heard nothing about reinforcements.

Coming back to the French coast we spent a night and part of a morning in the reserve reinforcement depot there, where there were quite a large number of men in the camp. We also spent a little time on the beaches with those who were in charge of the camp. Everything else was talked about but reinforcements. There was no indication given of any shortage. So that, Mr. Speaker, when I came to this house I say that I came here with my mind made up because of that experience on our visit to England, France and Belgium, meeting those in the field who were directly responsible for reinforcements, to analyse the situation as it was placed before us in the house. I could not understand the agitation in the press; it did not make sense to me. My reaction to most of the stuff which appeared in the newspapers was that someone for political reasons was endeavouring to raise an issue which was not nearly as tense, based on my experience, as the propaganda would indicate.

On coming to the house we find that two ministers have resigned from the government, and for opposite reasons: the former minister of national defence, because he had made a recommendation that the N.R.M.A. army should be conscripted for overseas service; the former minister of national defence for air, because the government had passed an order in council implementing, at least partly, conscription. That is rather confusing to the Canadian people.

On the matter of resignations, my impression is that to resign from the cabinet at a time like this is not a solution. While the ex-minister of national defence, perhaps under the stress of circumstances at that time, felt inclined or obliged to take the stand that he did in order to focus attention on the matter, I personally do not think it is the action which should have been taken. I believe that had the then minister of national defence stuck to his guns, remained in the cabinet, asked for a session of the house and placed the matter before it, he would have been supported in the action which he advocated at that time. The fact of the matter as I see it is that the action taken by the government under order in council P.C. 8891 is the action which he recommended at that time. But it is rather confusing to the people of Canada, and more so, I

think, to service personnel overseas, to find that kind of situation here. It is an indication that the issues at stake in this war are not fully appreciated by people who have a distinct and direct responsibility. However, it was, of course, the prerogative of the men who took that action so to do.

I could not quite follow the former minister of national defence when he spoke about the responsibility for the situation in which we now find ourselves. He made an excellent speech, a factual speech; but there is one point which is not clear in my mind. He admitted at that time that there was a telegram from General Crerar to General Stuart. General Stuart was then in the city of Ottawa. That telegram was sent on August 26. General Crerar's telegram indicated that there was a shortage of reinforcements at that time.

Mr. RALSTON: No. My hon. friend is quite mistaken. The telegram which I referred to was a telegram from General Stuart at Canadian military headquarters to General Murchie here. He is mixing this up with another telegram which was mentioned at another session when he speaks of the General Crerar telegram.

Mr. GILLIS: I may be mixed up in the generals.

Mr. ROSS (Souris): And the war. Generally mixed up.

Mr. GILLIS: There are very few in this house who are not mixed up—that is my impression—of course with the exception of myself! The fact of the matter is that there was a telegram in August which indicated that there was need for reinforcements. I am not blaming the ex-minister of national defence for this, but what I am saying is that there is something wrong somewhere in the Department of National Defence, or this matter would not be in the condition it is. The "alibi" is that there is a shortage of reinforcements, but we are remustering over in England, and we think we can take care of the situation. I say nothing against defence officers in the field; I think we have as capable a general staff directing the fighting forces in France and Belgium as you will find in any part of the world; but any defence official in England, responsible for seeing that these reinforcement pools were kept up, with the situation as it was in France and Belgium at that time, when our army was constantly in action, as it was also constantly in action in Italy, who thought he could keep his reinforcement pools built up by remustering other service personnel in England was very short-sighted, to say the least. In my opinion the person who made that decision is at least partly responsible for the situation in which we now find ourselves. That was in August. Consequently, I think, the former minister of national defence has a grievance—at least I would have if I were in his place—against someone in the defence department. If I had to leave Ottawa and make a trip personally to Italy, France and Belgium in order to see for myself exactly what the situation was, and found when I got there that the situation was perhaps 100 per cent more serious than was indicated to me by my officials in England whom I depended on, I would feel I had a grievance against that particular department and I would want to see it straightened out. That is why I say that the former minister of national defence, who in my opinion was not responsible for the situation but was let down by someone, should not have resigned from the cabinet but should have remained in it and cleaned up the department, because something is wrong somewhere there.

Mr. CASTLEDEN: Is it going to be done now?

Mr. GILLIS: I do not know. But certain arrangements have been made. There is now a Minister of National Defence who, knowing the army and the military set-up as he does, certainly will not repeat that performance. He is as cognizant of the situation as it exists overseas and in Canada as any member of this house, and perhaps more so, because he is in a position to have the facts.

With respect to the order in council itself, I wish to make as clear as I can the position so far as I and the other members of this group are concerned. We have an army in the field; that army is fighting a war for certain definite social objectives; it is fighting against tyranny and aggression; and it has to be supported in all circumstances. We must see that it is reinforced and kept up to strength, and that leaves are given as often as possible if that can be arranged. But when you are speaking in those terms you must think in terms of this order in council. Personally I do not regard the order in council as adequate. I do not believe that making available now, in the way you are making available, 16,000 N.R.M.A. personnel is going to meet the bill. I believe this performance will be repeated within the next two or three months unless we do something definite now which will give the boys overseas the assurance that they are going to be backed and backed solidly right along the line in every theatre.

The first thing we have to ask ourselves is this, have we in Canada the man-power to reinforce approximately six divisions in the field, with these six divisions constantly in action? We must determine that. Personally I do not believe that with the population we have, with the machinery of production we have to maintain in this country, we are in a position to reinforce the army in the field constantly in action—and it will have to be constantly in action. Someone said a few days ago that he disagreed with the policy adopted by Eisenhower in keeping the army constantly occupied. My impression is that that army has to keep hammering and smashing all over the front. The hun can have no respite, because if you give him a month or two in which to rest, with the possibility of developing the V-2 weapons, there is no knowing exactly what turn the war will take. You must therefore keep pounding him night and day so as to give him no opportunity for reorganization and changing the war with new weapons.

Mr. GARDINER: I have listened to the statement by hon. members to the effect that the hon. member for Quebec South (Mr. Power) criticized Eisenhower two or three times in this house in the last day or two, and I would suggest that the speech of the hon. member for Quebec South ought to be read. He is not here to speak for himself, and having heard him discuss that question before he discussed it in the house I wish to say that at no time did he criticize General Eisenhower's policy or actions. He says what that policy was and what he was doing, and then he goes on to say that "we are told," not by Eisenhower but by some other people in this country. He does not criticize Eisenhower at all.

Mr. GILLIS: I did not mention any member of this house. The Minister of Agriculture presupposes—

Mr. GARDINER: He is the only person who is said to have criticized Eisenhower. I am quite sure that the reference is to the hon. member for Quebec South.

Mr. GILLIS: I said I heard that policy criticized and my conception of it was that it was a criticism.

Mr. GARDINER: I am pointing out that that is not the intention of it.

Mr. GILLIS: It may not have been the intention, but I am expressing my opinion now and I say that if we are to win the war we have to keep smashing forward constantly day and night. I have no desire to get into a discussion about this. At page 6592 of *Hansard* of November 27 the former minister of national defence for air (Mr. Power) said:

> The strategy of General Eisenhower, supreme commander of the allied forces, publicly proclaimed, is to strike the enemy again and again and to give him no rest and no respite. We are informed that in order to carry out this Eisenhower plan of war, reinforcements must be available and at hand to refill battalions and units within twenty-four hours after the casualties occur. I think I should draw to the attention of the house, and of the thousands of mothers, wives, sweethearts and dependents of those now in the front line, that this repeated return to battle, instead of making for fewer casualties among their loved ones, might very easily make for more. . . .

And so forth.

Mr. GARDINER: Read the next sentence.

Mr. GILLIS: I could read it all night, but it would not improve it.

Mr. GARDINER: He states what Eisenhower's policy is, and he goes on to say that we are told certain things. It is not a criticism of the policy at all.

Mr. GILLIS: I hope, Mr. Speaker, you will take a note of the time. For the benefit of the Minister of Agriculture I will continue the quotation:

> No commander will take his experienced men out of the unit and undertake an engagement with only the newly-arrived, however well-trained they may be. It seems to me that the logical thing, the reasonable thing is to take men out of the line temporarily to refit, to reequip, to rest, to recuperate and to refill the gaps in their ranks.

That is a criticism of that particular plan.

Mr. GARDINER: It is a recital of exactly what Eisenhower did.

Mr. COLDWELL: That was the criticism that the former minister of national defence for air made of General Eisenhower.

Mr. GARDINER: There is no criticism in that.

Mr. COLDWELL: The criticism was made here.

Mr. GARDINER: He simply states that is what any general would do, and it is what Eisenhower did.

Mr. GILLIS: As I was attempting to say, I believe that in the long run, if that plan of action is carried out, it will mean fewer casualties. It will mean a saving in the loss of life.

Mr. MacNICOL: That is Eisenhower's plan. You are right and he is right.

Mr. GILLIS: If the war is allowed to drag and if these V-2 weapons are developed no one knows what will happen. Anyone who has had to live in England has some realization of what it will mean not only to those at the front but to civilians behind the line. All these people realize that getting the war over as soon as possible is the job for the peoples of Europe and of the world. We must be cognizant of that fact.

What I attempted to call to the attention of the house was the man-power that we have available for military purposes in Canada, and when I say that, I think part of our difficulties at least has been a faulty man-power policy from the start. We overdeveloped the mechanized units; we overdeveloped the air force, and we failed to make provision for what the last speaker to-night realistically pointed out when he said that you do not win wars without infantry. The infantry has to go in and take hold of territory or you will not win a war. But we failed to realize that.

There were many reasons for that in the beginning of the war. Everyone assumed that this war would be won in the air. There is another reason why we find ourselves in the present situation, and while it is not my prerogative to defend the Prime Minister, I like to be fair. I will say this, therefore. Over a year ago I heard prominent men broadcasting in this country, one of them from the United States, urging us to get ready for an early termination of the war. The war was nearly over. That was the sentiment on the other side for some time in certain circles. You remember there was a plan to assassinate Hitler. Many of the dignitaries running this war were in on it and they believed they would make another negotiated peace with the German junker generals. We were going out of production in this country for a while in war materials. We did not need more shells. The same applied to the United States and to Britain. That plan did not work. Maybe that is why we were trying to remuster. It was said that the war would be over in a short time. As a result we were caught in a trap which some of the dignitaries who have the responsibility of conducting the affairs of the war were going to spring, and it did not work.

That is perhaps one of the reasons why we are in this situation to-day, and we are not alone in this, as far as I can see. To fill up the infantry units in Britain they are remustering the air force. I have talked to many R.A.F. boys in this country who were on their way home, recalled to go back to infantry units from the air force. So that the whole thing has been developing for some considerable time. Someone has been responsible, and I do not think you can throw the whole responsibility on any one particular person in this country—that is, if we want to be fair about it and not just to use the issue for political purposes, because I consider it is the meanest and smallest political game that could be played.

I said that I was sceptical of whether we have the man-power in this country to operate our machinery, take part in agricultural activities and keep up war production and the other things that are essential parts of the war and reinforce approximately six divisions constantly in action in the field. There may have to be a reorganization of the military forces. I hold in my hand a table which appears in the publication "Canada at War", No. 41, dated October, 1944. I do not wish to read the table because I believe every hon. member in the house has a copy of it. But I find that in Prince Edward Island 46·5 per cent of the man-power in the age groups eighteen to forty-five are in the forces. That is a large portion of the man-power of that province. It must be remembered that a large percentage of those who are left in that age group are in essential jobs or are medically unfit for military service and are eking out an existence in some industry. As you go down the list you find that Nova Scotia has 45·4 per cent of that age group in the services. I believe that someone in the Department of National Defence should sit down and study that table or have the statisticians work on it to find out whether Canada can take that number of men from its industrial set-up and still maintain food production and other requirements in this country and at the same time reinforce the anticipated casualties in the next six months in the kind of fighting that we are to meet on the Rhine.

I believe that splitting up the Canadian army and having it fight on two fronts was definitely a mistake. I believe the reason for the acute reinforcemnt problem in Italy is that when the second front opened across the channel the war in Italy was considered as just a sideshow. They were kind of forgotten; they were overshadowed by the larger operation in France and Belgium and they were neglected. I believe they have gone through some of the toughest fighting of any of the troops in the field to-day. I have had a lot of letters and talked to a lot of boys from that front. I am convinced that there was a very serious shortage of reinforcements on that front and hardships suffered by men who have gone back into the line on two or three occasions after being wounded and

hospitalized, men who should have had a period away in convalescent areas fitting themselves up if it was necessary for them to go back again.

I do not think the order in council is adequate. I believe that the government is going to have to face up to the situation. I believe that the Canadian people, if they are honestly approached on any matter and the need is proven to them, will support the government in any action that they may take to defeat those who would impose a system of totalitarianism throughout the world. I find the people generally in the country have a greater realization of what is at stake in this war than the hon. members in this house.

I also find that with respect to all of this criticism of Quebec—I am not criticizing them; they are the victims of a faulty political education for the past forty or fifty years—the thing that has to be driven home to the people of Quebec is that this is not an imperialists' war; that we are not fighting this war for Britain, for the United States or for any other country. This is a world revolution, and out of this world revolution is going to come a changed era of society. It is going to be as decent and intelligent as we, the peoples of the world, make it. Unless we get in there and accept our responsibilities and see that the social objectives for which we are fighting the war are established when the war is over, then winning the war on the military front is not going to suffice.

In my opinion the system of capitalism has had one war too many—three wars in one generation. Practically everybody in the world to-day in the age groups to which we belong has seen the repercussions of the two previous wars. We see that very clearly to-day in Greece, in Belgium and in France, where the peoples of those countries are not accepting domination from another military machine to replace the one they have just got rid of. They are striving and reaching for a say in the kind of government they are to have in the aftermath of the war.

The people of this country are neglecting their franchise. Probably if they lost it once as the peoples throughout the world with the exception of the British empire and the United States have lost theirs, they would realize the importance of it and the obligation and responsibility that they have to see that it is properly exercised. They have never had to fight for it, that is why they do not appreciate it.

The hon. member for Vancouver North (Mr. Sinclair) offered some criticisms last night. What I liked about his remarks is that he recommended something. I should like to support that recommendation. I think the greatest reservoir of man-power for military purposes that we have in Canada to-day is the air force which is being demobilized. They have been in uniform; they know discipline; they have some knowledge of weapons and foot drill. The hon. member recommended or suggested that if these units were utilized as infantry units and formed into air force battalions, which would keep them together, they could be retrained in a short time. They would be proud of that unit. They would fight together because most of them have been in a team for the last three or four years. I believe that was a sensible and logical suggestion on the part of the hon. member for Vancouver North. I am not going to go into the figures, Mr. Speaker, but I wish to close by saying I think that specific recommendation made by that hon. member is one which should be probed and probed realistically by the Department of National Defence. Second, I would recommend a study of the table of figures I mentioned a while ago by the Department of National Defence along with the other departments, because the Minister of Agriculture (Mr. Gardiner) has a man-power problem. We are depleting the farms. The Minister of Labour (Mr. Mitchell) has a man-power problem. Every minister in the cabinet has a definite responsibility to the country. There is not much use to cure a reinforcement crisis in France and Belgium and create another crisis within the country in regard to food, fuel and the other essential war requirements.

I am sceptical of the adequacy of the order in council passed by the government. I wish to close by saying that in so far as I and the members of this group are concerned our first responsibility is to see to it that those who are now on the battle fronts are adequately reinforced without any equivocations. Second, I wish to draw to the attention of the government the fact that if the amendment proposed by the hon. member for Rosetown-Biggar is considered, as some hon. members have so expressed it, an effort on the part of the members of this group to focus attention on their own particular political programme, nothing is further from the minds of this group. What we are trying to do, and this government will have to do it at some time in the future, is to guard against what is taking place to-day over in the occupied countries—an invasion without a plan for the future. In the aftermath of this war you are going to have to mobilize man-power, resources and everything that go

with those things, to provide ways and means for those now serving overseas, and who are making it possible for us to decide these matters as a free people. They must have employment, a job and all that goes with it and, following this war, there will have to be a plan to mobilize resources, man-power and all those other factors necessary to implement the social objectives for which the war is being fought.

This will be the responsibility of the government. And if it is not done in that way, then some will do it in another way, and perhaps we shall see in Canada what is taking place in other countries where no plan was provided for what might follow after the invasion.

Mr. HARRY LEADER (Portage la Prairie): Mr. Speaker, rising to speak at this critical time in our national history I do so with a sense of responsibility such as falls upon any member of parliament who speaks in the House of Commons.

We were called to Ottawa to receive information from the government, and I hope to give it some advice in these days of national concern. I am sure all hon. members regret that an incident of this kind, if it may be so described, should occur after these years of war. I speak not only for myself, but for my constituents, and, I believe, for the people of Canada when I declare that in its conduct of the war this government has done a magnificent job. After these years of struggle and anxiety it seems most unfortunate that the condition which confronts us to-night should develop in what we hope may be the dying days of a long war. Certainly victory is assured, although it may not come as soon as we might expect.

The business of the session is to try to find a method for increasing reinforcements for our boys overseas, a continuous stream of fighting men who will enter the ranks of those gallant lads who have put up such a magnificent battle since D-day. We ask for a number of men sufficient to assure that we shall finish the job. With that object in view I do not think we should consider the fate of any government, nor should we fear a general election. I repeat, in achieving the object we have in view, namely the reinforcing of our fighting men overseas, we ought not to fear either the fall of a government or a general election. We were called to Ottawa to examine information which would be submitted to members. After receiving that information, I should like to discuss the subject, with sincerity. I want to be able to vote with conviction.

It seems to me that in the examination I intend to make to-night, slight as it may be, there are three facts we must keep in mind. First, we must remember that the Prime Minister (Mr. Mackenzie King) is anti-conscriptionist; second, that the new Minister of National Defence (Mr. McNaughton) is also anti-conscriptionist and, third, that the province of Quebec is anti-conscriptionist. Over the radio and throughout the press we heard rumours to the effect that there was a lack of reinforcements for our fighting men overseas. Some have referred to these rumours as propaganda circulated by the opposition. I am not so sure they had that object in mind; but after being in public life for nearly twenty years and in this parliament for twelve years, I can quite understand that they would seize the opportunity to make political capital. Perhaps that is their right. I do not for a moment believe it ever occurred to any hon. member of this house to do anything that would interfere with our war effort overseas.

The rumours continued and evidence began to accumulate showing that there might be some foundation for them. So that the then Minister of National Defence (Mr. Ralston), who in my opinion knew the facts better than anyone else, who had at heart the interests of the fighting men and the general organization of the army at home and overseas, decided to make a personal inspection and get the information at first hand. Well, the information he brought back was to the effect that our reinforcement pools were at a very low ebb and that the boys, after months of battle without a chance to rest, were still grim and determined but tired. Upon reaching Canada the minister immediately submitted his information to the government, suggesting that the volunteer system had not furnished reinforcements in sufficient numbers to take care of the actual situation and that 15,000 of our N.R.M.A. personnel should be dispatched overseas forthwith. I believe that the minister did his best to give the cabinet a true picture of the situation, and then the matter was left with the Prime Minister and the government.

We all know what happened, and it did not take long to happen. The former minister either was asked to resign or resigned because his recommendations were not accepted, and in his place was put the anti-conscriptionist to whom I referred earlier in my remarks, which is a fact that should be kept in mind. We had evidence that General McNaughton considered the voluntary system preferable to the draft system, and accordingly he was given an opportunity to see if he could not make the voluntary system work. I am sure General

McNaughton had only one thing in mind, namely to find men to support our boys overseas. Believing in the voluntary system as he did, he started out with that thought uppermost; he asked his commanding officers throughout the dominion to come to Ottawa, and here they had a conference. Following that conference we were told that a new attempt would be made to entice, persuade or advise our home defence army to go active. Then we had reports in the newspapers that these officers told General McNaughton that they did not believe this would supply the numbers required, but that they would go back and do their best. The inference was left that the generals were fairly well agreed that something might come out of this new infusion of life into the voluntary system; but we have on record the fact that Brigadier R. A. McFarland of my own district, No. 10, resigned because he did not agree with those statements. Then occurred one of the strangest somersaults that I ever saw take place in the political life of this country, when an order in council was passed practically adopting the scheme that had been recommended by the former minister of national defence. This proved beyond a doubt, Mr. Speaker, that the former minister was right and that the new minister, together with the Prime Minister and the remainder of his government who supported him, were wrong.

Now I think I have the right to give you the position I have held throughout these years of war. I have been in favour of conscription for service in any part of the world where our interests may be threatened. Having held that view, I do not expect to change it now; nor do I expect you to take my word for the declaration I have just made. I am going to take you back to the records of *Hansard*, to a speech I made in this house on February 18, 1937. The organization known as the United Farmers of Manitoba had their annual convention that year at Neepawa before I came here for the session, and I was a delegate. Remember, this was two and a half years before war actually broke out; but there were rumours of war; the war clouds were gathering and could be seen by any one who was at all observant. At that meeting this organization passed a resolution which I submitted to this house, declaring that if we must go to war all the resources of this country should be used in the prosecution of that war. In regard to that resolution I said, as reported at page 994 of *Hansard* for 1937:

> The Canadian people expect that if we must go to war all the resources of the country will be employed in the prosecution of that war. I believe that in the nation's interest we should conscript . . . the resources of the fields, of the forests and of the mines, and all the accumulated wealth.

In 1942 I again found it necessary to place myself on record in this house. That was on the occasion of the referendum in 1942. Hon. members will recall that the speech from the throne in 1942 declared that parliament would be asked to approve the submitting of a plebiscite to the people of Canada to release the ministers of His Majesty's government from the promises which they had made in 1940. I did not think that we needed a referendum at that time. It is a slow process at best and very expensive, and I felt that we had in this house 245 members representing the whole Dominion of Canada from one end to the other and that we were the proper ones to decide whether the ministers of the government should be released from their promises. But the Prime Minister declared that he had no other recourse than to submit the question to the people because it was to the people that he had made the promise, and I am sure now that he was right. But on that occasion I used these words on the floor of the house:

> I had hoped that the question of conscription would escape the turmoil of party politics. I believe that the Prime Minister, with his knowledge of the situation, and the need for vigorous and aggressive action, would have accepted the responsibility or else allowed the house to decide the issue. Now the initiative has been taken by the politicians, with results, I fear, detrimental to Canada.

I think it is only fair to say, after witnessing almost two weeks of debate that the issue has in a measure got into the hands of the politicians. My advice at that time was not taken, and the very fact that the issue has got into the hands of the politicians proves that my fears then were well-founded. I went on to say in the latter part of my speech on that occasion:

> As a final word I want to add that my action will be justified as a gesture of tolerance, in order to preserve unity in our beloved land.

I have told the house that I supported the Prime Minister's policy of a plebiscite, not that I believed that it was the proper course, but because, after listening to several speeches from members of the house, I believed that there was a lack of tolerance among Canadians and I supported the government to show that I was doing what I could to promote tolerance. I concluded with these words:

> The plebiscite is a delaying action, I admit. Future events will test its wisdom. At any rate I am giving the government the benefit of the doubt. If the government, or the opposition, or any individual member of this house has served any interests other than the welfare of his country, may God forgive him; the nation dare not, and in my opinion never will.

It is well for the house to remember that that was my record prior to the summoning of this special session.

The member who preceded me, the hon. member for Cape Breton South (Mr. Gillis), said something about disunity in this country and said that it was largely a matter of education. Perhaps lack of education would have been a better term. But I think he is right. I ask you sir, can we build up a united nation in this country on a separate school system? I want my friends from Quebec to understand that I am their friend and that they are my friends. We are all Canadians. But I do say that the foundation of disunity in this country is our separate school system. Let us get our Canadian children into national public schools and let them all be taught Canadianism. Let them all be taught the same lessons. I have heard men argue in the house that we should have a Canadian flag. I have never had much desire to change the good old union jack. I love it. But I love Canada better, and if we decide to adopt a national flag for Canada I shall be all for it if it will help in making this a more united country.

I wonder when some one will be elected to this house who is big enough and brave enough and bold enough to speak to the people and say: We are going to build a Canadian country here; we are going to deal out fair play to everyone living in it, and when you accept responsibilities as a citizen of this country then we shall have unity and fair play. But we must all do our duty.

I noticed in the press the other night that we have 9,329 conscientious objectors in Canada, and to my horror I found that Manitoba has the most of any province—2,820. Those people are bred conscientious objectors and draft evaders by our educational system and by legislation that has been passed by this parliament. I will mention some of the sects that we have admitted to Canada. We admitted the Mennonites in 1873 and granted them exemption from military service. I will say this for the Mennonites. I live among many of them, and not so far from them, and they are some of the best citizens of Canada. Many of them are dying for Canada on the battlefields of Europe in this war. But they would have been still better citizens if they had not been granted this special privilege of military exemption.

Then I am thinking of the Doukhobors, whom, thank God I do not live alongside and never have. They seem to flower particularly in the fair province of British Columbia. They were admitted to this country by special legislation in 1898 which granted them exemption from military service. They have settled in their own communities and the only weapon they ever use in defiance of the law is to parade in the nude. They will not fight for their country; I do not believe that they will fight even for themselves. Had we seen to it that their children were educated to become Canadian citizens the story might have been quite different.

Then we have in the province of Manitoba the Hutterites, a lot of them. They also claim that they have special privileges. I do not believe that they were granted special privileges, but they claim them. They left the United States because they were told by the authorities there: If you will not fight for this country, get out. So we welcomed them over here; they came to Canada and settled in communities where they gradually shoved Canadians out of the district and founded their own separate schools where their children are not taught to become good Canadians. They are not taught Canadianism at all. That is why I am bold enough to say that our educational system is all wrong; it must be changed if we are to have a real Canadian country.

I noticed that Prime Minister Churchill the other day, in referring to the United States, said that they are the greatest naval, military and air power in the world to-day. The United States went through the throes of settling their country, as Canada is doing now, but they had a national school system. I have no doubt that they have their sectional problems, especially the negro question, but observe their position to-day. Their men are not holding back and saying, "We are exempted from military service because you gave us that right when we came to this country." They are enlisting, and if not as volunteers they go anyway, because the selective draft system is in force, and no one is exempted if he is physically fit. That is the sort of policy which made that nation great. For us, who live alongside, theirs is a great example.

I wonder whether the Prime Minister would be annoyed—I think not; I certainly would not read this if I thought he would be—if I mentioned something which happened at the time of the plebiscite. I did not think the plebiscite was the proper course; I thought that it was an evasion of the responsibility of government, and that we, the representatives of the people, were the ones who should decide. Accordingly I wrote the Prime Minister this letter on January 23, 1942:

Not being in accord with your stand on the conscription issue I deem it my duty to inform you that I will not support your policy as announced in the speech from the throne.

If you decide that my seat on the government side of the house is no longer tenable I will be pleased to accept a location opposite.

There was no answer to this letter, but I was called into the Prime Minister's office. After presenting my point of view, and he giving his point of view, I still maintained that I could not vote for his policy. This was his reply, "Leader, you vote according to your conscience. That is what I intend to do. As for going on the other side of the house, stay where you are." I thought that was fair, eminently fair; I appreciated it and I thank the Prime Minister to-night.

I am an independent. I will never surrender that independence, political or otherwise, to anybody or any association while I have breath in my body. When I went home and told my executive that I no longer wished to sit with the Liberal party and that I would rather run as an independent and take my place as such in this house, they said practically the same thing as the Prime Minister did: "You stay where you are; you are doing good work for us."

And so, Mr. Speaker, when I stand here to-night and boldly state some of the things which I have done, it is not in anger; it is just from a sense of duty. My people have confidence in me. What a terrible thing it is to abuse that confidence! I hope I am never guilty of it.

Just a few weeks ago I was renominated for my seat of Portage la Prairie on the old ticket of Liberal Progressive. I said, "I will be your candidate, but you will have to accept me as I am and I will be bound by no party ties." That was published in the western papers. I received the nomination. When I tell you to-night that I am not voting confidence in the present government, I recognize it is going to affect my position at home. It may be that they will not want me to run under the Liberal Progressive banner. That is fine with me. If the people of Portage la Prairie want me to represent them in this house as an independent member they will find some other vehicle upon which to send me here. It may be that they will want me to continue. It may be that the Prime Minister will say, Leader, I do not like your sentiments; I do not like the way you expressed them; nevertheless, vote as your conscience dictates, and remain on this side of the house.

Some confusion has been evident in speeches made by certain hon. members in this chamber, and it is indicated in newspaper articles that the minds of various hon. members are a bit confused as to how they shall vote. Far be it from me to advise them. Some of them are going to vote for the government because they put in a limited measure of conscription. Others are going to vote for the government if they do not go any further. Other Liberal members intend to vote against the government because they will have nothing to do with conscription whatsoever. But to me there is no confusion. Free from all party ties, and as an independent member of this house, I wish to say that I will vote against the government, and can do so with a clear conscience.

Mr. AZELLUS DENIS (St. Denis) (Translation): Mr. Speaker, to-day, as in 1942, during the debate on bill No. 80, which I opposed, I am anxious to explain to the house the stand I feel bound to take in the present circumstances.

In this house and outside, I have often declared and I repeat now that I am against conscription of Canadians for military service overseas; I have not modified my opinions on that score whether the measure contemplated be limited or unlimited, partial or total. However, I might not be completely averse to a form of conscription which would apply exclusively to those who wish to impose it on their fellow-citizens!

If I am at present the lowly representative of St. Denis constituency, it is because I have supported, with the leaders of the Liberal party, during the 1940 election campaign, a war effort on a voluntary basis exclusively. But we are now called upon to support or reject the present policy of the government, including an order in council ordering the sending on overseas service of sixteen thousand of our young men on a compulsory basis.

As I have stated in the first part of my remarks, in 1942, I opposed the passing of Bill No. 80 because it constituted an admission of the principle of conscription for overseas service and I feel bound to oppose its implementation much more energetically to-day.

Unfortunately, bill No. 80 has become the law of the land by a majority vote of the members of this house. Since then, I have felt that the only man who could avoid or delay to the extreme limit the implementation of a measure which is evil from every standpoint, was the present Prime Minister (Mr. Mackenzie King). That is why I have supported and defended him, instead of opposing him and attempting to discredit him, to lessen his prestige and power, as some ultra-nationalists from the province of Quebec have

done, when they should have known that their one-sided propaganda of hatred and slander was gradually, but surely, undermining the prestige of the only man who was able to ward off a recurrence of the dark days of 1917. By such manoeuvres, they have succeeded in rousing eight of our provinces against the other.

Thus, they were helping the cause of the Tories, of the conscriptionists, of the Toronto two-hundred and of pastor Shields and they must assume a good part of the responsibility for what is happening to us to-day.

I fully realize the situation with which the Prime Minister was suddenly confronted, but I cannot conceive why this situation could not be foreseen and averted.

Our man-power contribution to the allied war effort should have been limited to the number of volunteers which until now compares favourably with that of the other nations, if our total population is taken into account.

For political reasons, certain Imperialists and Orangemen charge that French Canadians do not enlist in sufficient numbers and, strangely enough, they are the same people who, by setting up all kinds of difficulties and provoking injustices, have prevented them from doing so. One may well wonder that, despite all this, there should be so many French-Canadian volunteers.

No consideration or respect is shown to N.R.M.A. men whether they be French or English speaking, and yet these men have done nothing worse than comply with the laws of the country. They are insulted, they are called "zombies", and yet a large number of them are now in our armies overseas where they are risking their lives to defend the homes and the property of those who insult them so contemptibly.

French-speaking Canadians have no less courage than Canadians of English descent; they are as conscious of their duty to their country and more so than the trouble makers who try to bring about disunity.

I do not want you to think for a moment, Mr. Speaker, that I wish to withhold the required reinforcements and equipment from our soldiers overseas. They have already been assured of such reinforcements by the provisions of order in council 8891, but I regret that the lack of foresight, strategy or good faith, no matter on whose part, has forced the government to resort to compulsion.

I shall therefore vote against all the amendments and subamendments moved by the Conservatives, the C.C.F. and the Social Crediters, who would like to send the whole of Canada to England or Europe.

I shall support with pleasure the subamendment moved by the hon. member for Montreal-Mercier, limiting our war effort to the voluntary system, and, finally, I shall vote against the main motion.

On motion of Mr. Dupuis the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 10.50 p.m.

Wednesday, December 6, 1944

The house met at three o'clock.

PRIVILEGE—MR. JEAN

REFERENCE TO REMARKS OF MR. DORION IN DEBATE ON MONDAY, DECEMBER 4

Mr. JOSEPH JEAN (Mercier): Mr. Speaker, on a question of privilege, on Monday, December 4, the hon. member for Charlevoix-Saguenay (Mr. Dorion) said at page 6781 of *Hansard:*

> With regard to the subamendment moved by the hon. member for Mercier, if we deal with it as I have dealt with the wording of the amendment moved by the opposition, in order that we may understand what it means, this is what we get:

Then the hon. member for Charlevoix-Saguenay proceeded to redraft the subamendment which I had moved. I contend, Mr. Speaker, that the hon. member has not the right to change the subamendment which I have moved, and he should not make an argument on my subamendment as he has redrafted it. I do not think that the version of my subamendment which he has given should appear in *Hansard.*

Mr. SPEAKER: I was not aware until the hon. member spoke that another subamendment had been moved. What is before the house now is the main motion, the amendment of Mr. Graydon, the leader of the opposition, and the subamendment moved by the hon. member himself. That is all that is before the house.

Mr. MACKENZIE (Vancouver Centre): And the hon. member's amendment speaks for itself.

BUSINESS OF THE HOUSE

PROCEDURE ON WEDNESDAY—QUESTIONS ON THE ORDERS OF THE DAY

Mr. SPEAKER: Government orders.

Mr. COLDWELL: Mr. Speaker, are we taking orders of the day as we did last Wednesday?

Mr. SPEAKER: This is Wednesday, and the resolution dealing with Wednesday's proceedings is still in force. That resolution is to the effect that the order of business on Wednesday shall be the continuation of business interrupted by the adjournment of the house on the preceding day, without questions and orders of the day being proceeded with.

Mr. COLDWELL: I call to Your Honour's attention the fact that last Wednesday the orders of the day were called and there was discussion on matters of urgent importance. To-day's Routine Proceedings and Orders of the Day contains Questions and Orders of the Day, and before the orders of the day are called I have a question to ask of the Prime Minister.

Mr. SPEAKER: There are no routine proceedings on Wednesday, in accordance with the resolution passed by the house, and therefore we proceed directly with the government order. The hon. member for Labelle spoke before the orders of the day were called. I am now calling orders of the day.

Mr. COLDWELL: Before the orders of the day are called may I ask the Prime Minister a question of which I sent him notice this morning?

Mr. SPEAKER: My understanding of the resolution which the house passed was that we would proceed with the business for the day without questions being asked on the orders of the day, for the reason, as stated by the Prime Minister, as I recall it, that he did not wish to have ministers in their seats on Wednesday to answer questions, and therefore there were to be no questions asked on the orders of the day.

Mr. COLDWELL: Then your ruling is that we should proceed with the adjourned debate, Mr. Speaker?

Mr. SPEAKER: That is my understanding of the terms of the resolution.

Mr. COLDWELL: I will abide by your ruling, Mr. Speaker, but—

Mr. SPEAKER: It is not a ruling; it is a resolution of the house.

Mr. COLDWELL: I would point out to Your Honour that in asking a question on the orders of the day I am simply following the precedent set last Wednesday.

Mr. SPEAKER: I am not aware of questions having been asked last Wednesday. If there were any questions asked, it must have been by unanimous consent.

Mr. GRAYDON: May I say a word, Mr. Speaker? The session is drawing pretty near to its close, and I think we can get over this difficulty if the Prime Minister and the government, with the unanimous consent of the house, would make an exception to the resolution so that questions may be asked of the ministry. I think that would meet the wishes of hon. members generally. I join with the hon. member for Rosetown-Biggar in asking that that be done.

Mr. MACKENZIE KING: Hon. members will recall that during the earlier portion of the session the house did adopt a resolution with regard to the procedure on Wednesdays, which is the procedure just outlined by Your Honour. I trust that, as just suggested by the leader of the opposition, the session may be speedily concluded. Otherwise I would wish to adhere to the resolution as passed by the house. If it is the desire of hon. members however, to have questions called I would ask that course be permitted at the present time.

Mr. SPEAKER: I understand the Prime Minister to say that the orders of the day will be called and that questions may be asked on the orders of the day.

LIBERATED COUNTRIES

EVENTS IN GREECE, BELGIUM AND ITALY—QUESTION OF NON-INTERFERENCE

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, in view of the grave implications of the British government's attitude towards events in Greece, Belgium and Italy, and particularly its reported refusal to accept Count Carlo Sforza, a leading democratic opponent of fascism, as either premier or foreign minister of Italy, and in view of the part played by Canada in the liberation of and other assistance to these countries, will the Prime Minister inform this house regarding the attitude of his government towards these events, and to reported statements made by Mr. Churchill and Mr. Eden concerning them?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. leader of the C.C.F. group did send me in writing the question which he has just asked, and I think it advisable to give him my reply as I have it in writing.

I may say that I share my hon. friend's concern about the very confusing situations which the armies of liberation have had to contend with in some of the countries which have suffered most from nazi oppression. I should not like to make a difficult and un-

grateful duty even more difficult to perform by offering comment from this distance on day by day developments, in dealing with which the main responsibility must inevitably fall on the allied commanders. The three countries mentioned are all within theatres of active operations in which the needs of the war against Germany must still be the chief factor in framing policy.

In Italy, and indeed even in Greece, the corruption of dictatorship had undermined effective political institutions before nazi control completed their destruction. It has, therefore, been an extremely difficult task to improvise reasonably representative administrations, pending the re-establishment of democratic methods, under which political responsibility clearly rests with the people. Transitional difficulties and disturbances should not, however, create any doubt in any man's mind about the determination of the united nations to respect the right of all peoples to choose the form of government under which they will live.

Mr. FRED ROSE (Cartier): I sent a notice of certain questions to the Prime Minister and I should like to have an answer which is more informative. It is true that we have had an answer, but I would say that in view of the uncertainty and confusion in regard to the European situation we should have a concrete statement of policy at this time. My questions were:

In view of the reported participation of British troops in fighting against Greek resistance forces and Greek civilians, will the Prime Minister tell this house if any Canadian troops are stationed in Greece, and if so, did they participate in any of the reported actions?

The second part of the question was based on a statement from the United States State department. In view of the unequivocal statement issued by the United States state department, dissociating the American government from the present attitude of the British government, which is one of intervention in the liberated countries in the choice of governments and public men for such governments, as is the case in Italy, Greece and Belgium, will the Prime Minister give this house public assurance that the Canadian government will abide strictly by the policy of non-interference in the internal affairs of liberated countries, as enunciated by our ally and neighbour, the United States of America.

Right Hon. W. L. MACKENZIE KING (Prime Minister): A moment ago I received the questions which the hon. member has read to the house. As far as I am aware, and I think I should know, there have certainly been no Canadian troops in Greece as suggested in the question the hon. member asks, and there is no reason therefore to assume that they had any participation in any of the reported actions there. With regard to the second question, as the hon. member has intimated, I have already replied in a general way, but if he wishes to have a more specific statement as to the government's policy on non-interference in the internal affairs of liberated countries, I have no hesitation in giving the assurance that this government has no wish to interfere in the internal affairs of liberated countries where that can possibly be avoided.

HOUSE OF COMMONS

QUESTIONS WITH RESPECT TO EXTENSION OF TERM OF PARLIAMENT AND DISSOLUTION

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I delayed asking the question of the Prime Minister which I desire to ask him now, until some time at or near the close of the session in which we are now engaged. It is this: I think the house and the people generally would like to have some declaration and clarification by the Prime Minister of the government's intentions regarding the possible extension of the parliamentary term which expires on April 17 next. Some mention has been made of this in another place; there have been many references to it in the press; and, while our position in opposition to any extension has been made very clear, I think the Prime Minister ought to indicate, now the session is drawing near to a close, what the government's intentions and policies are.

At the same time it would be well if he would clear the air of numerous speculations which have appeared, and which no doubt he has seen, as regards what will happen if there is no dissolution of parliament before its term expires. In other words, it would seem possible that when the term of parliament expires on April 17 the government might go on for quite a length of time without announcing the date of the election or issuing the writs. These are matters on which the Prime Minister may wish to make some statement to the house.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I believe the house and the country know very well what my position has been right along with regard to the extension of the term of parliament. I am against it. I have right along been against the extension of the terms of parliaments and legislatures. When the constitution fixes a term within which the people are to

exercise their right to send their representatives to a new parliament I think the constitution in that particular should be respected. I wish again to assure the house and my hon. friend in particular that nothing has been further from my thoughts, at any time, than to have an extension of the term of the present parliament beyond that which is fixed by the constitution.

As to the other question, whether the government, should it be continuing in office up till the time of the expiration of the term, would then seek to take a long time before it would ask his excellency to proclaim an election, may I say I have not so much as a thought of anything of the kind. My desire is that, without an appeal to the people if at all possible, the government should continue in office, discharging its duties as a government called upon to administer affairs in time of war, so long as the war continues, this to avoid the necessity of an election during war time. That, of course, implies that the government is going to be sustained in office as a result of the vote that will be taken at this particular time. I have never thought it advisable, if it could be prevented, that there should be a general election in Canada while men were fighting at the front, unless that became obviously necessary. On one occasion I spoke at some length on the kind of situations that might necessitate a dissolution while the war was still on. I was addressing members of my own party at the meeting of the National Liberal Federation on the 27th of September last year. If hon. members are at all interested in what was stated at that time I could repeat it, but I think what I then said is known to all present here.

So far as I can see at the moment, the endeavour will be, if the government is sustained, to carry on without an election while the war continues, so long as that may be possible, but not beyond the period fixed by the constitution.

As to how it is to be decided at what time the war has terminated, I notice that the Prime Minister of Great Britain has had occasion to speak on this matter on two or three occasions; and Mr. Churchill has said it may well be that this war will not terminate suddenly or in a way that will be wholly apparent to everyone; that there may be guerilla warfare for a period, and that it may be difficult therefor to fix any date at which it can be declared that the war is at an end. Decisive battles will be fought at some time—I think one is being fought at the present time; there may be others—but there will be decisive battles which I should hope will make it apparent that the allies have conclusively won the war. In determining what would be a reasonable time at which to make an appeal to the people, the question as to whether the decisive battles are over, is one that I personally would feel should be taken into account.

As to fixing a date months after a dissolution before the government would have writs issued for the general election, is to my mind wholly unthinkable. No one who has held the position I have held over these last five years could fail to wish to have an opportunity given the people to express their views once the chance comes.

CANADIAN FORCES

RESIGNATION OF DIRECTOR OF ARMY RECRUITING—REQUEST FOR TABLING OF CORRESPONDENCE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I have two questions to direct to the acting minister of national defence: I hope he has received copies of them, as I wanted him to have the general trend of my questions before him. One is this. I understand that a new director of army recruiting has been appointed by General McNaughton; he will take the place of Brigadier J. A. Mess, who has recently resigned. In view of the interest taken by the public in this change I would ask the minister to table such letters and correspondence as may have passed between Brigadier Mess and the Minister of National Defence or any member of the government relating to the brigadier's resignation.

Hon. ANGUS L. MACDONALD (Acting Minister of National Defence): I know nothing of the circumstances surrounding the retirement or resignation of Brigadier Mess, but I shall be glad to discuss this whole matter with the Minister of National Defence this afternoon.

PUBLICIZING OF ACTIVITIES OF UNITS IN ACTION OVERSEAS

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): May I direct a further question to the acting minister of national defence? In my morning's mail from overseas a constituent of mine, who at the moment is a major in the Canadian army serving in Holland, makes the following suggestion:

There is one thing I feel should be done, and that is that security should be relaxed sufficiently that Canadian regiments may be mentioned by name in Canadian papers. Units over here are very proud of their traditions, and it would be a great morale-builder if the

units were mentioned by name more often, both for the men here and for the families and auxiliaries who are behind them at home.

I would therefore ask the acting minister of national defence to take this matter up with the minister so that consideration can be given to this proposal. Perhaps that policy is now under way, because I think all of us, particularly those who are connected with Ottawa and district, bulged with pride over the newspaper accounts last night and this morning of the brilliant role which the Princess Louise Dragoon Guards of Ottawa played in the capture of the city of Ravenna, one of the nazi strongholds in Italy. As appears in the papers to-day, there is the following citation with reference to that unit which is now known as the Fourth Reconnaissance Regiment:

> . . . a brilliant encircling movement by the Princess Louise Dragoon Guards which outflanked the city and forced the enemy to withdraw to avoid being trapped.

I only add that because it came to my attention after I had framed my question with regard to the other matter.

Hon. ANGUS L. MACDONALD (Acting Minister of National Defence): As the leader of the opposition says, mention has been made from time to time of the achievements of Canadian units. What I would suppose his friend in the field is desirous of having arranged, however, is more frequent and more immediate reference to these units than is now the case. I shall be glad to go into the matter with the Minister of National Defence to see whether more frequent and more immediate references can be made.

SUGGESTED EXEMPTION OF SOLDIERS' CARS FROM GASOLINE RATIONING

On the orders of the day:

Mr. T. L. CHURCH (Broadview): On August 10 I asked the Minister of Munitions and Supply a question with reference to extending the provisions of the gasoline rationing regulation, which applies to war workers using cars, to soldiers who have cars and who use them going to and from camps. I said:

> Outside the camps, coming along the road, they pick up privates and give them a lift into the city. I see no reason why the provision should not be extended to include soldiers as well as war workers.

I would like to have an answer from the minister. He said he would see the oil controller. I think it would help in recruiting, because in view of the bus shortage and lack of trains I think the provision should be extended to soldiers who are doing their duty.

[Mr. Graydon.]

Hon. C. D. HOWE (Minister of Munitions and Supply): The requirements of a soldier depend upon his category. If he has business requirements in connection with his duties, gasoline is allocated accordingly. Of course while he is in actual service gasoline is furnished by the military authorities. I know of no injustice being perpetrated and of no inequality as between the position of soldiers and that of civilians. As I told the house, provision has been made for soldiers on leave whether or not they own a car, and for soldiers returning from active service. In taking care of these categories I think we have avoided any possible hardship to men in uniform.

Mr. CHURCH: Why should war workers have it and not soldiers?

INQUIRY AS TO NUMBER OF R.C.N.V.R. MEN EMPLOYED ON THE RAILROADS

On the orders of the day:

Mr. J. W. NOSEWORTHY (York South): I wish to direct two questions to the Minister of National Defence for Naval Affairs. My first question is directed to him in his capacity as Minister of Defence for Naval Services. Will the minister make a statement to the house regarding the number of men who volunteered for service with the R.C.N.V.R. who are now employed under civilian supervision on the railroads or elsewhere? Will the minister in his statement indicate the pay which these men receive and whether or not the pay and working conditions of these men are similar to that of similar groups of N.R.M.A. men?

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): That question should go on the order paper; but if the house should adjourn to-morrow until some day next year my hon. friend may not get an answer to his question; therefore, with the leave of the house I will answer it now briefly. First with regard to members of the R.C.N.V.R. on leave, I may state to my hon. friend that with the exception of a few individual cases where leave has been granted to men from the navy to return to agriculture, fishing or to essential industry, there are no men on leave at the present time. When such men do go on leave to agriculture, fishing or an essential industry, they are sent on leave without pay, and therefore they receive whatever the prevailing rate of pay would be in the particular industry concerned.

LEAVE TO CANADIANS DISPATCHED TO AUSTRALIA—CHRISTMAS LEAVE IN CANADA

On the orders of the day:

Mr. J. W. NOSEWORTHY (York South): Will the minister in his capacity as acting minister of defence make a statement to the house regarding the number of Canadians who are reported to have been dispatched to Australia, and indicate in that report the unit to which they were attached and whether or not the numbers of that unit who had already been overseas for three years were given any home leave before being sent to Australia?

Hon. ANGUS L. MACDONALD (Acting Minister of National Defence): I may say that Canadian personnel consisting of nine officers and sixty-three other ranks were dispatched from Canada to Australia in July and August, 1944. They did not proceed as a unit but were individuals lent to the Australian forces to assist in training such forces in the use and maintenance of technical equipment, much of which had been produced in Canada, and to operate and maintain the equipment during this training period. Prior to dispatch all such personnel were given leave.

In addition, several Canadian officers were dispatched from Canada to Australia during 1944 to attend courses at Australian staff colleges or for short attachments to the Australian forces to study operational conditions in the Pacific theatre. In all cases these officers were given leave prior to dispatch.

Furthermore four Canadian officers were sent from the Canadian army overseas for short term duty in Australia, one as an instructor on interchange, and three as candidates, to the Australian war staff college. Three of these four officers proceeded to Australia direct from abroad and their route did not permit of leave in Canada. One officer proceeded from abroad via Canada but time did not permit granting leave in Canada.

Mr. COLDWELL: While we are on the question of leave, may I ask a supplementary question? I understand that service personnel are to be given five days' leave at Christmas. We have a number of young men from various parts of the western provinces, particularly Saskatchewan, serving on Vancouver island. It takes them two and a half days to reach their homes from Vancouver island and two and a half days to return, which means that they are unable to get home for Christmas if they are tied down to five days' leave without any provision for travel. I am not suggesting that the government may be able to do this, but I should like to know if they would give consideration to cases of this kind in order that the boys may be able to spend what may be their last Christmas leave at home.

Mr. MACDONALD (Kingston City): I may say to my hon. friend that the same question has already been raised in the house by the hon. member for Broadview (Mr. Church), and I may tell the hon. member who has just asked the question and the hon. member for Broadview that the order passed by the naval services, which I think is substantially, if not exactly, the same as the order passed by the other two services, provides for five days' leave to be taken in either the Christmas or the New Year period. I may say, however, that no travelling time is allowed in this five-day period; but where long distances have to be travelled, personnel may be granted their annual leave or the unexpired portion of annual leave in conjunction with the special five days' leave. Annual leave carries with it travelling time in addition to the leave period.

LABOUR CONDITIONS

INQUIRY AS TO RELEASE OF EX-SERVICE MEN FROM INDUSTRY

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): I should like to direct a question to the Minister of Labour. I am sorry I have not been able to give him notice. I have received information to the effect that several ex-service men of the present war with service overseas have received their release from several large companies in Toronto. These men have had ninety days or less service with the companies. I understand that shortly there are more to be released who have six months' service or less, and later there will be some released with twelve months' service. I am informed on good authority that they are being replaced in those factories by female labour. I may say that these ex-service men are just being added to the ranks of those who are already looking for jobs. So far as employment is concerned, is there any priority for ex-service men? Would the minister care to make a statement in this connection?

Hon. HUMPHREY MITCHELL (Minister of Labour): I do not know anything about the factory to which my hon. friend refers. There are 150,000 employers in this country and my hon. friend refers to one of them. I think at least he will excuse me for not knowing anything about that particular industry. If he will give me the details I shall be glad to look into it.

Mr. ROSS (St. Paul's): I was interested in the principle of the thing. Is there any priority of employment for ex-service men?

Mr. MITCHELL: There is priority of referral, yes.

INQUIRY AS TO OPERATION OF PACKING PLANTS

On the orders of the day:

Mr. L. E. CARDIFF (Huron North): Will the Minister of Labour inform the house whether or not the packing plants of Canada have been operating to capacity in the last three months? After he answers that question I have another one to ask. If they are not operating to capacity, why not?

Hon. HUMPHREY MITCHELL (Minister of Labour): I can say to my hon. friend that employment in the packing industry of this country is the greatest in the history of Canada.

Mr. CARDIFF: That does not really answer my question. I asked if they had been operating to capacity in the last three months.

Mr. MITCHELL: I am speaking now from memory, for three months is a long time; there are twenty-six working days in a month, and that must be multiplied by three. But I can say that in the last three months employment in the packing industry of Canada has been equal to the greatest in our history.

OTTAWA CIVIC ELECTIONS

USE OF GOVERNMENT FRANK ON CIRCULAR LETTER FROM OFFICE OF UNDER-SECRETARY OF STATE

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I wish to bring to the attention of the Postmaster General (Mr. Mulock) and the Minister of Labour (Mr. Mitchell) an envelope which bears the frank of the Under Secretary of State and which was addressed to a civil servant and stamped "Ottawa, December 1," containing a mimeographed letter signed by Mr. Coleman, Under Secretary of State, telling civil servants that they had enough time to vote, and also a circular, "Vote Phelan for Mayor." It is a bilingual circular, one side in English and the other side in French. I hope both ministers will inquire into the matter. Mr. Phelan is an employee of the Department of Labour. This concerns three ministers, including the Secretary of State, and I hope they will form a court martial to investigate the matter.

Hon. HUMPHREY MITCHELL (Minister of Labour): This was brought to my attention on Monday or Tuesday of this week and I took the matter up with Mr. Phelan, who said he had no knowledge of how it happened.

Mr. REID: It did not do him any good anyway.

Mr. MITCHELL: As the hon. member says, it did not do him any good. At any rate, this envelope is open and I assume that it was given to my hon. friend open. It is within the realms of possibility that the dodger, or whatever you call it, was put into the envelope when it was open.

Mr. POULIOT: I want an investigation into the matter. It should not be left at that because it concerns three ministers. Phelan is one of the minister's friends.

Hon. N. A. McLARTY (Secretary of State): I might say a word since the name of the Under-Secretary of State has been drawn into the matter by the member for Temiscouata. I am not aware of all the particulars in connection with the circular; I do not know who distributed it. I suggest, however, that to draw the name of the Under-Secretary of State into this house in a controversy of this kind is something which is not desirable in the interests of the public service. I suggest that whatever action he took would be not only justified but justifiable.

Mr. POULIOT: His name is on the envelope and on the stencil.

Mr. McLARTY: I know nothing about that, but I am quite sure that if it is there it is in accordance with the regular procedure that has been followed.

Mr. POULIOT: There is all the more reason to investigate.

BEEF CATTLE

INQUIRY AS TO TABLING OF CONTRACTS BETWEEN GREAT BRITAIN AND CANADA

On the orders of the day:

Mr. M. C. SENN (Haldimand): I am sorry the Minister of Agriculture (Mr. Gardiner) is not in his seat because I wanted to make a request of him. He made a statement yesterday that certain contracts had been entered into between Canada and Great Britain for shipment of Canadian beef overseas. I should like to ask if these contracts could be tabled to-morrow, as the house is going to adjourn shortly.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reply to my hon. friend's question may I say that the Minister of Agriculture is attending a conference at the moment.

Mr. SENN: Yes, I understand.

Mr. MACKENZIE KING: I shall direct his attention to my hon. friend's question. I have no doubt that he will exercise good judgment in his reply.

THE WAR

POLICY OF THE GOVERNMENT IN MAINTAINING VIGOROUS WAR EFFORT—CONTINUATION OF DEBATE ON MOTION OF THE PRIME MINISTER

The house resumed from Tuesday, December 5, consideration of the motion of the Prime Minister (Mr. Mackenzie King) that this house will aid the government in its policy of maintaining a vigorous war effort, and the proposed amendment thereto of Mr. Graydon, and the amendment to the amendment of Mr. Jean.

Mr. VINCENT DUPUIS (Chambly-Rouville): Mr. Speaker, in rising to take part in this debate may I say that I fully realize the seriousness of the situation, but I am more at ease when I know that I am to express my views to a distinguished body of men who cherish British institutions and world liberty as we understand it. Indeed, a state of complete confusion exists at present in this country. The temper of the people is upset and their otherwise good judgment is disturbed. The body politic is threatened with total disruption. What is the cause of this state of affairs? Why should a large number of the families and friends of our soldiers overseas be disturbed and anxious? Is it because at the front some of our soldiers, or I may say even one of our soldiers, may be abandoned or left alone while his comrades are falling on each side? Will a single soldier be left alone? If that should be true I, as one of the members of this house who have many relatives at the front, would be the first to feel some anxiety, and to ask our government to see that this state of affairs should be corrected.

Is it true, Mr. Speaker, that unless we, the Canadian people, send immediate reinforcements to the extent of 16,000 men, the Canadian forces at the front will be left without help and support? I claim that this is not true. I ask any hon. member of this house who is endowed with a balanced mind, whatever may be his military experience, to rise in his place and say that if a single position on the front line in western Europe, no matter how small, should be left undefended because of casualties, the chief of staff behind the lines would not send immediate reinforcements to fill that gap. If there is a single man in this house or outside who would dare say the chief of staff would refuse to fill that gap, I am ready to resign my seat. Where is that hon. member? If that is not true, why stir up prejudices in this country? Why put fear in the minds of the mothers, the families and the sweethearts of our great soldiers overseas, that our boys are going to be left without support? I think many hon. members of this house have discovered the trick and have brought the plan into the open; but it is good that such things should be repeated, and I am going to take the trouble to repeat them now.

Our military authorities may say that it would not suit the pride of the Canadian nation to allow a Polish regiment, a Belgian regiment, a French brigade or an English brigade, as the case might be, to fill the gap caused by casualties suffered by the Canadian army. That is perfectly correct. If our pride is wounded in that way, very good; but sometimes we as a nation are justified in measuring the dimensions of our national pride. I claim, basing my remarks on military authorities of other nations, that Canada has undertaken too much for its potential man-power. If we take count of our actual strength at the front, both in Europe and in Italy, according to the information given by high authorities, we find that we have six divisions, two and a half in Italy and three and a half on the western front. Is this all we have to show for our war effort, as far as man-power is concerned? No, sir. We have in our air force and navy approximately another five divisions, which makes a total of eleven divisions for a country of eleven million people, or one division for each million of the population of this country. If we take this as a basis for ascertaining what should be the man-power of others of our allies, we come to these figures: the British isles with a population of 47 million should have forty-seven divisions. It is true that they have to face the music in many parts of the world, but as far as I know they have only one division on the western front and perhaps two or three divisions in Italy.

Mr. HANSON (York-Sunbury): That is perfect nonsense.

Mr. DUPUIS: I am here to be corrected.

Mr. HANSON (York-Sunbury): It is armies.

Mr. DUPUIS: That is what I meant to say —armies. The British isles have one army on the western front.

Mr. HANSON (York-Sunbury): How do you know they have only one?

Mr. DUPUIS: And one army in Italy.

Mr. HANSON (York-Sunbury): How do you know that?

Mr. DUPUIS: The Canadian people have one corps, the second Canadian corps, on the western front. On the western front the United States have four armies and the French have one army. That is the picture of the western front. According to the population of the British isles, which is 47 million, on the basis of one-half there should be twenty-two divisions of men in the army, excluding the air force and the navy. To divide that number again we would have eleven divisions in Asia and eleven in Europe.

I think we can safely conclude that our man-power behind the front line is quite strong to-day, and it is much stronger when we consider the strength of the United States. Continental United States has a population of 132 million. Dividing that by two gives sixty-six divisions which should make up the armed forces of the United States. We have been told, I suppose because of their fear of the enemy, that the United States expect to have seventy divisions on the western front in the near future, but to-day there are only four United States armies in the front line. It means that behind the line there is the potential man-power of the armed forces of our allies, which I am sure should relieve a little bit the anxiety which has been purposely created in order to stir up prejudice in this country. What are the facts about the infantry strength of the allied nations?

Mr. JACKMAN: Give us the German strength.

Mr. DUPUIS: You are not talking to a German, my hon. friend, you are talking to a man who has fought and is still fighting to preserve the liberty which your party wants to destroy.

Mr. JACKMAN: I congratulate the hon. member, but I am asking him what he knows about the German strength.

Mr. DUPUIS: You are talking to a man whose great grandfather fought as a captain of militia in 1812-14 to keep this country under the British crown. Without false humility let me say that you are talking to a man whose grandfather, the son of the ancestor I have referred to, died to obtain responsible government in this country and get rid of the little group of financiers and privileged men who in 1837 were trying to destroy unity and keep the riches and natural resources of the country away from the masses of the common people. German talk! I hope my hon. friend will not say that again.

Mr. JACKMAN: I do not believe the hon. member understood the question I asked him.

Some hon. MEMBERS: Order.

Mr. JACKMAN: Order yourselves. What I was asking my hon. friend, who appears to be a military expert giving the relative strength of our troops, was if he knows what are the German forces that we have to meet.

Mr. DUPUIS: My hon. friend was very clever to distort his first question.

Mr. JACKMAN: You misunderstood me.

Mr. DUPUIS: I take your word.

Mr. JACKMAN: You had better.

Mr. DUPUIS: I have been asking myself who has been behind all the turmoil that has been created in this country. I am sure that even the hon. member who has been acting as leader of the opposition knows in his heart that behind the whole movement are the same privileged classes, a similar handful of men who want to accumulate the riches of this country at the expense of the labouring classes and the farmers. He knows perfectly well that that type of endeavour is not peculiar to this country.

Mr. GRAYDON: Is my hon. friend referring to me? I have not followed his speech.

Mr. DUPUIS: I am talking about the former leader of the opposition.

Mr. GRAYDON: It is a new experience for me to be accused of being a rich man.

Mr. DUPUIS: I said that the hon. member knew in his heart who were behind this movement. It is a small group of rich men who control the industry of this country. They want to create a smoke screen of prejudice against race and religion for the sole purpose of achieving their aim. Their aim is very simple—they want the head of the Prime Minister. They are the direct descendants of the daughter of Herodias.

Mr. HANSON (York-Sunbury): I want to deny that I am any relation to Herodias. I want to tell the hon. gentleman that I do not belong to any privileged class. I am not a rich man, but I do hope that I am a loyal supporter of our soldiers overseas.

Mr. DUPUIS: So am I. As I said, this movement is not peculiar to Canada, it is to be found all over the world. Hon. members know as well as I that human nature is the same wherever it may be found and at any

period of history. Here is one place where I differ from my friends of the C.C.F. I believe that complete equality of wealth and riches is a utopia, because in every country there are men with greater talents than others who by their toil, their thrift and their ambition become rich. That is perfectly legitimate, and I am in favour of it. When they become rich they naturally control some part of the natural resources of their country and some share of its industry, and in so doing they help to develop the country and provide opportunities for their fellow men to earn money. That is perfectly proper. But where the line should be drawn is at the point where these ambitious men become so unreasonable that they abuse their riches and their strength and power. They had that class in the United States, and it was of this privileged class that Woodrow Wilson, a great president of our neighbouring republic, wrote in his book, "The New Freedom", the following words:

> We ought not to permit passion to enter into our thoughts or our hearts in this great matter, we ought not to allow ourselves to be governed by resentment or any kind of evil feeling, but we ought, nevertheless, to realize the seriousness of our situation. That seriousness consists, singularly enough, not in the malevolence of the men who preside over our industrial life, but in their genius and in their honest thinking. These men believe that the prosperity of the country is not safe unless it is in their keeping. If they were dishonest, we might put them out of business by law; since most of them are honest, we can put them out of business only by making it impossible for them to realize their genuine convictions.

Then listen to this:

> I am not afraid of a knave. I am not afraid of a rascal. I am afraid of a strong man who is wrong and whose wrong thinking can be impressed upon other persons by his own force of character and force of speech.

In Canada, Mr. Speaker, this class, a few but very powerful men, are working behind the scenes and using their power to spread in this country prejudices against race and against religion, for what purpose? I repeat, they want to get rid of the present government, and I will tell you why. The present government is headed by one of the most distinguished statesmen in the world, who has amply demonstrated during many years past that he is on the side of the common people and the working classes. The Prime Minister many years ago showed his friendliness towards the working classes by having the fair wage law made a part of the law of this land. Later on he provided the opportunity for the labouring classes to organize and get together to better their working and living conditions and to secure higher wages. This legislation did not please the privileged class, those who control industry in this country, because in helping the labouring classes to secure higher wages and better living conditions the legislation took away too much of the riches of the privileged class; so they were against it. It is the Prime Minister who is responsible for these laws. Later on he was responsible for bringing in legislation to control combines in this country, as well as many other laws restricting the powers of the privileged class, and during all these years that privileged class have been anxious in their hearts to find ways and means to get rid of such a man because he stood in their way. That is the cold fact.

Later on this government headed by the same Prime Minister passed social legislation, for what purpose? It was passed for two purposes. The first purpose was to distribute more equitably the wealth of the nation among the labouring classes, the farming class and the middle class—wealth which had been unduly accumulated by and unjustly kept for the privileged class. Do you think, Mr. Speaker, that that privileged class was pleased to see that legislation passed? Oh, no; they got behind the curtains to organize and find ways and means of destroying King at all costs. Their attitude was: King is the man that should be hated and got rid of, and we must get rid of him.

I have said that the Prime Minister and his government passed that social legislation for two purposes. The first purpose was to distribute more equitably the wealth of the nation. The other purpose was to try to stop the subversive elements which are active not only in this country but all over the world. Without being a seer I am convinced that the real intent in the heart of the Prime Minister in passing that social legislation was to set up Canada as an example for all the nations of the world and to entrench in this country a sound system of government with which extremists on both sides would be satisfied, thus preventing communism from taking over the reins of administration in this country. I believe that at the same time his object was to try to get control of this country out of the hands of that little gang of abusers that we call the privileged classes.

I am in duty bound to say through you, Mr. Speaker, to the Prime Minister, without any hope of securing favour and without fear of the results, that if ever there was a man whose consistent purpose it has always been to do his utmost to help the poor and the unfortunate, the forlorn, the abandoned and the neglected, the common classes—not only of the province of Quebec as some of our friends have insinuated, but of the whole of Canada, to help those who need help and sympathy and are entitled to their legitimate

share in the development of this country and the happiness which is due to any British subject who lives under the union jack, it is the Prime Minister of this country. It is said somewhere, in reference to Papineau:

> Il fut toute une époque et longtemps notre race
> N'eut que sa voix pour glaive et son corps pour cuirasse.

I should like to paraphrase these words of the poet and apply them to our distinguished leader:

> There was a whole epoch and for a long time the common, ordinary people of this country had nothing but his voice as a sword and his body as a cuirass.

I have paraphrased this saying so as to apply it to the first minister of this country—not to try to help him, for he does not need my help. But every one of us, whatever our political allegiance, who is fair-minded must admit that the burden which he has carried so many years, and especially during this dreadful war, is a very heavy burden and one which must have taxed his strength and energy. It is the duty of every man in this house and this country, especially those of us who come from the lower class, to tender him a friendly hand because he has played a great role in the destinies of this country.

I would refer now, Mr. Speaker, to the attitude taken by the leader of the Progressive Conservative party, the purpose of whose amendment is to put power in the hands of the government against Quebec. An expression dear to the hon. member for Lake Centre (Mr. Diefenbaker) is "equality of sacrifice". In his last speech he said in effect: I am not satisfied with the terms of the order in council, but if I could be assured that these 16,000 men would be taken in equal proportion from each province, that would satisfy me. Far be it from me, Mr. Speaker, to do anything to stir up prejudice. If to-day prejudices in the sister provinces of this great dominion are at their peak, I would not like to contribute in any way to a like feeling in my own native province. But may I say to the hon. member for Lake Centre, who is prone to demand that Quebec do its full share, and who insists even violently that it be so: I am satisfied that in the circumstances in which we live, Quebec has done a very large share, larger even than may be justified. May I call the attention of hon. gentlemen opposite to the fact that, when the problem of the Doukhobors and other conscientious objectors comes before the house, everyone who is responsible for these people admits that the government is absolutely powerless to make them obey the law. This has been admitted in this chamber by ministers of the crown. Are these objectors very numerous, Mr. Speaker? Less than ten thousand. Yet the authorities are unable to compel this small group to be law-abiding citizens.

But when it comes to the position of French Canada we are told that they must do their duty, that if they do not do their duty there will be revolution; to obtain the legislation which they desire from this government they stir up hostile sentiment all over the country. So, because disturbances occur in certain parts of the country it is contended that the Prime Minister and the cabinet are bound to pass a law to satisfy these people. It is against Quebec: that is very fine. Poor Quebec! If it were not so serious it would be pitiful, coming from friends in this country who otherwise are freedom-loving people; people of British descent, people by whose race great things have been done. May I tell those who are doing their best to arouse prejudice in order to obtain their goal, that perhaps it is high time they relinquish their grip on the natural resources of this country by which their fortunes have been made, and allow other classes a share. In this connection I cannot do better than cite the sublime example of those great peers of England to whom Sir Wilfrid Laurier made such eloquent reference. He said:

> I know of no spectacle that reflects greater honour on humanity than the spectacle of these peers of England, these rich and powerful nobles, stubbornly fighting to eradicate a host of venerable abuses and sacrificing their privileges with calm enthusiasm to make life easier and happier for a larger number of their fellow beings.

Nobody, Mr. Speaker, can induce me to believe that the descendants of these great men who sacrificed their personal interests in behalf of the common people of England, in the abolition—for instance—of the rotten boroughs—that the liberty-loving descendants of these men who are to be found everywhere in Canada would not support me, a French Catholic fellow citizen, in removing any occasion of hardship or injustice. Therefore, why not leave these minds, why not leave the people with their ordinary well-balanced minds, the minds of Britishers? Why stir up prejudices? Why put into the hearts of the mothers, the sweethearts, the brothers and the fathers of our heroic soldiers over there the fear that these poor boys are to be abandoned and sacrificed because the people of Quebec refuse to do their duty, when we know perfectly well that that is an absolute falsehood? I beseech my fellow citizens, through you, Mr. Speaker, to cease this campaign, to come to the fold, to unite with us. I do not care who may be in power; the hour is too grave and the time too serious.

What is the use of one part of this country trying to struggle against another part when those boys at the front give us so sublime an example, as was eloquently expressed the other night by the member for Lotbinière (Mr. Lapointe)?

To summarize my views on this subject, on the one hand we find a part of the country completely disturbed by this falsehood in regard to reinforcements; on the other hand we find a part of the country—and mind you they are not only French-Canadians—suffering injustice, people who nevertheless are doing their duty; people who are going to be taken by force, no matter if in the past, up to the present time, they have been refused the privilege and the opportunity of taking part in the development of the natural resources of the country; no matter if they have been abandoned and sacrificed. They are forced by law to go against their will to fight in Europe, as reinforcements, when we know perfectly well that this is not necessary. At all events I, as a humble citizen, coming from the lower class and having sworn to myself to give whatever I could during my life, however modest it may be, to help the class from which I am sprung, am very much disturbed about the legislation which is now before the house. Shall I give confidence to my Prime Minister? Yes. But to be in favour of order in council 8891? No; not because I am French Canadian but because I know that this order in council has been passed by a means which is not appropriate to a democratic country. At the same time, am I to support the Prime Minister now that this order in council has become the law of the land? I repeat: support the Prime Minister, most decidedly; but for conscription, I cannot.

Mr. HANSON (York-Sunbury): You are on the spot, aren't you?

Mr. DUPUIS: I speak for myself.

Mr. HANSON (York-Sunbury): You are on the spot.

Mr. DUPUIS: I am not afraid of being on the spot, but I am sorry for those who have put the country in such a useless position. At any rate, no matter if some of my fellow members in this house are laughing at me, no matter if I am ridiculed, I find the situation too serious, and in such circumstances, when the national soul is disturbed, when the people are unable to discover a solution for these difficult problems, I cannot do better than repeat the words of our King. Early in the beginning of this the greatest of all struggles, before Christmas, 1939, he said to a man who stood at the gate of the year: "Give me a light that I may tread safely into the unknown."

The reply was: "Go out into the darkness and put your hand into the hand of God. That shall be to you better than light and safer than the known way."

I would like you, Mr. Speaker, and every one of my fellow citizens and fellow members to do likewise. Let us put our hand in the hand of God, and let us have faith, so that this country may pass safely through these difficult times and continue to move forward to that beautiful destiny which has been reserved for it by Divine Providence.

Mr. A. R. ADAMSON: (York West): Listening to the address which we have just heard I thought of certain lines from the poet Arthur Clough:

> Thou shalt not kill; but need'st not strive
> Officiously to keep alive.

We listened the other night to a point of view, expressed by the hon. member for Lotbinière, to which I take extreme and absolute exception. Coming as it did from the hon. and gallant member, I must respect it, but unfortunately that is more than I can say for what has gone on this afternoon. Apparently we are losing sight of the old simple virtues which were expressed by Pericles when he said that freedom is given only to those who are willing to fight for it.

If ever there was a time when freedom of religion, when all the four freedoms in fact were in desperate danger, it has been during this war. Let there be no possible doubt about that. Then the hon. member made comparisons and, I think, suggested that somebody else might do our reinforcing for us. I think that is wholly despicable to come from this Canadian parliament.

Our war effort was compared with those of the United Kingdom and the United States. The last figures I had indicated that the United Kingdom had in the neighbourhood of seventy-seven divisions and the United States had armed forces of something like eleven million personnel. For us to complain that five divisions and two armoured brigades is excessive for our population is to do something that will not hold water. Australia with a population of some two-thirds of ours has or has had in her armed forces something in the neighbourhood of 800,000 personnel. I shall deal with that a little later in my speech.

At the moment I wish to say something concerning this question of conscription that has not yet been mentioned. In the feudal days armies were raised by the individual baron or

lord, and they were his own private armies. There was considerable trouble with that method all during Plantagenet days, and the right of the king versus the right of the barons was directly the cause of strife. Then we passed from the feudal method of raising an army to the professional soldier and the mercenary. That was reasonably satisfactory for a short time, but the value of the mercenary ended with the war of the American revolution, which in many ways was the first real war for freedom. But still the method of raising armies by the professional caste or the professional soldier continued right through Napoleonic times. During these wars the civil population of the country did not suffer unless they were more or less in the line of battle or in a blockaded part of the territory being fought for. All that changed with the war of 1914-18. This was the first real world war, a war on a national scope, where every citizen of every belligerent was affected by it. The traditional policy of Great Britain of voluntary enlistment and voluntary service for war had to go by the board in that war. It went by the board with a considerable struggle, but it was necessary that it go in order that Great Britain would survive. The same thing happened in Canada.

With the outbreak of the present war, an infinitely more complete war than that of 1914-18, we saw that no citizen, no civilian anywhere in the world could escape. Everybody was affected by the consequences of the war. Therefore to continue to rely on an archaic system of raising armies is wrong. That system is absolutely outmoded. But there is another feature that enters into the question. We in Canada have passed from the small nation country that we were in 1914. We are now a major belligerent and we cannot compare our effort with that of Northern Ireland where compulsion has yet to be enforced. We are a major belligerent and as such we have great responsibilities. I believe, and I strongly believe that from the start, that we should have had, call it conscription or any other name, from the day we entered the war, and I am quite convinced that there would have been no trouble either after the fall of Dunkirk and the fall of France or after Pearl Harbor. In my opinion the Canadian people are ready to accept their responsibility.

An article concerning this question appeared in the press this morning and I think it is of sufficient importance to read to the house. It comes from a United States paper, the Newark *Evening News*. The last paragraph reads as follows:

[Mr. Adamson.]

A volunteer system for fighting axis armies in this war is an anachronism. Does Canada, with its exposed Pacific coastline, think that volunteers can defeat Japan? The volunteer system is one of those luxuries of liberal tradition which have had to be given up in this war in the interests of national survival. The United States gave it up without protest because we knew we had it to do.

There is a factual statement from a neutral source in this argument.

I wish to go very briefly into my position in this matter since the beginning of this parliament. On July 31, 1940, at page 2211 of *Hansard* I had this to say:

I see no end of this war except through invasion of the enemy countries by the British army. In that event it is likely that we shall need our entire resources of man-power. I believe the government should realize that and make preparations in the year to come.

That was in almost our darkest days after the fall of France. I continued on the same page:

This is a war of machines; . . . The slogan of the British tank corps, "Be lavish with steel but stingy with blood," expreses the point of view of every officer who has anything to do with the fighting services and might well be adopted by all of us. The most valuable element in an army, and the one which takes longest to replace, is man-power.

A machine can be replaced in a short time, but it takes eighteen years to replace a man and the country loses its greatest asset. Therefore, in order to save life, I urged that we should redouble our efforts to produce the machines of war. Those remarks were made in the days when our whole effort was to get every possible weapon into the hands of those defending the last bastion of freedom, where people were patrolling the coasts armed with nothing more than clubs. That is how great the danger was in those days. Therefore the first necessity is machines. Man-power and machines were stressed from the start. On May 8, 1941, at page 2687 of *Hansard,* I said:

It is almost criminal folly to delude ourselves into thinking that we are going to be able to get through this war without large military forces. . . . Thank God that we have had no casualties. But we must expect them, and the time to expect them and prepare for them is now. To-day every fighting man is an expert, a specialist, and he takes time to train. If he becomes a casualty, he cannot be replaced by a raw recruit. That recruit must be a trained man, and the time to train the reinforcements is before the original soldier becomes a casualty, not afterwards. That time is now.

There is one other point, and it is an extremely important one, namely, that the surest way to have a long casualty list is to send untrained troops against the enemy.

So you see that the danger of sending untrained troops against the enemy was brought

up in this house in 1941. Then in 1942, during the famous plebiscite debate, at page 294 of *Hansard* for February 3 of that year, I said:

The time has long passed when compulsory selective service for any part of the world has been of paramount necessity. This parliament should have enacted the necessary legislation after Dunkirk and the fall of France. The need now is even more imperative than ever. It is possible that it may already be too late. I believe that the declaration of war on Germany should have been preceded by a selective service act . . . there can be no half measures in waging war.

Then on February 18, 1943, at page 522 of *Hansard,* I said:

There is no military operation so hazardous as attacking, over a considerable body of water, a well-fortified shore base. . . . I do not know precisely the situation with regard to our trained reinforcements overseas. I believe, however—

In the light of what has happened I think this is significant.

—that they are insufficient to maintain the Canadian army at striking-force, shock-troop efficiency for an intensive campaign of even medium duration. It is therefore probable that the powers given to the government in the plebiscite may have to be invoked, and that soldiers in the home defence army may have to be sent outside of Canada as reinforcements for our troops fighting against Hitler.

I want to put that very clearly on the record, because when the government talk about training, equipment, and infantry casualties coming as a surprise, I do not believe they have any excuse for not knowing what to expect. To-day we have that statement backed up again by a technical officer, a gunner, who puts his statements in print very clearly and specifically. I refer to Major Welsh, who says:

But our infantry has been reinforced, insufficiently, of course, with untrained men, or men trained in other highly specialized technique, such as artillery, while artillery itself suffered from lack of trained men. There is all the difference in the world in this war between numerical reinforcements and trained reinforcements.

Peter is being robbed to pay Paul. And Peter is desperately needy himself. By this I mean, for instance, we smash up anti-tank units to try to fill infantry gaps, and we are moving in Italy into the Po valley, which is ideal for Germany's tanks. The boys will be crying for anti-tank regiments there. And what breaks my heart is that this is being done by a country which always subscribed to the belief that a man should never be used if a shell would do the job.

I want to impress upon you, Mr. Speaker, and upon this house that my continued and continuing requests for complete national service in any theatre of the war, for adequate, abundant reinforcements, was based on that last sentence of Major Welsh's statement: "Do not send a man to do the job if you can send a shell." And worse, do not send a desperately tired man. Abundant reinforcements, if you have them, are the greatest life saver any army can have.

It has been suggested many times that in connection with our army we are biting off more than we can chew. That point was brought up this afternoon, and it has been brought up on other occasions. We have three divisions of infantry, two armoured divisions and two armoured brigades. With the supporting corps and army troops this would mean a combat strength of somewhere around 200,000 men, as a matter of fact rather less than that. We have heard in this house, in both open and secret sessions, great surprise expressed that the casualties suffered, particularly by the infantry, were fifty per cent higher than had been estimated by the general staff. Why this surprise? Surely with the experience of mobile warfare in Africa and Italy, and with the information available from the United Kingdom to guide us, we could have altered our estimates even during midsummer of this year. Again, indicating the information that one could gather from general knowledge, at page 296 of *Hansard* for February 3, 1942, in discussing this very question of reinforcements, after the formation of the five-division army, I said:

The plan will impose but a light burden indeed on our man-power, because it will require enlistments of but between six and seven thousand a month for the army.

I suggest to hon. members that in the light of events that estimate, which was a matter of general discussion at that time, has turned out to be not far from the fact.

Now we come to the present crisis, and I think it is worth while to go over the matter again very briefly. On August 6 General Crerar sent a telegram to C.M.H.Q. Apparently the adjutant general's branch at C.M.H.Q. did not instantly inform N.D.H.Q. of the contents of that telegram. In the first place I think that was an amazing action. Knowing this branch, however, I am not surprised. Then we had General Stuart undertaking the policy of remustering the army, apparently without consulting Ottawa, because he knew of the antipathy of the government to conscription. This is an even more amazing action.

Then on September 22 the former minister of national defence (Mr. Ralston) went over to Europe after having, no doubt, impressed upon the war committee the seriousness of the situation that then existed. He went to Italy, then to northwest Europe where he found, as he stated so clearly in this house, that the situation was worse than he could possibly

have believed. He wired the Prime Minister (Mr. Mackenzie King) that he was coming home three weeks earlier than he had intended and that he had something urgent he wanted to discuss.

What happened? The Prime Minister knew or must have known what the then minister of national defence wanted to discuss. He must have known that he would not have curtailed his trip to the continent by fifty per cent unless it was that one subject which he feared, the one subject which had been the Prime Minister's political philosophy for all his life—the talisman by which he has won all his elections—his nemesis, conscription. He must have realized that the message which would be brought to him would be bad and that it would demand immediate imperative action by the government.

What happened? In the Prime Minister's own words, he consulted the present Minister of National Defence (Mr. McNaughton), whose views he knew were in favour of the voluntary system. He did that so that when the former minister of national defence arrived home he would have a running mate or someone ready to jump into his place if he was adamant. And he would have us believe that he saved the day. That may have been a political manoeuvre, but it was one of the worst things that has ever happened in the political history of this country.

The former minister of national defence arrived home and told the Prime Minister that not only was there a shortage of reinforcements in the pools, but that they were practically empty and that there were actual and visual shortages in the units themselves. Not only that, the minister pleaded with him. There were cabinet meetings day in and day out, but the Prime Minister was adamant. He made the move he had contemplated, thinking he had weathered the crisis and pulled a rabbit out of the hat.

Fortunately the people of Canada at long last rose in their wrath and said, "This shall not be; this cannot happen; we will not stand for this." Protest meetings were held from one end of the country to the other. High officers, generals, resigned, and there was a threatened break-down of our whole military system because they and the people knew that the voluntary system had broken down and that there were no reinforcements. The suggestion has been made in this house that that movement in some way came from the wealthy, from the Conservatives, from pressure groups and from newspapers. Let me tell you that in my riding the pressure came from the people in one of the poorest districts in one of the suburbs of Toronto. If there was any pressure put on me it was put on me by the poor working people of this country. I think you will find that that is what happened all across the country. The common people rose as one man and demanded action, and, thank God, they got it. So much for the past.

What about the future? The former minister of national defence has left the cabinet and he cannot be sure that the policies he fought for will be carried out. But he has said that he left certain members in the cabinet who will carry out those policies. That is rather like the ichneumon fly which lays its eggs in the body of its victim, the eggs hatching and finally devouring their host. Here we have five or six ministers in the cabinet pledged to carry out an action which the ex-minister of national defence demands. The Prime Minister, however, and several other members of the cabinet, particularly the Minister of Agriculture (Mr. Gardiner), have definitely said that they dislike it.

That is the situation to-day. That is the situation upon which this house is to vote. We are being asked to vote confidence in this government on that situation. How can we do it? With a divided cabinet, with the prime mover of this policy outside the cabinet, with the present Minister of National Defence against the policy, with the Prime Minister against the policy, how can we trust the present cabinet? I say that by all the rules of logic this house cannot support the motion standing in the name of the Prime Minister.

We are told that we are going to get 16,000 N.R.M.A. men. The order in council is definite about the number; it limits it to 16,000. Let us see what that will do in the way of providing reinforcements. It has been said that we must not give out information which would aid the enemy, and I agree with that so that I shall endeavour to express pool reinforcements as a time factor. The target of trained men in the pools should be expressed as a function of time and perhaps it would be simpler to express it in an algebraic manner. Let X be the men in the pools, trained and ready for action, and Y the estimated casualties per month. The equation of X over Y would give you at the end of every month your cushion of reinforcements as a function of time. What do we find. We find that X over Y at the end of December can be expressed as half a month. X over Y at the end of January is three-quarters of a month and will never up to the end of May be much in excess of one month's reinforcements. In view of the fact that the general staff have under-

estimated casualties, particularly infantry casualties, by fifty per cent in the past, I say, Mr. Speaker, that this allotment of N.R.M.A. men does not give us an adequate cushion for the reinforcement pools, to provide trained men behind the front line and to provide adequate training of the men who are to be sent into battle. That is another reason why I cannot support the present motion in the name of the Prime Minister. There is great room for error in the present calculations. I have emphasized that I have been talking about infantry casualties, and infantry only, because up to the present time the infantry has been the service where the major miscalculation of casualties was made. But from now on, so far as the Europen war goes, we are in a different type of war. We are entering the siege phase. We are entering the phase which requires all our arms to be attacking as a unit. We are not in the war of movement any longer, not in the war of ports and coastal liberation. We are attacking over the Cologne plain, if you will, over the fortified area which Germany has been building up for years, and which is her historical line of defence, and we have to get over that fortified area before we can get into the heartland of Germany. How long that will take I do not know, but that is the task now before us. That is another reason why I say that these 16,000 men do not, in my opinion, give us the necessary assurance of adequate reinforcements. That is the second reason why under no circumstances can I support the government's motion.

There is another question, and it is this. It can be summed up by asking, when is a volunteer not a volunteer? Or what is the difference between a volunteer who volunteers when he has reached the transports at the dockside and the man who goes forward under compulsion? That is a very important question. I do not believe that there should be any difference. That is a question which must be answered. When General McNaughton was on the floor of the house I asked him to see to it that no distinction would be made between the man who fights outside this country and the volunteer, because I disagree with the voluntary system in that feature.

In closing, I wish to say one thing about an election. The argument is being made that the war effort of this country would stop if we had an election. That is not so. The ex-minister of national defence disagreed with me. If we had an election now it would be almost a direct parallel with the election that was held recently in the United States, because the order in council has been passed and the government is committed to the policy of conscripting 16,000 men. The election would be fought on the effectiveness of the present government. It would not be fought on the conscription issue because the conscription issue has been settled. That is over. Conscription is no longer an issue because we have conscription for overseas service. The only place where conscription would be discussed is perhaps in nationalist Quebec where the people say that the government has gone back on its pledges. But conscription has been an issue in the province of Quebec for the past quarter of a century in every election, and so it would be no different there now.

I would like briefly to discuss the Japanese war, or the Japanese phase of the war, phase II as it is called. We cannot consider that we have done our duty as a world power unless we play our part in the Japanese war. Once the war in Europe is over, the world will not be at peace. The world will not be at peace until the war in Asia is over too, and none of us, particularly in Canada, because we are a Pacific power, can relax for one instant in our efforts until the Japanese enemy is destroyed as completely as the German enemy. This is going to take large forces of men. We have to invade the Japanese homeland, just as we have to invade the German homeland, and when you invade any country you do it with the infantry. That has been proved over and over again. To think that we can ease ourselves behind the sure shield of the navy and the air force of the United States and Britain into peace with Japan or into the happy conclusion of the Asiatic war is an awful fallacy, and an extremely dangerous one.

I got this letter from an airman friend of mine who is serving in India. It is short, and I wish to read it to the house to show what the present vacillating policy of this government has done for Canadian prestige in India. The writer says:

R.A.F., India.
Nov. 16th.

My dear Adamson:

I am to-day in the very humbling position of having to make excuses for my country. To-day throughout the world people are reading that Canada is far from one hundred per cent behind the war. The inference is that the Canadians are lukewarm in their sympathies. This I cannot believe.

Knowing my feeling of dismay at the news that Canada is not likely to be able to provide replacements for her troops in the field, I can imagine how the fighting soldier must feel.

Are Canadians at home so self-satisfied, so secure, so smug that they cannot rise up in protest at such an attitude as that of the present government? If they are, then some forceful education is needed.

I had hoped that at the close of this war Canada would have placed herself in the position (which she should be capable of assuming) of a major world power. But she'll fall far short of that if she is unable or unwilling to maintain the comparatively small army which she has put in the field.

I know you will do your best to ensure that the fighting soldiers are properly supported. Good luck to you.

May I point out, in conclusion, that this letter is a challenge to every hon. member. We think of ourselves and we would like to think of ourselves as Canadians, citizens of no mean state; but unless we get over this provincialism as manifested by the actions of the present government, we shall never rise to man's estate—nationally—never.

Hon. L. S. ST. LAURENT (Minister of Justice): Mr. Speaker, one of the gentlemen who sit up above your head in the press gallery has commented on this debate in the following terms:

So various are the approaches to the current political row that it would be virtually impossible to pick out one sentence from the whole of *Hansard* and have everyone agree that it was the real truth of the matter.

I am not so optimistic as to hope to correct that impression, but I wish to summarize as briefly as I can some of what appear to me to be the real truths of the matter which I have been discussing for several days with my fellow-members from Quebec. All hon. members of this house may not agree with the conclusions I propose to draw from them. But I appeal to all hon. members to consider carefully and dispassionately whether they do not represent a true statement of the factual background.

I believe that Canada's participation in this terrible war to the magnificent extent to which it has been and is being realized was absolutely essential to the survival of this nation as a nation of free men. I believe that had it not been for the heroic and obstinate and successful resistance of the people of England, Scotland and Wales during 1940 and 1941, we here in Canada would now be either dead or slaves of nazi victors and masters. I believe that this heroic, obstinate and successful resistance purchased the time necessary to enable the people of the north American continent to appreciate the terrible menace which threatened them all as free men and also the time required to muster their resources to the extent necessary to meet and to overcome the menace. I believe that, as has already been asserted in this debate, this resistance of the people of England, Scotland and Wales, heroic and obstinate and valorous and glorious as it was, might have proved to be insufficient without the presence in that citadel of freedom of General McNaughton and his gallant Canadian troops. I believe that, without the contribution of our airmen in the mighty battles which were fought over the skies of the British isles, without the contribution of our navy to the maintenance of the life line between them and this continent, sufficient time might not have been purchased to prepare all that the defence of our lives, and homes, and liberties has required and still requires. I believe that the time thus purchased had to be used, and I think it was used, both for the purpose of making the men and women of this continent conscious of the danger that threatened the world, and for the purpose of mobilizing our resources to meet total war by waging total war against it.

Now, total war, for this young nation and probably also for our powerful neighbours to the south, did not mean only a great expansion of our navy and our air force and the raising of the largest expeditionary army that this country could properly maintain and equip, but also meant great intensification in our agricultural production to meet the indispensable food requirements, the establishing and manning of hundreds, and perhaps thousands, of new industries to turn out the indispensable implements of warfare, and the entirely new conceptions and technique of finance to finance a total war through our own domestic monetary machinery.

Even now, Mr. Speaker, we must still remember that all that has to go on and must be kept in proper balance until full victory is achieved.

I also believe that this time we must pursue our victory to such a conclusion that never again may any Germans or Japanese living to-day or any of their children dare to threaten the peace of the world and endeavour to enslave it. I believe that this nation must continue to contribute its full share to the joint efforts of that gallant company of free nations pledged and determined to achieve and to consolidate that kind of victory.

I believe that our Canadian men in our navy, our army and our air force, who have fought and are fighting in that gallant company, have done so and are doing so at our instance, for us, so that we who are sitting here to-day and those whom we represent in this assembly may continue to live and to enjoy and to operate our free democratic social institutions.

It is for us, for you and for me, Mr. Speaker, and for our colleagues in this house and for those whom we represent that these men are enduring, are bleeding, are perhaps dying this

very day, while we are here talking and debating as to how best we can act so that the numbers of them who may become casualties shall not be increased.

Up to the evening of November 22 I sincerely believed that that object could be best achieved by adhering to the voluntary system, the system under which over 900,000 of our bravest and best have offered their services in this great cause. I believed that sufficient additional reinforcements might still be obtained by that voluntary system. I also believed that our infantry troops having had two pivotal jobs to do and having done them with great success but also at severe cost during long periods of intense activity, they might properly have compensating periods of normal activity or quiet during which the normal flow of reinforcements into our pools would make up for the heavy strain that had been put upon these pools during the preceding weeks of intense activity. This seemed doubly true, in view of the great numbers of fighting men in northwestern Europe, of the coming into line of the French army and of the Belgian army to do their share. The Prime Minister (Mr. Mackenzie King) has told the house that on November 22 General McNaughton himself, in conference with his staff, had come to certain conclusions and had presented them to the government on the evening of that day. As a result of that presentation I had to bring my mind to bear upon two different aspects of the problem, which had not before impressed me as they had perhaps already impressed some of my colleagues.

One was, that without adequate infantry units equal to any tasks which the fortune of battle might at any time bring into being, none of our troops could venture into the fighting line and our whole fighting effort would remain paralyzed. I was made to realize that our infantry troops make up only one-fifth in number of our fighting arms, and I felt that we could not expect periods of comparative or total inactivity for these infantry to wipe out any margin of possible shortage of infantry reinforcements, if those periods of comparative or total inactivity had to be shared by the other four-fifths of our fighting units and all of them remain out of action. That was something that just could not be allowed to happen. I readily imagined what use nazi propaganda might make of this appearance that the Canadian forces were no longer in the fight. Would it not have been used to the dreadful purpose of stiffening resistance and promising the German people that it was an example which other allied forces might soon be disposed to follow and that all they had to do was to hold on long enough and they would wear us all out? Who can tell what prolongation of this terrible conflict that might have meant?

The other aspect I had to consider was the possible psychological effect of adequate reinforcement pools in the battle areas and in England. I was impressed by the consideration that the possible inadequacy of such pools might affect the morale of the men in the fighting line to an extent that would make them more vulnerable in battle; this in turn might mean casualties that would not otherwise be incurred.

That consideration was also of great weight, one which each one of us had to face in his own conscience. Those men in the fighting lines are fighting our battles for us at our behest, and their lives must be guarded in every way that is dependent upon action that can be taken from here.

On November 22 it appeared that for the reasons which have already been discussed, or at least for some reasons good or bad, the numbers required for these substantial reserves might be larger than were apt to be provided in time by voluntary conversion of trained and fit personnel in our N.R.M.A. forces and general service, and no one but a fit and already trained man could meet those requirements. I therefore heeded the passionate appeal which the Prime Minister has told you he made to every one of his colleagues. I fully realized the possible and probable reactions among a great many in my province to my conduct in accepting to go on when any measure whatsoever of compulsion is added to the voluntary system for service overseas as the policy of the government. But I came here to do a war job, and because it was felt by the Prime Minister, rightly or wrongly, that I could be of some help, I feel I must still go on, whatever may be the increase in the difficulties of the task, so long as it is made apparent to me that these difficulties arise out of facts which have a bearing on the security of the men who are doing so much more for us than anything we can do for them.

I still felt and I hoped that compulsion might not be necessary to secure in time the required number of fit and trained men. In view of the magnificent success of the voluntary system in the last few days and the mounting numbers of fit and trained men now coming forward, there is still ample justification for that feeling and that hope. But no chance could be taken about it, and I decided that I would stand or fall with the Prime Minister. I may add that I have taken and I still take both comfort and pride in

that decision. I also take comfort and pride in the knowledge that so long as any N.R.M.A. men are available, whether now in service or hereafter enrolled, adequate and timely reinforcements are fully assured. And that being fully and amply assured, who can begrudge me such comfort and pride as I can get out of the fact that the increase in the conversions from N.R.M.A. status to general service seem to indicate that, with the passing of the order in council itself, no actual compulsion may ever have to be resorted to?

The all-important fact is that the reinforcements will be neither insufficient nor delayed. Some members of this house wish to register again their opposition to the legal extension of the locality of service of these N.R.M.A. men. I refer, of course, to the subamendment of the hon. member for Mercier. But a majority is apt to be recorded against that subamendment, and if such should be the case I appeal to them to accept that democratic decision in a democratic way. I am sure they can do so without accepting the concept of democracy which is sometimes asserted, the concept that it is both a legal right, and a proper exercise of that right, for the majority to assert its will at all times and in all occasions regardless of the feelings and views of the minority and of the reasons for such feelings and views. That is not my concept of the kind of democracy suited to free men; the kind of democracy for which the free nations are waging this war. It is not the kind of democracy which was envisaged by the fathers of confederation; or not the kind of democracy which will bring to full fruition the constitution that unites in one nation the various elements which make up our Canadian people.

The will of the majority must be respected and it must prevail. But I trust that, here in Canada, the majority will always, as it is doing in this case, assert that will only after giving due consideration to the feelings and views of the minority and to the reasons for such feelings and views, and then only to the extent to which the majority is sincerely convinced that the general interests of the whole body politic require that it be thus asserted.

Much feeling has been stirred up over the issue now before this house. We each of us have our own views as to how and why this has come about, but whatever be those views and whatever be the causes, yes, and whenever there may be room for blame and recriminations, there has come into existence a real and grave situation which had to be met and which had to be dealt with.

[Mr. St. Laurent.]

Believing as I do that the majority in this house, after giving its best consideration to the facts which have been brought to light in this long and earnest debate, is sincerely convinced that the passing of this order in council P.C. 8891 was necessary to the proper conduct of the affairs of the Canadian body politic as a whole, and believing as I do that whenever the majority, after full consultation and mature deliberation, reaches a conclusion of that kind, it is proper the minority should accept it and loyally assist in carrying it out, I appeal to all the members of this house, whatever may have been their individual views—whether to do more or to do less than the order in council provides—to unite and to assert to the men overseas that this nation, from one ocean to the other, stands pledged to a victory that will be decisive and that will endure.

Mr. Speaker, we have been urged in the course of this debate to keep our eye on the ball. We must keep our eye on the ball, but the ball is the decisive and enduring victory itself. And decisive and enduring victory still requires as well both the heroic efforts of our navy, our army and our air force, and the full and continuing cooperation of all our farmers, fishermen, foresters and miners; all those who toil in our shipyards, our factories, our munitions plants, our transportation systems, our laboratories, and our administrative offices; all the members of our national war finance committees, yes, and all those to whom they make their periodical appeals for further funds. There is still a job for each and every one of us to do, and it can be done only through the united efforts of us all, whatever be our individual views about the best methods to raise men for military service overseas.

Let us neglect nothing that is necessary for victory, but on the other hand let us strive to avoid doing or saying anything that is not really necessary and that might destroy or impair the unity which has made and is still required to make our efforts strong and constant and successful.

Mr. HARRY R. JACKMAN (Rosedale): To support the administration in its motion—

> That this house will aid the government in its policy of maintaining a vigorous war effort.

—gives no indication of where an hon. member stands on the vital question of reinforcements for overseas. It is purposely designed to mean all things to all people. It implies a complete trust in the government, a government whose policy is diametrically opposed to what it was on November 22, 1944, when this house resumed its sitting. Then the government was

against sending fully-trained draftees overseas. Now it has accepted the principle and will send a token reinforcement of draftees. One is asked to support this government, right or wrong. Even the former minister of national defence (Mr. Ralston) does not have confidence in the government; he has confidence only in a few members of it whom he is trusting to dominate the council, supported as they will be by public opinion which apparently must be kept at fever heat. It is to be regretted that the country must continue to emphasize its differences. Already through the refusal of the government to send needed reinforcements overseas the Liberal government have imperilled the carrying on of a vigorous war effort. How can my Liberal friends on the government benches have confidence in the present government to maintain a vigorous war effort which His Majesty's loyal opposition has for the moment forced upon it?

The Progressive Conservative amendment calls for maintaining a vigorous war effort by the passing of a forthright order in council based on the following amendment, namely:

> This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice.

The public and the troops overseas will be satisfied with nothing less than a positive order in council giving Canada one army just as it has one navy and one air force. Not only have we two armies, but the N.R.M.A. army is now split up into those who have to go overseas and those who do not. As the former minister of national defence, the hon. member for Prince said, I believe the time has come when the proper course is to make all N.R.M.A. men subject to the obligation to serve overseas.

How can one support an administration which is at sixes and sevens within itself, which is divided no one knows where, when or how, and as I shall endeavour to show shortly, is not a government in the proper sense because there is no cabinet solidarity or collective responsibility about it whatsoever. A humble reader of "Pilgrim's Progress" will remember that is it impossible to have confidence in Mr. Facing-Both-Ways. One further point that I should like to deal with at the end of my remarks is perhaps the single one which differentiates the stand which I take from that so ably put forward by the hon. member for Prince, namely, danger of a wartime election in Canada to the sending of reinforcements overseas. If Liberal members of this house will examine the Progressive Conservative amendment they will find that there is not a word in it that is not demanded by the great majority of the people of Canada. Can you go back to your constituencies and explain your position if you do not support that amendment? The delay in sending reinforcements, the forced overnight change of policy, the uncertainty of enforcement of the new policy owing to the strange mixture in the present cabinet—all these things are well known to your constituents. Will you refuse to represent the wishes of your constituents as well as the wishes of the great majority of the people of Canada? Perhaps you will say that the policy of the Liberal government is just what is contained in our own amendment. That is what the hon. member for Prince says he and his trusted colleagues are going to make it. We have no copyright, sir, on the ideas contained in the amendment. Make them government policy and I for one will continue to support that policy.

We came here on the matter of reinforcements for overseas. Many of us had evidence of the need beyond any possible doubt. We listened to the account of the situation, to the account of the means of providing trained reinforcements. The former minister, the hon. member for Prince, said at page 6667 of *Hansard*:

> When I left the cabinet the figures showed that there would be a considerable shortage by the end of December; I mean a shortage in the strength of the units themselves, with no pools whatever.

The volunteer man-power barrel had been so scraped that the last 4,500 men had been raised as follows: (a) accelerating the dispatch of 1,500 infantry; (b) sending directly overseas 1,500 other arms to be remustered over there; (c) demoting N.C.O's to the number of 750 and giving them the pay of their former rank; and (d) using 750 infantry tradesmen and giving them trades pay although using them as general duty men. Out of the 60,000 N.R.M.A. personnel in Canada there were 16,000 trained infantrymen and those were the only available reinforcements to meet the emergency. That was the situation. The loyal opposition, the country at large and particularly the women of Canada forced the hand of the government, proved the sham of the last attempt to cause draftees to go active, and on November 23 the order in council was passed authorizing and directing the Minister of National Defence to send 16,000 draftees overseas. It was not until November 24, however, that the house was assured that units of the N.R.M.A. personnel had been designated for overseas service and

that reinforcements would go immediately. Whether or not they finally become volunteers has no bearing on the immediate necessity.

We are asked to vote confidence in what? In a government headed by a Prime Minister who refused to send needed reinforcements overseas; who would risk a further indefinite attempt to make an impossible voluntary system work after five years of trial and exhaustion; who if the attempt failed would, in the words of his former minister, "give no assurance that draftees would be sent as reinforcements"; a Prime Minister who quibbled about the meaning of "necessary" and "if advisable." Both his former minister and the people of Canada thought they understood what "necessary" meant, and certainly the boys overseas knew what it meant. His attempts to becloud he issue by raising extraneous matters, such as when the cabinet was informed of the necessity, the alleged breaking of the privy council oath, et cetera, fail to forgive him his refusal to recognize the urgent necessity for reinforcements when that necessity was pointed out. Can we have confidence in a Prime Minister who even in an all-out war effort refuses to recognize the principle of equality of service, even as he did in 1917; who, like the present Minister of National Defence, accepts the principle of voluntarism as an article of faith? We do not believe in overnight conversions brought about by public pressure. "A man convinced against his will is of the same opinion still". How can we have confidence that a policy diametrically opposed to their fundamental beliefs will be honestly administered and fully carried out by the Prime Minister and his Minister of National Defence? What is the position of the hon. member for Prince (Mr. Ralston)? At page 6675 of *Hansard* he said:

> . . . I certainly would have registered the strongest protest possible against the half-hearted piecemeal method adopted. I would have pointed out that, once the decision was made to secure the service of N.R.M.A. men, once it was extended overseas, that decision should not apply to any one group of men in the N.R.M.A. but should apply to that force as a whole. To apply it just to part of the force was to perpetuate the system of two different armies for Canada.

The former minister urged the passing of one order in council, not four as have been passed already with more to come, to place all soldiers in Canada on the same footing. It is true that the principle of sending draftees overseas has been laid down and accepted, but has the government promised that furthur numbers will be sent as required? Having no reliance in the leader of the government and none in many of his former colleagues, on what is the hon. member for Prince relying? He says:

> Public opinion has made itself felt so powerfully that it could not be disregarded. The resolute stand of certain former colleagues in the cabinet has put that mighty influence into positive action.

Who are these certain former colleagues? Is the hon. member for Prince willing that the whole country should rely on his trust in a small handful of undesignated ministers? I think that is too great a responsibility for even him to assume. Is he not taking too much upon himself when he says:

> . . . I myself will hold the government—and particularly the Prime Minister and the Minister of National Defence—to strict account for carrying out vigorously and without wavering their declared intention to reinforce the army with well trained men from the N.R.M.A. to the fullest and fastest extent possible.

Mr. RALSTON: That sentence does not begin with "I myself".

Mr. JACKMAN: Does anything hang on that?

Mr. RALSTON: Certainly. It begins, "this house and the people of this country."

Mr. JACKMAN: Then I will add those words to it:

> . . . this house and the people of this country, and I myself—

Mr. RALSTON: I would not have expected my hon. friend to garble it the way he did.

Mr. JACKMAN: I hope I have not distorted the meaning of it.

Mr. RALSTON: The meaning has been distorted, because the hon. gentleman made the point that I was taking the sole and full responsibility.

Mr. JACKMAN: I think the former minister is taking upon himself a very great responsibility.

Mr. RALSTON: I am taking a responsibility, but it is my own; I am not taking it for anybody else. I am indicating who are taking it.

Mr. JACKMAN: Nevertheless the country well knows the position.

Mr. RALSTON: I only suggest that when my hon. friend quotes something he should quote it all.

Mr. JACKMAN: I have admitted to the minister that something may have been left out, but it was not with any intention whatever of placing any undue responsibiliy upon him. I want to say, however, that the country knows the hon. member for Prince is perhaps the central figure in this episode—and it might still be a tragic episode if the answer is

not satisfactory—and if I read the membership of the government party correctly, upon his actions will depend the actions of a great many others in this house. Perhaps whether or not the government will stand or fall will depend upon the action the hon. member for Prince has taken. And I have every right, and it is my duty—

Mr. RALSTON: Not to distort a quotation.

Mr. JACKMAN: If anything hangs on it, I withdraw it, although it is not very important. Technically the minister may be quite correct, but I have every right to point out on what the minister is placing his reliance.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

BUSINESS OF THE HOUSE

MORNING SITTINGS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with the permission of the house I would ask that we revert to motions so that I may make a brief statement.

Mr. SPEAKER: With the consent of the house we will revert to motions.

Mr. MACKENZIE KING: During the recess I invited the leader of the opposition (Mr. Graydon), the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) and the leader of the Social Credit group (Mr. Blackmore) to come to my office to see if some agreement could not be reached as to the winding up of the present debate. There seems to be a general desire that the debate should not be prolonged further. There can be no doubt that if it were to continue for any length of time it would have an unsettling effect rather than otherwise throughout the country.

While it is the wish of all the leaders of the different parties and groups not to curtail speeches which hon. members may wish to make, nevertheless our hope is that hon. members may find it possible to curtail the length of their speeches so that the house may, if not this evening at least early to-morrow have the divisions taken on the several amendments and conclude with its present business by voting on the main motion, if possible before to-morrow night. One suggestion was that we might sit late into the evening to-night, but an alternative thought was that the house might meet to-morrow morning at eleven o'clock. Perhaps by so doing it would be possible to conclude before the evening. At all events, if it could be understood that we will work to that end, hon. members who wish to do so might feel free at least to make reservations tentatively to get away at night. Whether they would be able to leave at night would depend on whether the divisions on the several amendments and on the main motion were taken before adjournment at night. With the permission of the house, I therefore, move, seconded by Mr. St. Laurent:

> That on Thursday, December 7, 1944, and every day thereafter until the completion of the present business the house shall meet at 11 o'clock a.m., and that in addition to the intermission from 6 to 8 o'clock p.m. there shall be an intermission from 1 o'clock to 3 o'clock p.m.

I hope this motion will meet with general approval.

Mr. GORDON GRAYDON (Leader of the Opposition): May I take this opportunity of asking the Prime Minister a question which I did not ask him when we met privately to-day or on the orders of the day, but which perhaps is of some importance. Will there be any other government business brought before the house this session other than the business now before us?

Mr. MACKENZIE KING: There will be no other business at this sitting, but of course I cannot say whether there will be another sitting before the session is over.

Mr. GRAYDON: Perhaps I did not make myself clear. I meant at this particular sitting.

Mr. MACKENZIE KING: No, there is no other business.

Motion agreed to.

THE WAR

POLICY OF THE GOVERNMENT IN MAINTAINING VIGOROUS WAR EFFORT—CONTINUATION OF DEBATE ON MOTION OF THE PRIME MINISTER

The house resumed consideration of the motion of the Prime Minister (Mr. Mackenzie King) that this house will aid the government in its policy of maintaining a vigorous war effort, and the proposed amendment thereto of Mr. Graydon, and the amendment to the amendment of Mr. Jean.

Mr. JACKMAN: Mr. Speaker, before the dinner recess the hon. member for Prince drew my attention to the fact that I had not quoted all of the extract which I read, that

starting where I did I may have attributed unfairly to him a sense of self-importance which he would be the last to claim. I am glad to have this opportunity of giving the question in full, and I quote from page 6677 of *Hansard* as follows:

I have mentioned these points specially, but what I want to emphasize is this, that this house and the people of this country, and I myself, will hold the government—and particularly the Prime Minister and the Minister of National Defence—to strict account for carrying out vigorously and without wavering their declared intention to reinforce the army with well-trained men from the N.R.M.A. to the fullest and fastest extent possible.

That in no way changes the point I was endeavouring to make, namely, that the hon. member is seized with great responsibility, perhaps more so than any other hon. member, in the action he proposes to take on the motion and the amendment now before the house. No one is more willing to sacrifice himself for the men overseas than the hon. member for Prince. As in the last war when he was colonel of his battalion, he would not ask any man to do anything which he would not himself do. So that he should not now accept a trust or be an example to others to accept the same when a breach of that trust will mean a lack of needed reinforcements overseas. Having failed in the cabinet, how does the hon. member expect to succeed in his objective outside the cabinet?

Was there ever a vote of confidence in this house which was not supported by speeches by the various ministers of the crown? The Prime Minister made a speech when he introduced the motion, and that speech was subsequently devastated by the hon. member for Prince. Mention has been made already in this house of the speeches which were made by the Minister of Justice (Mr. St. Laurent) before the passing of the order in council, and he alone has spoken in this debate. Mention was also made of the speech of the Minister of Fisheries (Mr. Bertrand) and the speech of the Minister of Agriculture (Mr. Gardiner), who spoke of our material contribution to this war.

May I remind the Minister of Agriculture that mutual aid is but a measure of how many less men relatively Canada has on the fighting fronts as compared with some of our allies. Do not prate about war production, particularly about our gifts, until you measure our relative contribution on the fighting front. Let the ministers who may be for or against the application of a full man-power policy in Canada stand up and be counted.

Usually in an important debate, and surely this is the most important debate this parliament has seen, ministers start off at three o'clock in order that what they say may be the highlight of the day. In this debate they are singularly silent. What have they to be ashamed of? Are they endeavouring to put themselves in a position where they can say to one part of the country that they are in favour of sending reinforcements and to another that they are against compulsion? One should not accept the fruits of office without also accepting the responsibilities.

The people of Canada are entitled to know just where each member of the cabinet stands on this vital issue; otherwise how can they place any reliance in their future actions which may decide whether or not their sons and husbands are to have a fighting chance? Let each member of the cabinet definitely declare himself. The public have no right to make assumptions. A vote on the motion as worded does not mean taking a stand on further reinforcements. In the case of the former Minister of National Defence for Air (Mr. Power), when I heard of his resignation I did not know whether it was because the government had gone too far for him or whether, when he said in his great speech in favour of the plebiscite in 1942, he felt that the time might come when he might have to part company with his constituency, that he thought the government had not gone far enough.

I think most of us understand where the Minister of Agriculture stands in this matter, but he has not declared himself in open session. Policies hang on personalities and it is impossible to divorce one from the other or to speak of one without the other. The public are demanding that the various ministers who support the policy of "Conscription when necessary" and interpret "necessary" as needed reinforcements hereafter as well as now should speak; otherwise how are they to be identified beyond peradventure of doubt? The Minister of National Defence for Naval Affairs (Mr. Macdonald), the Minister of National Revenue (Mr. Gibson), the Minister of Mines and Resources (Mr. Crerar), the Minister of Trade and Commerce (Mr. MacKinnon), the Postmaster General (Mr. Mulock), the Secretary of State (Mr. McLarty), the Minister of Veterans Affairs (Mr. Mackenzie), and the Minister of Health and Social Welfare (Mr. Claxton)—what of them? And what of the position of the Minister of Public Works (Mr. Fournier) and the Minister of Fisheries (Mr. Bertrand)? Given the same information, and the information is now common knowledge, I am sure that many of these gentlemen will have the same instinctive reaction that I have. We should all hang our heads in eternal shame if we let down our sons and brothers overseas. That and nothing else counts. The former Minister of National Defence has not named them, but he knows

who they are, those colleagues of his in the cabinet upon whom he is depending, and the people of Canada are entitled to know in whom he puts his reliance. If they do not know the stand of these ministers, what assurance can they have? If the ministers are not brave enough to declare themselves in open parliament, what trust can we have in their actions behind closed doors where they are subjected to the dominating personality of their leader, where the ties of party loyalty can be urged, where a multitude of extraneous matters can be brought in to becloud the main issue? Let them here declare themselves in order that the people of Canada may know in what manner of men they are asked to put their trust. Let the people of Canada know that it is for political reasons that these hon. gentlemen who hold portfolios do not speak. Are they leaders of this country or are they political pawns? Are they looking to their futures and not to the lives of our boys overseas? It may be politically expedient not to be on record as personally favouring a policy of one army for Canada, but that is the only way through which continuous needed reinforcements can be assured. Your actions speak louder than words, and the principle of conscription for overseas has been adopted by your government. The people of Canada, however, are in a sea of doubt as to what your future course will be. Assure the troops overseas, assure the wives and mothers in Canada, that there will be a continuous flow of needed reinforcements. Are the members of the cabinet afraid to commit themselves on a matter affecting the lives of our men overseas? How can we have confidence when perhaps a minority of the cabinet believe that the sending of draftee reinforcements is necessary, when perhaps even at this moment the Prime Minister holds their resignations in his desk, and if it suits the convenience of the Liberal government he may hold those resignations in his hand? Is it possible that only the Prime Minister knows what is the future policy as to reinforcements? Is that the reason for the silence of the various ministers?

What of the principle of cabinet solidarity? What of the principle of collective responsibility? Just as a house divided against itself will fall, so will a cabinet that is rent with internal dissension. As Maitland so well puts it, cabinet solidarity is essential to parliamentary government and means three things: (1) political unanimity; (2) common responsibility to parliament, and (3) submission to a common head.

We understand the Prime Minister's conception of cabinet solidarity when he ousted his former minister. If he now has political unanimity in his cabinet since he did a right-about-face on the reinforcement issue, he should be able to tell the house that the fundamental principle of reinforcements overseas has been adopted by every one of his ministers, or does his overnight conversion apply to some of the ministers only and as to 16,000 reinforcements only.

The hon. member for Prince (Mr. Ralston) can have no confidence in the head of the government. His confidence is in certain of his former colleagues. But cabinet solidarity means submission to a common head. Who then is the head of the present Liberal government? Or is the former minister of national defence leaning on a reed? The impossibility of the present situation could not be better described than in a quotation from Lord Salisbury in 1878 which is given at page 217 of Jenning's "Cabinet Government":

> For all that passes in cabinet each member of it who does not resign is absolutely and irretrievably responsible, and has no right afterwards to say that he agreed in one case to a compromise, while in another he was persuaded by his colleagues. . . . It is only on the principle that absolute responsibility is undertaken by every member of the cabinet who, after a decision is arrived at, remains a member of it, that the joint responsibility of ministers to parliament can be upheld, and one of the most essential principles of parliamentary responsibility established.

After the Prime Minister's interjection of yesterday that he had made no promise to anyone, the cabinet must be more divided than ever. As long as this country has a Prime Minister whose words have to be most carefully scrutinized for their import and meaning there can be no confidence in the government. Unfortunately unless some of the overwhelming majority of Liberal members vote for what is right, this country may be undone and the men overseas may be without reinforcements.

Let me again illustrate the lack of consistency and faith which the former minister found in the present administration. At page 6666 of *Hansard* the hon. member for Prince had this to say:

> Further than that, I found that the government, as a whole, certain colleagues excepted, did not consider that the government was bound to that policy by the Prime Minister's speech in 1942.

Are the people of this country to be satisfied with an overnight change of mind, extracted at the point of a gun, and the passing of a wholly inadequate order in council which continues the two-army system in Canada? With the chief protagonist of necessary reinforcements from the only available source now outside the cabinet and the new convert holding his office, what reliance, what trust can we place in this government? Already the Prime Minister probably wonders whether he did not make a mistake in surrendering too soon to the opposition forces?

With an administration unfriendly to the order under which it operates, can the people of Canada expect a just carrying out of that order in council? The German war, to say nothing of the Japanese war, may last much longer than any of us expect. Is this government making available the greatest number of men possible who will be ready as trained reinforcements six months or a year from now? Where is the cabinet solidarity or the consistency on which the hon. member for Prince is relying? What was his own experience, according to his statement at page 6664 of *Hansard:*

Let us see what the situation was. Was anybody opposing a position hitherto taken by the government? I was proposing to carry out the policy of the government, which was the policy of sending N.R.M.A. men if necessary. I was not opposing any position which had hitherto been taken by the government.

And then later on, at page 6665:

It was made quite clear to me that the place for me was not inside, but outside the cabinet.

The Prime Minister (Mr. Mackenzie King) believes in cabinet solidarity when it suits his book, but not when it does not. After the former minister's statement, how can the people of Canada have confidence in the exercise of a power given to the Prime Minister under the National Resources Mobilization Act and the War Measures Act? What interpretation will be again put on "necessary" and on "advisable in the best interests of Canada"?

Let me give the last and most recent example of the Prime Minister's political evasiveness. On page 6677 of *Hansard* I find this statement by the hon. member for Prince:

There is one thing more, and that is that I doubt if the minister's programme of dispatch is sufficiently rapid to provide all he should have to reestablish reinforcement pools as quickly as that should be done, having regard to the conditions which face him now and in the near future.

He will be held responsible for accelerating the dispatch in every way. And one other point I am assuming, unless the Prime Minister states otherwise, that if the government motion carries, the future orders in council specifying additional numbers of men will be passed and put into effect without any reference back again to this house for a vote of confidence or other approval.

To which the Prime Minister replied:

That is correct.

Then the hon. member for Prince continued:

I take that to be clear from the minister's statements to the house.

I have mentioned these points specially, but what I want to emphasize is this, that this house and the people of this country, and I myself, will hold the government—and particularly the Prime Minister and the Minister of National Defence—to strict account for carrying out vigorously and without wavering their declared intention to reinforce the army with well-trained men from the N.R.M.A. to the fullest and fastest extent possible.

It is on this understanding and for these reasons, and one other, namely the confidence which I have in certain of my former colleagues, who have contributed in no small degree to the changed attitude of the government, that I shall vote against the amendment and for the motion.

But what did the Prime Minister say yesterday in answer to the hon. member for Lake Centre (Mr. Diefenbaker), who said, as reported in *Hansard* at page 6809:

The Minister of Agriculture (Mr. Gardiner) has kept very quiet on this subject but the other day Mr. Charles Bishop, a distinguished member of the press gallery said: "Sixteen thousand is the limit for the Honourable J. G. Gardiner." We should like to know whether 16,000 is the limit and also whether or not any promise has been made to anyone that no more will be sent.

To which the Prime Minister replied:

May I answer my hon. friend at once? I have made no promise to anyone.

Does that not fly in the face of the statement in reply to the hon. member for Prince, reported on page 6677 of *Hansard,* namely, "That is correct"? But if one examines that statement one can see that it can be taken to refer to the procedure under order in council rather than to the substance, namely that additional numbers of N.R.M.A. men will be sent overseas as reinforcements. This country is tired of dealing with words; and the hon. member for Prince, in view of the Prime Minister's statement, "I have made no promise to anyone", can no longer be held bound by his undertaking to support the government motion.

What is the opinion of the individual cabinet ministers on this vital subject? Either we have the essentials of cabinet government or we have not. The cabinet is of divergent views. The people of Canada can have no assurance of what the policy of that cabinet is as to overseas reinforcements. It is a situation which is untenable and one which cannot be tolerated in view of the fact that the lives of our fighting men hang on which way a majority of those holding divided opinions are swayed. No; a government cannot exist where there is no unanimity of opinion on a matter of such grave policy. A cabinet divided against itself will not stand.

Liberal members can have no assurance. I ask them to put it on the low grounds of political expediency, that a clear, definite order in council should be passed doing away with the two-army system in Canada. I ask them to put it on the highest ground, needed reinforcements for overseas, which means all available reinforcements.

The hon. member for Prince has said that much as he agrees with the ideas expressed in our amendment, he will not vote for it because it would be a vote of want of confidence in the government and that, if it were defeated, the whole matter of dispatching the 16,000 reinforcements from the N.R.M.A. would be thrown into the realm of uncertainty and suspense. As has already been pointed out, the Dominion of New Zealand, the Commonwealth of Australia and the United States of America have all had general elections during the war. In no case has the election interfered with the carrying on of a vigorous war effort.

So much for the general principle; what of its particular application at this time to Canada?

Mr. SPEAKER: The hon. gentleman's time his expired.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I do not think any soldier member need apologize for taking the time of the house to declare his stand on the reinforcement problem. I want to repeat, reinforcement—not conscription. I think it will be equally obvious that the hon. member for Rosedale (Mr. Jackman) must have prepared his speech before this agreement to shorten the debate came into effect. We have had conscription in effect for some time, the only trouble being, as I see it, that it is conscription for a limited number and for a limited area.

At all times I have stated that I believe the volunteer soldier to be superior to the conscripted one. I still believe that, and always will. The time has come, however, when all that matters is that the infantry shall have help, either volunteers, or men from the N.R.M.A. or both. Nothing else now matters but that the infantry shall be guaranteed all possible reinforcements.

Early in the war I took exception to Canada endeavouring to maintain an army. I said that, with the man-power drain to maintain a large and splendid navy and air force, with the man-power drain to maintain an expanded war industry, and with the man-power drain to supply food on a scale such as we in Canada had never been called upon to supply it, we could not also maintain an army.

In the last war we were unable to maintain four divisions with proper and ample reinforcements without breaking up the fifth division. Why try now to maintain six or seven divisions? I believe that the most effective fighting weapon you can have is not only a well-trained army but one that has at all times ample reinforcements, and that, above all, the men serving in the army should know that they have an ample supply of reserves both immediately adjacent to the units and in the reserve. Does any hon. member believe that the infantry think now they have ample reserves immediately available? Surely everyone knows that our infantry have not sufficient reserves now available—not here but across the ocean where they are needed.

Surely it is the wish of every Canadian that we at once make provision, by voluntary methods or by conscription or by any other method, to ensure that the men have not too little reinforcements and too late. Rather they should have too many and too soon.

It is not clear to me now, and it never has been, why our staff did not make ample provision for sufficient reinforcements for such a very small percentage of our army that was in the infantry. It would appear to me that too much of their time was taken up with concentrating on the promotion of some of those in the higher ranks. I do know that if we had as big a reserve as we have of generals and colonels protecting the Lord Elgin hotel we would have plenty of reserves everywhere.

Why is it that after all this time we have only 8,000 trained men available and 8,000 almost trained men available in the N.R.M.A. from these large and expensive camps, with the instructors that we have? It does not make sense to me, and it has not been explained properly what the staffs were doing to permit such a condition to arise. It is no use speaking of mistakes in the past. It is time now to speak, however, in order that we may not repeat the mistakes we made previously. I do not claim to have any more military knowledge or experience than any soldier member of the house, but I do say that the people of Canada, and the men who will return after the war, will never forget. And why should they? If we send over 5,000 men now, perhaps that will give an ample reserve under present conditions. But what if the ship is sunk? Here I bring as my witness no less a person than the hon. and gallant member for Lotbinière (Mr. Lapointe), who last night, in my opinion, made one of the finest and most eloquent speeches delivered in this house. Let me say that as a soldier the hon. and gallant member need take a back seat to no soldier member in this house at any time. Last night the hon. member pointed out that reinforcements were delayed to him, for a short period fortunately, because one of the barges had been sunk. Now we are talking of sending over a driblet of 5,000 men. What if the ship is sunk when taking over those 5,000? What if an epidemic

of mumps or diphtheria hits the men? What if they should suffer untold casualties in the battle that lies ahead? I do not think any member would care to predict what casualties may occur in the terrible war that we are still facing—and let me say, without claiming any knowledge as a military man: Do not think for a moment that the hardest part of the fighting is not ahead of the Canadian army.

Will anyone say that none of these possibilities may become a reality? I for one will not accept the responsibility of saying to the men or to their families at home afterwards that we thought help would arrive in time.

My riding was not unanimous for the plebiscite; it was about seventy per cent for and thirty per cent against; and here let me say a word for the Canadian Legion. Unfortunately there was left by two members of this house an inference not altogether favourable to the legion. I do not think they intended it, for possibly they spoke without knowledge. The government asked me to go back to my riding and endeavour to get a favourable vote at the time of the plebiscite. I in turn asked the Canadian Legion to put over the campaign and they did so in their own time, by their own efforts, and at their own expense. There are many fine organizations in Canada, but there is no organization so exclusive or so favoured as the Canadian Legion, for the simple reason that no one can get into it by right of money or of might, or anything else. The only way you can be a member of Canada's finest organization is by right of service in His Majesty's forces.

Nothing matters but that our men should have reinforcements and that these should be sent to them right away. I am trying to-night to obey what I gather is the understanding as the aftermath of the meeting of the Prime Minister and the two other leaders concerned, and I sincerely hope that the rest of his followers will keep faith as I do and not take too long in speaking. But having listened to some of the eastern members I may tell the Prime Minister and the other leaders that I have not much hope of their wish being fulfilled.

I was told twice by the leading isolationist in the house, my hon. friend in the corner, that I would not be re-elected. I would sooner be defeated doing what I think is right than be re-elected doing what I think is wrong. This, I believe, the fathers and mothers of our soldiers will approve, to the disappointment of my isolationist friend in the corner when the election rolls along. But no matter, my own Liberal association approve my stand in this matter; what happens to me is immaterial. The important thing to every member of the house is not his own political future but the future of the men who are serving overseas.

The day on which the former minister of national defence (Mr. Ralston) resigned I was asked my stand on the controversy as we read it in the press and heard it over the radio, and from what I said on that day it would be easy for me to vote otherwise than I intend to vote now. I said at that time that I had every confidence in the former minister. He had just made a trip overseas and, I presumed, had consulted his advisers, and if he said that reinforcements were needed, and needed now, there was only one answer—send them. Later, speaking to the Canadian Legion just before I left, I made a statement which I should like to quote from the daily press of Vancouver under the heading, "I Have All Confidence in Ralston."

> Mr. Cruickshank, Liberal member for the Fraser Valley, said that until he has attended the special session and has heard first hand the details of the reinforcement situation, there was little he could add to his previous statements on the matter.
>
> I have every confidence in Colonel Ralston, and with a vivid recollection of the terrible shortage of reinforcements while serving in mud and water during the last war, it is my opinion that nothing must be allowed to stand in the way of sending every volunteer or conscripted man necessary to maintain our units at full strength.
>
> Colonel Ralston was a noted soldier during the last war, has headed our department of national defence that raised, equipped and trained our splendid army.
>
> He has made a personal investigation and after consultation with his staff has made the definite statement that more men are needed now. That is good enough for me. Nothing else is as important as seeing that our Canadian boys have every support.

Since then the hon. member for Prince has spoken and stated his stand, and now I must state mine. I have a vivid recollection of the shortage of man-power during the last war and the need of ample reinforcements. I had to make a decision, a decision caused by lack of ample reinforcements at the time, a decision far more difficult than the one I have to make to-day. The day we entered the Courcellette area it was my duty as company sergeant-major to tell the men that because of the heavy battle expected and our shortage of men no matter who was wounded no one was to be detailed to take him to the nearest dressing station. It was up to the wounded man himself to try to struggle back at night, alone through mud and shell fire as best he could to where stretcher parties might find him. Every soldier of the last war remembers when going into the line the delays caused by

shelling of cross-roads, a check on map directions, or barb wire underfoot or overhead. During one of those halts a request came back to me for a stretcher-bearer. I asked who was hit and the word came back to me, "Wally". I went ahead with the stretcher-bearer. Wally was lying against the side of the road with one side of his jaw blown off. I said, "Are you all right?" He could not speak, but nodded his head. A couple of moments later the order came to advance, and I went on with the company because I did not have sufficient men to detail anyone to look after him. That night I made up my mind on ample reinforcements to keep the infantry at full strength at any and all times. I have never changed that opinion and I never will. Wally was my only brother. That is why I am voting for the opposition amendment. If the amendment is defeated, then like my colleague, the hon. and gallant member for Vancouver North (Mr. Sinclair), I will vote for the main motion, because I realize that even 16,000 reinforcements out of the N.R.M.A. personnel are better than none at all as desired by the isolationists who will vote against the government.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I have listened with deep interest to the speeches which have been delivered by hon. members on all sides of the house. Quite often they were carefully drafted and were the expression of most interesting views about conscription of men for overseas. I have listened to a great many debates, but this one is the most important that I have listened to during the twenty years I have been a member of this house. Twenty years is a long time. I have spent that period of time as the faithful servant of the party to which I belonged, and I was proud up until I had to cross the floor of the house. Some people may believe that the order in council passed by the government about conscription for overseas service was the cause of my action. It was not. It was the occasion that prompted my decision in this matter. It was the drop of water that made the glass overflow. I have at first stood by my party so long as I agreed with them, and afterwards so long as I hoped that I could possibly agree with them. But when the measure was full and there was no possible hope, and when I considered that the leader of the Liberal party had become a desperate case, the only thing I had to do was to come here to breathe fresh air. My language may seem hard to some hon. members of parliament, but I have been brought up in the Liberal doctrine. I said so not long ago, and I was precluded by the Prime Minister (Mr. Mackenzie King) himself from stating to the house why I was a Liberal.

The main reason why I have crossed the floor of the house is that the Prime Minister, who is more liberal in his speeches than in his actions, since the beginning of the war preferred to take advice from his opponents to taking it from his supporters. How often did I see him cross the floor himself, not as I did, to remain a free man, but to talk with the then leader of the opposition, the hon. member for York-Sunbury (Mr. Hanson) oftener than he ever did with the present one. And, sir, one must remember that the real leader of the Tory party which we call the Progressive Conservative party was not the hon. member for York-Sunbury; he was just a figurehead. His chief was Arthur Meighen. When the then leader of the opposition was giving advice to the Prime Minister he was conveying the views of Arthur Meighen himself to the leader of the Liberal party. This I objected to very strongly, to have Arthur Meighen as the dictator of the once Liberal party. And once when the Liberal members in quite a large number opposed bill No. 80 in 1942, salvation came to the Prime Minister in the way of support from the Conservative opposition then led by the hon. member for York-Sunbury, the former Bennett minister. The Prime Minister was so grateful to him that early in the session of 1943, when the then leader of the Progressive Conservative party took for his excuse his bad health to resign the leadership of his party in this house, the Prime Minister paid him such a tribute that it was engraved on the silver tray which was presented to the then leader of the opposition, with a fine dog, the friend of man. Who would have expected that? I have told this to some good Liberals in my constituency, and they would not believe it. I am telling now something that has not appeared in the press but which is nevertheless true, and *Hansard* is there to prove it. The Prime Minister has always been fond of paying greater tribute to his opponents than to his friends. That was what he said to the hon. member for York-Sunbury, the then leader of the opposition, because he was a life-saver for the government, not to maintain the doctrines of the Liberal party but to keep the Prime Minister in the seat he occupies as leader of the government. So that if he occupies those high functions now it is thanks to the benevolence and stupidity of the Tory party. How can they oppose him now? We had a union government at that time.

Then the Prime Minister will remember that during the last general election, while he

confined himself in Laurier House, it was the man who was his right arm but who was a sick man, who died a year later, whom he asked to go throughout Canada and preach the doctrines of the Liberal party. In the winter of 1940 Liberalism was not preached throughout the land by the Prime Minister, the leader of the Liberal party; it was preached by a French Canadian of my county, Ernest Lapointe, as the then leader in spirit of the government. He was practically the leader of the government at that time, as he had led the government so ably in the house when the Prime Minister was defeated in 1925, after his speech at Richmond Hill. Mr. Lapointe was a sick man; he had been a sick man for years, but still he undertook that task. He did not do so only to keep the party in power; he did it for a noble cause. I am sure he was sincere. He was ready to do anything to promote Liberalism in this country.

I was deeply moved by the brilliant speech which was delivered yesterday by the son of Ernest Lapointe, and which was a vindication of his memory. The hon. member for Lotbinière (Mr. Lapointe), that gallant officer, has proved that courage may be found in the House of Commons as well as on the battlefields of Europe. He was not one who had been overseas on a Cook's tour surrounded by brass hats. He was in the thick of the battle, during which half his unit was killed. He came back to tell this house things that had to be told. They were told in a way that was worthy of his father, worthy of Sir Wilfrid Laurier, worthy of the grandfather of the Prime Minister and of all the great men who have been in public life in this country. I pay the same tribute to the hon. member for Brome-Missisquoi (Mr. Hallé). The hon. member for Lotbinière came from the western front. The other hon. member, Lieutenant Colonel Hallé, came straight from Italy. Here we have two men who have been witnesses of the war, in the thick of battle. I respect and believe them, more than I believe the brass hats who infest general headquarters here in Ottawa, who have never been in any theatre of war but who want young men to be sent overseas to take their places there. I well remember that I was called to order by the Prime Minister because I said the brass hats were pompous. What a thing! I told him then that if these men were shedding their blood for their country, it was in scratching their fingers with red tape.

What is the feeling in this country, Mr. Speaker? There are two groups of people, those who favour conscription and those who oppose it. Those who favour conscription cannot understand the gossip which we witness in this house between old men who have passed military age, who give their views and relate their experiences and say, "Well, you said this." "No, I said that." "No, I said this." "No, you said that." It is like, "After you, my dear Gaston." "After you, my dear Alphonse." It is most incredible. That sort of thing earns the contempt of the people of Canada. They are strongly against it, and they are not interested in such things being said in this house. They are interested in what is done by the government, things of which the government is ashamed. When since the beginning of the war have we had the truth about the policy of the government? I remember distinctly, sir, that at first conscription was not mentioned; it was not even included under mobilization. We were to have the mobilization of our natural and material resources for the greatest possible war effort, but no conscription whatever. That is what was being said. I am on record in that connection; the Prime Minister himself has put on record what I said in caucus before conscription was imposed.

Before concluding my remarks I must say that the advice of the Liberal party has never been sought in regard to any measure brought down by the government, while the advice of the opposition has been obtained. The Prime Minister said in this house that in caucus I had proposed to raise a regiment for the defence of Canada in my constituency within a week. That was about June 18 or June 20; I have the record in my house, but I know it so well that I do not need to read the book. Hon. members will remember it also. I offered to raise a regiment in my own county, and the Prime Minister told me that that would be the greatest possible mistake, that it would hamper the work of the farmers, the lumbermen, those working in essential war industries making munitions and arms, and so forth. What the Prime Minister said was plausible, but on the other hand all the men and women who have done so much for the war effort have been and are still being ignored by the government. Apparently their contribution does not count. From the start of the war the only ones who were doing their duty toward the war effort, according to the government, according to the wartime information board, according to the CBC and according to all government publications, were not those who had complied with the law, the young men who were first called recruits, then draftees and then N.R.M.A. men; it was only those who had volunteered even though they

remained in Ottawa to wage a war for increases in salaries, allowances, bonuses and all that. Those were the brave men.

At the start of things there was a misconstruction of words. The word "conscription" was only a reminder of the abuse which the Quebec people had taken under the so-called union government in 1917, 1918 and 1919.

About a month ago I met a prominent Tory in Toronto. He asked me how I could justify what had been said by Mr. Lapointe to the effect that the hands of Arthur Meighen were dripping with blood. I told him that in the first place I did not know whether Mr. Lapointe had used that language, but whether he had or not I knew that it was true. After the war was over, there were men paid by the Department of Justice of the Meighen government to run after draftees and shoot at them. Imagine that! The allied forces had stopped firing on the battlefields of Europe, but here in Canada because some farmers had not forgotten the pledge of Borden not to impose conscription on farmers they were treated like convicts, they were treated like the enemy. When I was elected in 1924 one of the first letters I wrote was to Mr. Lapointe asking for the files in connection with those individuals who had been paid by the government to shoot at their brothers. What did Mr. Lapointe tell me? He said, "Jean-François, the war is over, we must have peace in this country, do not insist on having those files." That was the language used by Mr. Lapointe in answer to my request.

To summarize my point let me use an expression which once fell from the lips of the Minister of Labour (Mr. Mitchell). It may seem to us that we have done too much. If too much has been done it has been to excuse the government for not having imposed conscription according to the letter as well as the spirit of the law. That was the guiding star of the policy of the government, the fear of an offensive by the Tory party. They are not dangerous. I stood alone before their most powerful man, R. B. Bennett. I am still here and he is across the sea, and not in the army.

The Prime Minister is witness to the fact that I have fought battles for the Liberal party. He will remember that all the great leaders of the Tory party came to speak against Jean-François Pouliot in Témiscouata county. First there was the Calvinist Arthur Meighen, then there was the bombastic R. B. Bennett and then the non-conscriptionist, R. J. Manion. They all came; they were listened to, but when the time came to vote they were all forgotten.

I have tried to help the Prime Minister in every way. Many times I have helped to make matters smooth for him. How many times did I warn him against oncoming danger? I did that many times, not for anything in return but simply for the satisfaction of my own conscience, my own patriotism and because of the friendship that existed between us. Very often I was subjected to humiliation because I delayed leaving the party.

The Prime Minister must remember when he toured the Gaspe peninsula in 1932 or 1933. I sent him a wire asking if he would meet some of my constituents at my home. He graciously acceded to my request and one night, although the weather was very bad, about eight hundred people came to my home to shake hands with him and with Mr. Lapointe. The Prime Minister must remember that for a time I used to send his photograph as a wedding gift to young couples in my county. The Prime Minister must remember also that I have deprived myself of valuable books on the occasion of his birthdays as a token of my admiration for him.

But that is not all. In 1930 when Mr. Houde, who is now running for mayor of Montreal, was leader of the provincial Conservative party in Quebec, it was suggested that the Liberal members should support his opponents in the Montreal election. I succeeded in having a different order given and all members except one decided to refrain from taking any part in the campaign. When the general election came around I went to see Mr. Houde, and at my request—the Prime Minister with another member of the cabinet was informed of the matter at the time—Mr. Houde refrained from taking any part in the federal campaign. Imagine, sir, he was elected by 42,000; he was the leader of the provincial group. All that was done to help the Liberal members on the island of Montreal, and it was done by the member for Témiscouata from away off in the country, just for the sake of the party and to prevent the party from being humiliated more than it was. Mr. Houde kept his word and kept away from the fight, and when that bombastic Bennett came to Maisonneuve Mayor Houde refused to preside at the meeting.

Afterwards, at the time of the padlock law, when the late Mr. Lapointe was ready to deal with the matter in a summary way, I sent a memorandum to the Prime Minister to inform him of the danger of such action. But I pass quickly over that.

In the provincial election of 1934, after the Prime Minister had stated in my presence at a meeting in the Chateau Laurier which was presided over by the late George P. Graham, that Mr. Hepburn was his leader in Ontario, I campaigned for Mr. Hepburn

because I thought it would be a good thing for the party, and in the following year I returned to Ontario counties to speak for some of my colleagues in this house in the federal election. Two weeks before the date of the election, at a general meeting which had been organized by one of my best friends, the late Harry Anderson of the old *Globe,* I predicted, and it proved to be true, that sixty out of sixty-five supporters of the Liberal party would be elected in the province of Quebec on October 14. That was not only published in the Toronto papers but carried by the press agencies and published all over Canada.

I regret very much, Mr. Speaker, that from the beginning of the war the government has boosted only those who would volunteer and has ignored the others who are doing so much for the war effort here in Canada—our farmers, our railwaymen and those engaged in other war industries. They have been ignored completely. Why? The man in the cab of a locomotive and all the members of the train crews are exposing their lives daily, just as do those who work on explosives in munitions plants and so on, but these men are considered slackers. I have had to fight for them, and I did secure amendments to the national war services regulations which benefited not only my own constituents of Temiscouata but even the constituents of those members who dare to insult the province of Quebec at the present time. That is on record. I shall not show the letters of appreciation that I have received from officials of the department concerned; I shall keep them. But, sir, if I am here to-night it is because I have suffered mental cruelties for so long in belonging to a party which has been ignored by the Prime Minister from the start of the war. I do not know whether he takes the same attitude with his colleagues in the cabinet. If so, I understand why they are divided.

I remember that in 1936 Miss Agnes MacPhail, referring in the house to the election posters of 1935, on which were the three words "King or chaos", said that the wording should have been "King and chaos". I was scandalized at the time. I did not believe that that could ever be true. But now here it is; we have it.

Did I not warn the Prime Minister three and a half years ago, on the afternoon of February 21, 1941, that he was to be stabbed in the back? On that occasion did I not warn all the English-speaking colleagues of the Prime Minister, including the minister for naval affairs, the then minister of pensions, the Minister of Agriculture (Mr. Gardiner) and even the Minister of Mines and Resources (Mr. Crerar) and many others? I did so because I had confidence in the Prime Minister, because I still hoped against hope that he would be true, not to his promises, but to our expectations. But, sir, on that memorable occasion the former minister of national defence was not defended by any one of his colleagues in the cabinet. He was defended by the then leader of the opposition, to whom the Prime Minister paid such a tribute when he left the leadership.

Not only that, but when the hon. member for Parkdale (Mr. Bruce) said that the Prime Minister was not qualified to be prime minister in time of war, that the one who was qualified was his colleague, the then minister of finance, and the late minister of national defence, who read the book that the hon. member for Parkdale had in his hand? Who brought embarrassment to the hon. member for Parkdale just to save the skin of the Prime Minister if it was not the member for Temiscouata himself?

My colleagues may be surprised that that was some time after I had left the Liberal caucus. Why did I do so? I did so for a very good reason, because there is no freedom of speech in that room. I was prevented by the Prime Minister himself from saying what I thought of the then minister of national defence, that he was incompetent. Since I was precluded from expressing that judgment in that room I could not breathe there any more, and I left.

I returned last spring to offer my good wishes and to say godspeed to the Prime Minister before he left for England. I did not want the death of a sinner; I wanted his conversion. But here we see the Liberal party embodied in a man who takes advice from his bitterest opponents, until he falls in a muddle. We are in a muddle now. Who is responsible for it? The Prime Minister cannot cast any blame on me, because I warned him. I warned him against himself. He did not listen to me. He listened to the opposite party, the party that is now making an amendment for his downfall.

I could speak for hours on this subject; I could speak for days and weeks and months. But I will conclude by reminding the house that the time has come for the "Great Divide". The members of the cabinet live in a false security. Ottawa has always ignored the public opinion of the Canadian people, but I can tell you they are fed up; they want a change; they want leadership. It is the time of the "Great Divide". The Liberal party as a party—I do not speak of my old friends

who belong to it—is dead. The Prime Minister has killed it. It is just as dead as the Tory party.

Mr. ARMAND CLOUTIER (Drummond-Arthabaska) (Translation): Mr. Speaker, on February 17, 1919, death came to a great Canadian statesman, one whom the gracious queen Victoria had called the "silver-tongued speaker", Sir Wilfrid Laurier.

We reverently preserve many a memory of that great public man who spent long beautiful years in Arthabaska, a town of my constituency which will always be proud to have numbered among its citizens this great Canadian, this famous patriot, who has remained the symbol of national unity and a model of straightforwardness and fair play toward all nationalities and sectional groups in our fair country.

This illustrious Canadian has bequeathed his political will and testament to his successor. In it he condemned conscription. The original of this document is in the hands of the Right Hon. the Prime Minister of Canada (Mr. Mackenzie King) who, in accepting the legacy of Sir Wilfrid Laurier, agreed to abide by the tenets of his last will. For a quarter of a century, a copy of the political will of this great Canadian citizen has been in the hands of every member of the Liberal party and has been quoted in numberless speeches in every election campaign.

In 1940, as every other Liberal, I was given a copy of this document and I visited the most remote corners of my constituency. Knowing the pledges taken by my leaders, I told every one of my constituents, men and women alike, that the Liberal party would never pass conscription for overseas service, adding that, if it ever did, I would oppose with all my strength any government which would endeavour to apply such a measure.

In June, 1940, in view of the fact that the events which had occurred since the outbreak of the present war had given rise to an extraordinary crisis and that the national security of Canada was in jeopardy, the government introduced Bill 43 entitled "An Act conferring certain powers upon the governor in council for mobilization of national resources in the present war," in other words, the Mobilization Act. I must say, Mr. Speaker, that at the time, I supported the enactment of that measure, which was also unanimously supported by all the political parties of the loyal opposition.

On January 22, 1942, at the opening of the third session of the 19th parliament, one of the features of the speech from the throne was the announcement that a plebiscite would be held in regard to the utilization of man-power. I understood that the government were asking the people to release them from their former pledges in regard to overseas service. It would have been preferable to my mind if the government had asked directly to the people: "Are you for or against conscription for overseas service?" But inasmuch as the government was asking the electors whether they agreed to release it from its pledges in this connection, I was under the impression that both questions were synonymous, even though the one selected appeared ambiguous. I voted for the holding of the plebiscite, inasmuch as it was merely a public expression of opinion which gave me an opportunity to ascertain the views of my constituents when they were being asked by the government whether or not they were willing to release it from its former pledges in regard to overseas military service.

Fully conscious of my duty and responsibility, I addressed myself to my electorate during the plebiscite campaign, in spite of the fact that I was then in very poor health, endeavoured to explain to them that they were free to vote as they saw fit, to think as they liked in this matter, but that, as far as I was concerned, I could not accept the responsibility of an affirmative vote to the plebiscite question and would vote against it. My personal opinion was supported by 98 per cent of the electorate in my riding. The province of Quebec refused, by an overwhelming majority, to release the government from its pledge.

On the day following the plebiscite, a bill to authorize conscription for overseas service was introduced in the house. It was claimed that, in view of the result of the plebiscite, such was the decision of the electorate. How can this lame explanation be reconciled with the interpretation which, at that time, the Right Hon. Prime Minister himself gave to the plebiscite question in asserting that conscription was not the issue at stake? Had it been so, could the government feel released from a solemn pledge when the only electors to whom the guarantee had been given formally refused to cancel it? Such was Quebec's decision.

Bill 80 advocated the repeal of section 3 and, once this had been struck out, the Canadian mobilization act would have authorized compulsory service in any theatre of war, that is to say, conscription.

I voted against Bill 80 in the house, in other words against conscription, and I am proud of it, for in so doing, I honoured the mandate which I had received from my supporters.

On November 23, 1944, a date which, to my mind, marks a "national tragedy", the present government passed order in council No. 8891,

providing for the dispatch overseas of 16,000 draftees. I have said, Mr. Speaker, that it was a surrender to the blackmail of the conscriptionist gang and to the collective frenzy of the eight English-speaking provinces, thoroughly aroused against the French-speaking province.

Fully aware of my responsibility, I say that I shall never be a party to this breach of the plighted word by the imperialists within the government and the opposition. The latter showed no regard for the memory of Laurier, who, during his whole life opposed that banfeul measure, and in this I shall meet the wishes of my constituents who elected me on the principle of no conscription for overseas service.

I shall therefore vote against the main motion, which requests us to support the whole war policy of the government, including order in council No. 8891 which provides for the dispatch overseas of 16,000 draftees, just as I voted against Bill No. 80, that is against conscription for overseas service.

I realize, of course, that the right hon. the Prime Minister of Canada was the victim of a foul conspiracy hatched by a majority blinded by old prejudices and by new political-military and financial schemes.

My convictions are those of a liberal, and I shall remain a liberal. From now on, I reserve the right to pass judgment on the war policy as time and circumstances may warrant. I know that the right hon. the Prime Minister and his cabinet have done great things. I heartily approve of the general administration of the country in war time, such as the exemption granted to farmers' sons, industrial workers, war plants employees, commercial employees, and heads of families. I also support the social measures, such as family allowances, and post-war plans. Finally, I do not hesitate to say that the present head of the Government is still, to my mind, the only one who can lead our great country to a prosperous destiny.

Mr. Speaker, on every occasion when a national issue or a difficult situation arose, even if detrimental to some of their legitimate and acknowledged rights, French Canadians have yielded ground; they have set an example of generosity and patriotism in order to maintain and strengthen perfect unity between the two great races of this country. However, whatever our interest in a principle so important and so vital as that of national unity, there comes a time, tragic, indeed, when one can no longer afford to yield without accepting complete surrender. Self-denial, in the case of the individual, may assume the form of an almost supreme unselfishness but, in the case of a nation, it must not become cowardice or treason. Much has been asked of French Canadians since Confederation and much has been received from them. But, let it be noted that their survival as a race is more important than anything else, that their hearts are filled with national pride, that in their veins flows a blood inherited from heroes who sacrificed all but their honour.

Mr. Speaker, my ancestors came from France in 1616, that is more than three centuries ago. I am a citizen of the province of Quebec; I speak the French language which I have learned with respect and devotion on my mother's knees. I have the right and the duty to love my mother tongue and I would be despicable if I failed to fulfill that obligation. I have the same respect for those who speak another language, which they love so dearly and have learned in the same way.

Must we be divided simply because the accident of birth has made us to pray to God with a different accent and in a different language? When we speak of our mother, it is with equal love, equal devotion and the same feeling of gratitude. We use the same words even if we choose them from different languages. In both cases, the tongue is but the interpreter of the heart. National unity is in the heart, not in the language or the customs. Our forefathers brought Christian civilization to this land. They built villages in spite of the red man's bow, hatchet and scalping-knife. Without any mechanical instruments, they made the earth produce food and disgorge part of its treasures; they set up business enterprises and industries. They built the country in which we live happily to-day.

Our political background is no less replete with glorious pages. As to our part in world affairs, it has been getting more and more important for a number of years until to-day Canada ranks among the first nations of the world.

At this very hour, thousands of our gallant men are giving their all to free the nations crushed by the enemy and to make possible for us a new order in which we shall know liberty, peace and happiness.

Nothing can deprive us of our tongue, our faith and our traditions. We must not forget that Canada stretches from Halifax to Vancouver, from the Arctic to the forty-fifth parallel. It is all this Canada, so great, so rich, so beautiful, so full of promises that we must love. Our patriotism should not be confined to a small part of the country where life is good, where we are rich in historical

associations, but which is not the only part of Canada where our forefathers have written glorious pages.

Canada for Canadians. Let us, Mr. Speaker, set this sane example of enlightened and intelligent patriotism whenever, as in this instance, we see a group foolishly attempt, through blind imperialism, to pass such a baneful bill of conscription, a bill which is anti-Canadian and a cause of national disunity.

Fellow-Canadians, we have reached the turning point. As a representative of Quebec, I appeal to you in these grave hours. Let us not be disunited, but rather let us stand side by side; let us not pass a law that would disrupt our national unity; let us consider our country's future, and have faith in our ability to achieve national unity in this country of ours. If we are able to perform a national miracle of this sort, we shall be all the more justified in proclaiming ourselves the builders of our country.

On March 22, 1943, in a speech which I made in this house, I said:

> I feel bound to make the following statement: as long as my leader, the right hon. Prime Minister refrains from putting conscription into force for overseas service, I shall remain among his most faithful followers; however, I must say to him that if he ever gives way to the imperialists, even though they be members of the present government, or to the opposition, and puts conscription into force for overseas service, it shall be my painful duty to fight him, for I am opposed to conscription for overseas service and as a gentleman, and a man of honour, I shall keep my pledge; in other words, I shall discharge the trust reposed in me by my constituents in this respect.

I will therefore vote against the main motion, by which we are asked to approve the government's entire war policy, including order in council 8891, with regard to the sending of 16,000 recruits overseas; I shall vote against it for the same reason I voted against Bill No. 80, namely because I oppose conscription for service overseas.

Mr. WILLIAM BRYCE (Selkirk): In rising to take part in this debate I should like the government to take my remarks as constructive criticism, because I know perfectly well that every hon. member must do everything in his power to bring this war to a successful conclusion. In speaking of reinforcements which are necessary, from the information we have had in public and private sessions of this house, I think it is really more a matter of man-power than reinforcements. Have we bitten off more than we can chew? I think we have. We have built a navy which is a great credit to Canada; we have built an air force second to none, and we have built an army that is one of the finest in the world to-day. Our navy and air force have ample reserves. They have perhaps more than they need to-day. But the army, and the infantry particularly, need reinforcements in the worst way. We have other commitments as well. We have increased our merchant marine by nearly one hundred percent. We are supplying our armed forces and the allied nations with tanks, guns, shells, ships, et cetera, which need a huge industrial army to carry on. Then there are the armed forces to feed, the food arrangements with Britain and other allied nations which need a land army to maintain. Can we take any more men from industry or from agriculture without cutting down our supplies? I am quite sure that we cannot do it.

The Minister of Agriculture (Mr. Gardiner) said in the house yesterday that further agreements had been made with Britain to supply more beef in 1946. I asked General McNaughton about the policy of the Department of National Defence with regard to men essential to agriculture. Hon. members will find that at page 6576 of *Hansard*. He assured me that the department was establishing a reserve list of N.R.M.A. men who could be posted to agriculture. The Minister of Labour (Mr. Mitchell) has also assured me that that will be taken care of. I do not question the word of General McNaughton, nor do I question the word of the Minister of Labour, but the men are still going into the army every day. If the men who are called for a medical examination are found to be fit they are put into the army, men who should be producing food for Britain and the armed forces. You can imagine the position a man is in. He goes for his medical and he is in the army. They say, "Well, ask for a postponement." I know there are a lot of commanding officers among the membership of this house and I have been four years in the army myself. A commanding officer is not the best person to whom to go to ask for anything, especially when you are only a recruit sent from the mobilization board to take your basic training. During his basic training that man cannot do anything about a postponement. At the end of his eight weeks of basic training he is told, "Well, you are in the army now; we have trained you; forget about the farm." That is the position to-day. I am quite sure that hon. members on both sides of the house will agree with me in that.

I have a letter from one of my constituents who is a young farmer, married and the operator of a farm. He has had agricultural leave which expired on November 1. He reapplied for an extension to carry on his farming operations and they have granted him leave to

January 2. If he is essential on the farm from November to January 2, he is just as essential after January. When that case was before the mobilization board the judge thought he should be sent back to agriculture to carry on his agricultural occupation, but the military representative said, "Oh, no, that man will have to get an old man or a younger man under military age to carry on the work on that farm."

We then come to the N.R.M.A. men who have been getting spring and fall leave to help to sow and harvest their crops. If this supply of man-power is taken farm production will drop and it is dropping to-day. It is down now from last year.

I should like to read a letter covering the point I am trying to explain:

> My son is the only able-bodied man on a 1,900 acre farm—900 under cultivation and 100 in cultivated grass. We have 150 odd cattle, about 40 hogs and 13 horses. The cattle are mostly beef cattle, but we winter them under farm conditions, that is, we feed, water and shelter them, instead of letting them get down to hide and bones during the winter. I have one son in the active army, I believe now overseas. I am crippled myself, so that I can only do light work, and I have a crippled son also unfit for manual labour. The cultivated acreage of this farm has already been reduced by 400 acres since the start of the war. You can see what I am up against if they hold my son for further military service, and I know there are many more up against the same conditions.

To rob the land army of these men who are essential to the success of our food programme will be nothing less than disastrous. Yesterday in the house the Minister of Agriculture (Mr. Gardiner) was asked questions in regard to the congestion at the various stock yards. This situation is due largely to the scarcity of men on the farms. If more men are taken we shall have still greater congestion at the stockyards, because more unfinished cattle will be coming on the market. The minister said there was a good outlet for finished cattle, but the unfinished cattle are coming on to the market in great numbers. Why? Because no help is available to feed them on the farm. Visit any of our abattoirs across Canada any day and you will find them slaughtering milch cows that should be kept on the farms and milked next summer to aid in the production of cream or butter or cheese. You will also find young sows coming on the market which should be kept on the farms and bred in order that we might have more bacon for Britain. But when the help is not there they cannot feed themselves, because in this country we cannot run our stock outside. They have to be cared for in the winter and we have to put up the feed in the summer. Trace that unfinished stock to which the Minister of Agriculture referred yesterday back to where it came from. Go to the farmer who sent it in; ask him why he did so. You will find that he had a son who joined up in 1939, and that the next son was called up. You may find that the farmer was sixty-five years of age in 1939 and now is seventy years old, and that it is impossible for him to carry on any longer. If you read the papers to-day you saw that not eighteen miles from here a man seventy-five years of age, bringing in his wood, was trampled to death by his horse last night. That is what we have all over this dominion to-day, with the farms being stripped of the man-power that should be there.

On March 24, 1942, according to *Hansard* at page 1567, the Prime Minister declared that men essential to or employed in agriculture on March 23, 1942, would be left on the farms. That regulation has not been complied with as it should have been. I wonder if the new regulations which are promised this parliament will be lived up to. The government has been asked repeatedly to establish some standard of production on the farms throughout Canada, for which there should be a guaranteed minimum man-power. There appears to be a lack of co-ordination between the Department of Labour, which operates selective service, the Department of Agriculture, and the Department of National Defence which established six divisions in the field and now finds itself short of reinforcements. I want it understood by the members of this house that I am in favour of sending all the reinforcements needed for our men overseas. Anything less would be a betrayal of the gallant men of this country who have offered their lives and are now in desperate need of reinforcement.

Coming back to the farm situation and the production of food, in my own province I had something to do with this as agricultural representative on the mobilization board. When a man applied for postponement he was given a questionnaire as to his farming operations, which questionnaire he was asked to fill in. By going over that questionnaire you could immediately understand that man's farming operations. If the board considered his production insufficient they advised him to increase his production or go into the army. This policy increased production, and could now be used as a yardstick in connection with the production of food on the farm. The greatest failure of this government has been its failure properly to estimate its man-power needs at home and in the armed forces, and then take a firm stand to meet those needs from its man-power resources.

Mr. J. A. CRETE (St. Maurice-Leflèche) (Translation): Mr. Speaker, at a time when millions of soldiers are fighting on the various battlefronts, when the government in London cites the Canadian war effort as an example to all other Allied nations, we wonder what can be the meaning of the agitation stirred up around this matter of conscription or, to be more accurate, around the dispatch by compulsion of 16,000 Canadian draftees.

The explanation is as simple as the young men who are to be sacrificed: the enforcement of conscription for service overseas indicates that Toronto's imperialistic Tories have triumphed, they who, since the outbreak of the war, in collusion with certain interests known to us, never stopped sabotaging our voluntary system. Toronto's Two Hundred whose hateful propaganda is aimed at the Province of Quebec, have scored.

Some hon. MEMBERS: Hear, hear.

Mr. CRETE: Some will note with surprise that the people of Quebec, though inexorably opposed to conscription for overseas service, are and will remain quiet. Soon, however—for the end of the war is at hand—those same capitalists will beg the province of Quebec to save them from socialism which never fails to sweep a divided nation. Will the province of Quebec respond this time? I wonder.

To-day, regardless of the way in which we choose to look at the problem, the house is asked to endorse the conscription policy for the present and for the future. Personally, I have always been, and I am still, opposed to conscription for several reasons. I cannot accept conscription because, as the Right Hon. the Prime Minister (Mr. Mackenzie King) himself has admitted, there is no assurance that our war effort has not been out of proportion to our resources, and, if so, instead of increasing our forces we should revise them in keeping with our available manpower.

I cannot accept conscription because, to my mind, if the senior minister of national defence (Mr. Ralston) had shown as much foresight as his colleagues in charge of the Department of National Defence for Air and the Department of National Defence for Naval Services, the present critical situation would not have occurred, and I say that it is not up to the youth of this country to make good the mistakes of a minister who looked to the other side of the house for guidance.

I cannot accept conscription because it is a measure utterly inconsistent with the liberalism of Laurier which I have upheld for over thirty years.

I could not close my brief remarks without comparing certain thoughts expressed at twenty-seven years' interval. In 1917, I happened to be in Grand'Mère, on Chamberland street, in front of the office of the English-speaking soldiers sent from Toronto to apprehend our conscripts. Three old Liberal leaders, who happened to pass by, pointing to those soldiers who were carrying revolvers in their belts, told me in their simple but always forceful language: "Young man, this conscription measure is not of our doing."

Tuesday, November 21, 1944, again at Grand'Mère, where I was about to entrain for Ottawa, I ran across another old French-Canadian Liberal leader who was immensely proud of the fact that three of his sons are now serving in the active army and who said to me: "You are going to Ottawa, Mr. Member of Parliament. The news from there is good." It was still good at the time. He added: "Conscription is not of our doing."

Mr. Speaker, from my seat as Liberal member from the constituency of St. Maurice-Lafleche, I repeat: "Conscription is not of my doing", and I shall vote against the motion.

Mr. MAURICE BOURGET (Levis): Mr. Speaker, before continuing my remarks in French I should like to say to the hon. member for Fraser Valley (Mr. Cruickshank), who said to-night that we were the isolationist lads in this corner of the house, that if the members now sitting in this corner of the house were to be called isolationists, then it was also true that the Liberal party for the past five years should have sat in this corner because we were sharing the same views, except some members, on matters similar to the one that we are now discussing.

(Translation): Mr. Speaker, on no occasion during the last twenty-seven years have the people's representatives been faced with a responsibility as heavy as the one which devolves upon us at this time. It is therefore the duty of each one among us to face the situation calmly, following the dictates of his conscience, judgment and intelligence. I shall express my thoughts very briefly, because I do not think it is necessary, in upholding our cause, to repeat all the arguments which have already been expounded in this debate. I merely wish to state the reasons which lead me to believe that I can no longer give my support to the present government.

After passing the order in council whereby the draftees called under the Mobilization Act are to be dispatched overseas, the government requests us to endorse its policy by a vote of confidence. To my mind the issue now being

discussed has a military and a political side. An endeavour has been made, in this house, to advance the argument that the morale of our troops overseas was greatly affected by the lack of reinforcements. I recognize, Mr. Speaker, that I am not sufficiently well informed to pass judgment on military matters, but I cannot understand how the dispatch, during the next six months, of 16,000 unwilling draftees will improve the morale of our troops. I believe the right hon. the Prime Minister himself (Mr. Mackenzie King) stated, as has been repeated over and over again, that they would not be enthusiastically welcomed by the volunteers they were to join. In addition, it was claimed that their presence might cause disunity if not dissension among our fighting units.

Moreover, the problem with which we are faced to-day means that the government lacked foresight in pursuing a war effort out of proportion with our means and blundered in the assignment of the troops available.

The crux of the argument, however, is the political aspect of the matter, since it is evident, as we are well aware and as several well-informed people have pointed out, that conscription, in short, is but a shield which has screened those who, for the past four years, under the cloak of patriotism, advocated its enforcement in the hope of coming into power.

In the speech which I delivered in this house on Bill No. 80, I said that if the government yielded on one point of its program, it would find it hard in the future not to yield all along the line. Unfortunately, my predictions have materialized and to-day we are faced with this hard fact: we have conscription.

I need not recall all the solemn pledges of the leader of the government and of his chief associates, to the effect that conscription would never be resorted to. These statements are still too fresh in the minds of each one of us, and I still remember the radio speeches of our leaders, during which they repeated their unshakable opposition to conscription.

It would be inconsistent to claim that after having broken so many pledges and solemn promises, the present government could expect from us a vote of confidence, especially since it has not been shown that conscription was necessary to an allied victory. I still think that the voluntary system would have proved adequate if its application had been entrusted to people who believed in it and if means in keeping with the circumstances had been used.

We are called upon to-day to support a "vigorous effort" in the prosecution of the war. I am wondering what is implied by the word "vigorous". Are we to gather from that expression that we have not, so far, done our utmost to help our troops and our allies? One has only to peruse the statistics prepared by the various departments to realize that Canada, in every field, has neglected nothing to encourage a war effort which, in proportion to her population, has surpassed that of all other allied nations. This is the reason for statements published in the press from well-informed and authoritative people, such as Mr. Roosevelt, Mr. Churchill and others who said, in effect, that our war effort was not only most commendable but that it bordered on the miraculous.

Mr. PARENT: Hear, hear!

Mr. BOURGET: Then why should we abandon our policy, why not keep on following the methods which have given such wonderful results? Once again, I cannot see that the government's new policy is likely to lead to better results.

All honest and sincere people now know that since the war's outbreak a sly and dishonest campaign has been waged in this country in order to make it appear to the other provinces that Quebec has refused to do its share in the present conflict. Mr. Speaker, from my seat in this house, I want to protest with all the power at my command against this slanderous campaign aimed at my province. I think, on the contrary, that Quebec is entitled to feel proud of its contribution to the Canadian war effort. People in all walks of life have generously responded to the appeal which the government has seen fit to make on various occasions, and they have done so in all fields of endeavour. In passing, I wish to point out, to the credit of the constituency which I represent, that in the sixth Victory Loan Campaign, the towns of Lévis and Lauzon have been first among the cities of the whole country, securing the highest percentage in that campaign.

Some hon. MEMBERS: Hear, hear.

Mr. BOURGET: I do not think it is necessary to emphasize the part played by our farmers and workers during the last five years; the results clearly show that they have left nothing undone in order to help our war effort.

As regards our contribution of men for the armed forces, I believe we have done well, and nobody can criticize us, in the light of the facts stated in this house by the honourable member for Richelieu-Vercheres (Mr. Cardin).

The Right Honourable the Prime Minister had, quite recently, words of high praise to speak about the province of Quebec, and he

very aptly stated, in connection with minorities, that "our country being composed of minorities, its administration would be impossible if the rights of those minorities were not respected."

After all these commendations, in view of all the sufferings we have endured so far, the Prime Minister should not have yielded; he should have held his own against the agitation, for the safeguard of the principles he had always upheld. One fights for his principles, one falls for them, but one never surrenders.

Personally, I trusted him. Apart from his statesmanship, this confidence was based on the historical fact that, in 1917, under circumstances identical to those of the present time, he was among those who, with Laurier, had struggled for the very cause that we are struggling for to-day. Be well assured, Mr. Speaker, that we do not light-heartedly forsake a leader which commanded both our admiration and our respect. However, as in the present situation, everyone must follow the dictates of his conscience and judgment, I cannot put my trust in the leader of the government for the carrying out of the new policy he has just adopted. For my part I have also made promises and given pledges which I intend to keep.

I understood from the speech of the former minister of national defence, that there still are in the cabinet, ministers who had led their leader to alter his policy and that, therefore, he would no more be free to uphold, among his colleagues, the principles which have heretofore been admitted and advocated by all true Liberals.

Some hon. MEMBERS: Hear! Hear!

Mr. BOURGET: This new policy will have many disastrous consequences and as the former minister of National Defence for Air (Mr. Power) so aptly stated, the most tragic of all is the weakening of the trust and confidence placed in our public men. How can we in future ask the younger generation to have faith in our leaders; how can we expect their support in building up our nation if they realize that they have been deceived?

I do not wish to conclude my remarks on such a pessimistic note, as I have faith in the future of my country and I hope that before long we may still find men inspired by great ideals who will get together in order to put a timely stop to the collapse of our social structure built at the price of so much sacrifice on the part of each one of our citizens.

I shall therefore vote against the Conservative amendment and against the main motion. However, I shall support the sub-amendment moved by the hon. member for Mercier (Mr. Jean) not because it fully meets my views but because it opposes the enforcement of conscription for overseas service and it gives me a further opportunity of expressing my opposition to conscription.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, we were called here to this special session for the purpose, as the Prime Minister (Mr. Mackenzie King) puts it, of discussing the controversy which had arisen out of the resignation of the former minister of national defence (Mr. Ralston). We have since heard from the Prime Minister and the former minister of national defence; and I suggest, Mr. Speaker, and I think the country feels that the forced resignation of the former minister of national defence was unjust. The position which he took within the cabinet has been wholly vindicated and the policy which he advocated has now been adopted in half-measure.

The question we now have to decide is whether we have confidence in the Prime Minister and his government, confidence that they will carry through even this half-measure, whether they will carry out their present policy with respect to reinforcements and whether that policy is fair and adequate. There has been much serious and thoughtful debate; some excellent speeches have been made, and soon hon. members will have an opportunity of recording their votes.

Some members of the house have protested against the holding of a secret session. I myself was not in favour of a secret session because I felt that we had already sufficient facts to enable us to make a decision, but I also felt that it could do little harm. The further information I gathered at the secret session only served to strengthen my opinion that reinforcements are desperately needed for our troops overseas. I do not think anyone who attended that secret session or heard the discussions that took place in the house could have failed to be so impressed. The former minister of national defence, the hon. member for Prince, further confirmed my views on the reinforcement question. I do not think any political or other consideration could alter the fact that replacements and reinforcements for our troops overseas are needed, and needed now, not some time in the future. Valuable time has been lost.

One of the matters I wish to discuss is the statement of the Prime Minister in which he said, in effect, that a measure of unrest was

being organized the like of which had not been seen in the history of Canada, and that a new condition of affairs had arisen as a result of organized propaganda. I resent that, because it was not organized by propaganda and the measure of unrest was not organized. I know of no such effort. The situation is not the result of organization; it is a general building up of public opinion based on facts which came to the people at home. It started before the plebiscite. It began through the foresight of many men and women in this country who knew what happened during the last war, who saw how the voluntary system had fallen down at the most critical stage of that war, who had watched the subsequent developments, and were far-sighted enough to desire that such a situation should be provided against, before we reached a critical stage in the present war. There was no organized propaganda about it.

In 1942 when the plebiscite was taken the same situation obtained, except that the government was not forced to take action. The taking of the plebiscite appeased the people by leaving the impression—despite the Prime Minister's speeches and denials—that the government were given a mandate from the people to enact conscription for any theatre of war. That was the belief of the people when they voted on the plebiscite. At that time I remarked that if we had leadership I believed that we would have in embryo a united nation, and that unity could be obtained by the government taking full responsibility and enacting all necessary measures for the safety of the state. I pointed out that if those measures were not taken we would have all kinds of turmoil as time went on. What I pointed out in my speech against a plebiscite has been justified by the events. We should have faced the issue at that time rather than be compelled to face it at a time like this.

I repeat that there has been no organized propaganda. What the Prime Minister hears to-day is simply the voice of the people as echoed by the press of the country. Ever since 1942 there has been an uneasy feeling among the people, who knew that the voluntary system might break down and that when our troops overseas were actually engaged in combat they might be short of reinforcements. This uneasiness spread to those whose sons and husbands and wives and sweethearts and friends and relations in general were over in Great Britain. It was not an organized propaganda. After our troops started to fight in Italy letters came back complaining of shortage of reinforcements. Many of the men who served in Italy had been overseas since 1939. They had been through hard fighting and were due for leave. Then came D-day, and more statements and letters were received by those at home. Some of these communications were extremely alarming. Statements were made to the press by prominent people; among them, Conn Smythe made a very serious charge, and I think it resulted in action. But the unrest was not organized. I could read letters which I have had from time to time pointing out the seriousness of the situation, but there is no opportunity to do so now.

The whole course of events culminated in the present crisis. I do not need to go through the whole chronology of what happened since the former minister of national defence came home. That has been talked about here and we know just what happened. I will give the former minister credit for having made arrangements for the dispatch of N.R.M.A. reinforcements on November 27. He informed the cabinet of the serious situation, but it was only on November 23 that action was taken, and much valuable time has been lost. Now we have a rationed conscription. It has been said that had conscription been imposed some time ago—and it should have been put in effect long ago—there might have been civil disturbances in Canada. It has been said that even under this hybrid order in council which has now been passed such incidents may occur. It has been suggested that trouble might arise between men of the N.R.M.A. who would be sent over and the troops who are now overseas. I do not think so, but if I know the temper of our forces overseas, and I have some information from letters I receive and directly from men who are returning to this country, the trouble we might have here now will amount to nothing compared with what will happen when the fighting men come home if reinforcements are denied them. The government and the Prime Minister will be held strictly responsible.

Another point to which I wish to direct attention is the tortuous methods used by the Prime Minister in his speech with respect to the voting of members of the House of Commons; the propaganda about what will happen if any hon. member votes against the government. What did the Prime Minister say in the course of his address? He said, as reported in *Hansard,* at page 6613:

> I am happy beyond all words for one thing: it is that the responsibility from now on is largely off the shoulders of the ministry and is in an even greater degree upon the shoulders of hon. members of the House of Commons. They will be the ones who will have to determine whether or not this ministry is to continue to carry on the war effort of this country for a further

period of time, and administer this order in council, or whether some other ministry is to take its place.

The Prime Minister here throws the responsibility on the house membership as a whole. But he is leaving the door open, as he always does, so that the blame will attach to the members of the opposition or any other hon. member who votes against him, if he has an adverse vote. See what he says in the very next breath:

If I cannot get enough support out of my own party to feel sure that the men of my own party are behind me—

Mark those words.

—without depending on those who are politically opposed, then my resignation will go in to the Governor General. . . .

Just what does this mean? In effect these words exonerate every other member but the members of his own party. So that we shall have no blame, I want that known throughout the country, in order that if anything happens and the Prime Minister is defeated in the House of Commons it will not be our fault, because he would not take our support anyway. He is so used to an overwhelming Liberal majority that he has no need for opposition support. It has always been a Liberal war and he intends to keep it so. He does not care if he gets our support, and yet he is always complaining because we do not give him that support. That propaganda has gone out to the people, and I hope they understand that it will not be our fault if he is defeated, but only the fault of his own members in the house.

He makes it clear that unless he gets the support of his own party he will resign. Why does he try to cajole us into voting not to send replacements overseas, not to implement bill No. 80, in an endeavour to make it appear in the eyes of the country that we are lacking in patriotism and are callous about the gallant men fighting our battles overseas if we do not vote "yes", if we do not vote against our conscience for a Prime Minister and a cabinet in whom we and the country have lost faith and confidence?

That brings me to another point. To say the least, I was shocked, and I am sure the house and the country must have been shocked, when the Prime Minister told us that there is no one to succeed him in the event of his resigning. He says he has canvassed the situation and finds that none of his colleagues will succeed him. What of his cabinet? Have they given their consideration to this situation? What is their thought in the matter? The Prime Minister cannot do anything about it. What will they do? Suppose the Prime Minister became incapacitated, or suppose he died? What then would be the course they would follow? They are the executive of parliament charged with the administration of the affairs of the country. Whom will they select to succeed the Prime Minister in any of these events? Up to the present time have they and the Prime Minister ever discussed the situation as to who is to be his successor, or have they nothing to say in the matter? Has the axe been held over their heads so long that they dare not open their mouths on this situation, or have great big juicy carrots of office been dangled before their eyes to keep them in line?

Is there any one among the 170 members of the Liberal party in the house who is capable of discharging that office? What kind of business administration can be expected from such a cabinet? Who is the understudy? Is there a business head or board of directors in any institution in Canada who would not be facing disaster if they were so neglectful of their duty as not to provide for a similar situation in the event of the resignation, death or incapacitation of their chief executive, seeing to it that there should be a successor?

The responsibility is on the cabinet, not on us, to see to it that there is someone who can succeed the Prime Minister in any of these eventualities.

There is another question. Conscription for overseas has always been the law of the land, limited only by the government, and the order in council just passed by the government giving a measure of conscription for overseas service would seem to relieve the anxiety which has been felt by many people, in that it will in the meantime guarantee the necessary reinforcements, although the delay which has taken place is serious. It may provide needed reinforcements at the early part of the year.

The order in council has now reinforced the law, and what happens politically will have nothing to do with the enforcement of that law. It would not matter if this house were dissolved. The personnel is there in the department to administer the law as it is. The deputy minister and the staff of the various forces are there and the business of the country will not stop. If any such thing should happen, or could happen, then it is about time that we changed our constitution.

The people of Canada gave an overwhelming mandate through the plebiscite. Perhaps it was a good thing the plebiscite was taken, because the mandate is there, and the wishes of the majority of the people must be carried out, namely, that adequate reinforcements

shall be made available, not here in Canada but overseas. Whether the method is right, fair, just or discriminating will not matter in the meantime; and, in the words of the hon. member for Prince, the people of the country and I will hold the government and especially the Prime Minister and the Minister of National Defence personally responsible to see to that. As a matter of fact, it has been expressed in the press that if the house were dissolved our troops would not go overseas. I think the law of the land must be carried out.

One has only to study the order in council and it must be plain that it is a further example of the government's man-power muddle. This policy has resulted in inequality of sacrifice and it is also threatening to weaken the moral fibre of future generations. It is lowering the character and manhood of the N.R.M.A. men. No democracy can effectively and successfully wage war unless it can and does command every citizen in any capacity in any theatre of combat to which he may be directed by the government. I would bring to the attention of the house the point of view that was taken on June 5, 1941, by the board of education of the city of Toronto when it received a letter from the then minister of national defence with regard to recruiting activities in the schools of the city. This was their considered reply: The board of education respectfully suggested that the most satisfactory solution to the recruiting problem, for parents and students alike, would be found in the application by the government of the principle of universal selective national service.

The question before the house has nothing to do with this. We are asked to vote confidence in the leader of a government and in his cabinet when he has lost the confidence of the majority of the people of Canada—a cabinet divided against itself, a cabinet, I venture to say, that has not even confidence in itself. We are asked to vote confidence in a leader who has been forced to bring in a measure which he does not believe in, and he has no heart in the thing he is doing.

It is a measure which he is forced to bring in as a means of appeasement in such a way as to appease different sections of the country in the hope of retaining power, a measure of such a discriminatory character as to be scandalous. And when I say this I am not pointing my finger at any province. Never in the history of Canada nor, I suppose, in the history of any other British parliament has a Prime Minister been given such a castigation in a polite way. Never has a Prime Minister been shown up as having misrepresented the truth to the people of Canada in a radio address, 87,000 copies of which have been distributed to the public, and in the speech which he gave to parliament, as has been done by the dismissed minister of national defence. How can I vote confidence under these circumstances? How can I vote confidence that the reinforcements and replacements necessary will be continued to be sent overseas to our hard-pressed forces?

I will say this, however, if the Prime Minister will bring in an order in council making universal selective service anywhere effective, end the farce of the two-army system, put into effect equality of service and sacrifice, for there is none up to the present time, end this discrimination, ensure that reinforcements and replacements in adequate numbers are made available I will give my cooperation.

With regard to the order in council itself, it makes available for overseas 16,000 N.R.M.A. troops. Just what does that mean? It simply means a continuation of the compulsory volunteer method that has been used. Previously it was coercion of the worst kind. Now it is bribery, as was pointed out by the hon. member for Lake Centre (Mr. Diefenbaker) in his speech the other day.

Never have I heard such a shocking expose of a state of affairs as was given by the hon. member for Lake Centre. Just imagine, in order to get these men to volunteer, the date of enlistment is dated back six months if the N.R.M.A. men will enlist now! The result is that instead of receiving $7.50 a month beginning now, the allowance is dated back six months. The military service medal is given in one year instead of eighteen months and the non-commissioned officer ranks are confirmed.

This order in council P.C. 8891 by its very scope is an affront to parliament and an undeserved reflection on the people of this country of whatever race or creed. It will not get rid of the controversy and has the uncertainty as to future action. Our troops are still abandoned to the uncertainty of voluntary enlistment at the most critical stage of the war. The country is humiliated and disgraced.

Mr. CHARLES PARENT (Quebec West and South): It was my privilege in 1917 to follow the debates in the old Victoria museum, and I am glad to say to-day that the present debate is on a much higher level than the old conscription debate of 1917. I can still recall the heated charges of the late Michael Clark of Red Deer against Laurier as well as the brilliant defence by the late Frank Oliver of the old Liberal chieftain. Unfortunately in 1917 there was a slogan against the province

of Quebec. It was, "Send the slackers of Quebec overseas." In 1944 we have come back with a new slogan, "Send the Zombies of Quebec overseas." I saw the Quebec riots in 1917. I saw very respectable citizens being shot down at night, coming peacefully through the streets of Quebec with their arms upraised, unarmed, and men were using the famous Vickers machine guns on the population of Quebec. These things, Mr. Speaker, happened in the constituency of Quebec West, which is a part of the old constituency of Quebec East, which was divided in the redistribution of 1911 and which was represented in this House of Commons for over forty years by the late Sir Wilfrid Laurier.

I recall when I was following the debates of 1917 that it was the old chieftain who would lead me to the chief doorman so that I would obtain a seat in the front row. When Sir Wilfrid Laurier saw how I used to follow the debates of the House of Commons in those days with such attention he said to me, "My boy, some day you will come to parliament to sit in the house instead of in the gallery," and he added, "Remember that conscription is a measure contrary to Liberal principles." I have never forgotten that schooling, or the schooling that I had from the Liberal party. Is it strange that, coming into the House of Commons with such a background, I had the firm resolution that never would I make a step which would lead me eventually to vote for a law of conscription? I still recall the first speech that I made in 1937, when I said to the Liberal party, following the return of our minister from the unveiling of the Vimy monument when we greatly increased military expenditures: "We are tailoring the first sleeve of a military uniform that will some day lead us to conscription." I was told at that time that I had no knowledge of international affairs; that we were not to go into a war; that not a single one of those armaments would leave the country; that it was for the defence of Canada and for the shores of Canada. I can still recall the words of the man who was at that time the inspiration, if not the guiding star of our province. I can still recall the declaration of the Right Hon. Mr. Lapointe when we were discussing this matter of armaments. When we were pointing repeatedly to him and the danger ahead, he said, "The French Canadians will never agree that any government has the right to force them to military service on the other side of the ocean." I believe he was right. Mr. Lapointe said:

> I think I am true to my concept of Canadian unity when I say that I shall always fight against this policy; I would not be a member of a government that would enact it; and not only that, but I say with all my responsibility to the people of Canada that I would oppose any government that would enforce it.

That is what we are doing to-day. In order that my English friends may understand our state of mind, listen to the schooling we have had. Mr. Lapointe went further and said:

> I agree with what was said yesterday by the leader of the opposition (Mr. Manion) and the Prime Minister (Mr. Mackenzie King), and what was said by Mr. Bruce of Australia, that the time for expeditionary forces overseas is certainly past. . . .

This is not a declaration dating back twenty-five or forty years. It was made in this House of Commons, with the approval of the Conservative party as well as that of the Liberal party, in 1939. Can my friends who speak the English language not understand that with the schooling which was given for more than thirty years in the province of Quebec, and which was repeated here in this national forum, you cannot go to the people with a law like this and just state that you can send them overseas against their will. That is the explanation of all these increases in armaments which have been so ably exposed from time to time, and which I voted against. With every step we went further and further. Finally when we came here on the declaration of war we found that all this schooling had been wrong. Those who came here without any knowledge of national or international affairs, back-benchers who had not been to imperial or international peace conferences, saw their humble judgment justified by events. That is why, true to my commitments, true to what I have said in my constituency and what I would have said in any other part of Canada, from the schooling we have had, I voted against sending troops overseas. Also in accordance with that schooling I voted that the way to help the British empire was not by sending soldiers but by producing arms, munitions of all kinds, ships, aeroplanes and all the different things an army needs. In that philosophy we were supported not only by our leaders in Canada but by the then Prime Minister of Australia.

Following the sending of the first contingent we found ourselves caught in a current so strong that we could not row against it. We were carried by a stream so powerful that eventually we had to go on to an expeditionary force much greater, and to spend millions and millions of dollars. I still recall that at the time we thought by spending $1,000,000 a day on the war we were making the maximum effort our country could make. To-day we are spending $14,000,000 a day, and to some people it is still just a reasonable effort.

I did not want to take a chance in these matters. I stood on the principles on which I was elected, which were the Liberal principles of Laurier, and which were maintained at the time by King and Lapointe. That is why I have never, in any circumstances, indulged in a vote that would lead me to what we are called upon to deal with to-day. At the time of the plebiscite I voted three times in one day against the Liberal party. I seconded the motion of the hon. member for Temiscouata (Mr. Pouliot) that the bill be given the six months' hoist. I campaigned in the province of Quebec for a "no" vote and told my electors that I did not want to be relieved of the commitments I had made. I said to them, "If you believe that King is right and you give me a 'yes' vote I will accept it as a mandate to vote for conscription. But if, as I ask, you give me a 'no' vote I will go back to parliament and if ever the Liberal party introduces a measure or an order in council to send a single soldier from Canada overseas against his will I will cross the floor of the house and leave the Liberal party."

I was the first member, Mr. Speaker, to leave the Liberal party on the day the Prime Minister tabled the order in council, and I was followed by the hon. members for Temiscouata, Levis and Quebec-Montmorency. I recall that my gesture was interpreted in different ways in certain quarters. Lately Prime Minister Churchill, in discussing the plans for the House of Commons to be built in England, said that he wanted a square chamber with a broad aisle, with the opposition on one side and the government on the other, so that when a member crossed the floor of the house it would be very noticeable; and he added, "I have crossed the floor of the house twice in my career." So that I say my crossing of the floor means that in accordance with the instructions and the schooling I have received I will fight the Liberal party on this conscription issue. I will fight it without any appeal to prejudice. I will fight it honestly without indulging in personalities against any members of the government or any members of the House of Commons who do not share my views. It is the privilege of each to judge this question as he sees fit, and I am not going to try to raise in my province any prejudice against any one of English, Irish, Scotch, or any other nationality in this house because he does not think as I do. On the other hand, I want it to be known that when I crossed the floor of the house I knew I would be far away from the smiles of the ministers. If I was not making a move that led to honours, I was at least making a move that kept me a man of honour.

In closing, may I commend the hon. member for Lotbinière (Mr. Lapointe) for the marvellous speech he made yesterday. Belonging to no party, I am ready to welcome the expression of honest attitudes in the house, and I think the hon. member is deserving of acclamation at the next election because of the stand he has taken. His father rose in his place in this house on a debate similar to this when he was about the same age as his son now is. The other day the hon. member for Richelieu-Verchères (Mr. Cardin) was referring to the guiding star that may come out of this debate in parliament. I would say to the younger generation of my province as well as of Canada that in the hon. member for Lotbinière they have a star that should lead the younger generation. He was in France on D-day; he has fought with his soldiers and he knows the reactions of those men. He has seen what war is and yet, when he comes back here, even though he is still a soldier, he makes the claim that we should not have conscription.

I wish also to commend the hon. member for Rosthern (Mr. Tucker) and the hon. member for Dorchester (Mr. Tremblay), who are both veterans of the last war and of this war. I realize how difficult their situation is compared with that of a civilian, but they have been broad-minded enough to judge the situation according to their conscience. I believe these men are entitled to the highest consideration for the position they have taken, and I highly commend them.

I intend to vote for the subamendment of the hon. member for Mercier (Mr. Jean). While I do not concur in all its trimmings, it does contain a point which I cannot overlook—it condemns conscription for overseas service. As far as the amendment and the main motion are concerned, I will vote against them without any malice, ill feeling or otherwise. I will vote against them in accordance with my conscience. By that I shall be simply following the whole philosophy of my political life; I shall be following the whole philosophy of my party. When I crossed the floor of the house I asked myself if, along with my other friends, we did not really compose the Liberal party since my other hon. friends on the other side had completely changed their political philosophy on conscription.

On motion of Mr. Macdonald (Halifax) the debate was adjourned.

It being five minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

Thursday, December 7, 1944

The house met at eleven o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WARTIME PRICES AND TRADE BOARD—S. R. BRITTAIN

Mr. KNOWLES:

1. Is Mr. S. R. Brittain in the employ of the wartime prices and trade board?

2. If so, in what capacity, and what remuneration is he receiving?

Mr. ILSLEY:

1. No.

2. Answered by No. 1.

PENICILLIN

Mr. PERLEY:

1. What contract or contracts, if any, have been made by the government for the manufacture of penicillin in Canada?

2. Are these contracts exclusive?

3. What price is provided for such manufacture?

4. What persons, firms or corporations have so contracted with the government?

Mr. CHEVRIER:

1. Two plants for producing penicillin have been established in Canada by this department. These plants are located at Connaught Laboratories, University of Toronto, Toronto, and Ayerst, McKenna & Harrison Limited, Montreal. Contracts were given by the department to each of the foregoing firms for thirteen billion Oxford units—a total of 26 billion units (26,000,000,000) and for continuing quantities as may be specified by the department.

2. If the question means: "Is the government excluded from buying penicillin elsewhere," the answer is: No.

If the question means: "Has any directive been given excluding other companies from producing penicillin," the answer is: No.

3. The price to be paid for penicillin from the plants mentioned in question No. 1 is to be the proper cost of production, as determined by cost audit by the treasury cost accountants plus a fair and reasonable profit to be determined by the department.

4. Answered by No. 1.

DOMINION STEEL COMPANY—MAGNETIC IRON ORE

Mr. GILLIS:

1. Is the Dominion Steel Company importing any magnetic iron ore from the United States at the present time?

2. If so, what tonnage was imported for the year 1944?

3. What state was it shipped from?

4. What price per ton was paid for this ore?

5. Was it shipped by rail or water transportation?

6. Did the government pay any subsidy to the Dominion Steel Company for this ore?

Mr. CHEVRIER:

1. No.

2, 3, 4, 5, and 6—Answered by No. 1.

CANADIAN FORCES

RESIGNATION OF DIRECTOR OF ARMY RECRUITING—REQUEST FOR TABLING OF CORRESPONDENCE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, yesterday I asked the Minister of National Defence for Naval Services if he would consult with the Minister of National Defence in connection with the tabling of the correspondence which has passed between the department or the minister and the government with regard to the resignation of Brigadier Mess as director of recruiting. Has the minister an answer for me this morning?

Hon. ANGUS L. MACDONALD (Acting Minister of National Defence): I have not the correspondence at the moment, but I hope it will be ready during the day.

NATIONAL DEFENCE

NAVY, ARMY AND AIR—DEPARTMENTAL ORGANIZATION

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Can the Prime Minister give us any indication as to whether it is his intention to amalgamate the departments of national defence, or does he intend to appoint another minister of national defence for air? This matter has been raised from time to time by way of speculation, and perhaps the Prime Minister would wish to make some comment.

Right Hon. W. L. MACKENZIE KING (Prime Minister): During the last few weeks I have had very little time to give thought to some of these matters to which my hon. friend has just referred. Very shortly after the business of the present sittings is concluded I shall, if the government is sustained, be taking the matter under review and I hope to be able to reach a decision one way or the other at that time. I am unable to say at the moment what the decision will be.

HOUSE OF COMMONS

SURVEY OF STAFF BY CIVIL SERVICE COMMISSION—STATEMENT OF MR. SPEAKER

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Your Honour will recall that shortly before the house adjourned in August a question was raised as to adjustments in the pay of the staff of the House of Commons, particularly the protective staff. Knowing that Your Honour and the Clerk of the House are interested in this matter I was wondering if the expected survey had been undertaken by the civil service commission and a report made.

Mr. SPEAKER: Immediately after the house adjourned in August I made a request to the civil service commission that they have a survey made of all the staff of the house, having in view what had been said by the leader of the opposition with regard to the salaries of the protective staff as compared with those paid to the staff in the senate. An investigation was made by officials of the civil service commission, and I came down here at the end of October to go over that survey. I have made representations on behalf of the House of Commons staff and I expect that the report of the civil service commission will be in my hands very shortly. I may say to the leader of the opposition that the representations I made seemed to be acceptable to the commission.

LABOUR CONDITIONS

INQUIRY AS TO RELEASE OF EX-SERVICE MEN FROM INDUSTRY

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): Yesterday I asked a question of the Minister of Labour with regard to the release of certain ex-service men of this war from industries in Toronto, and I do not think I got a real answer from the minister at that time. It is most important that some statement should be made by the minister as to priority rights of ex-service men for employment in this country. There is a great deal of unrest and disturbance in connection with this matter. Would the minister care to make a statement?

Hon. HUMPHREY MITCHELL (Minister of Labour): My hon. friend has said that he did not get an answer yesterday, but you cannot give an answer to a question when you do not know what the hon. member is speaking about.

Mr. ROSS (St. Paul's): I take exception to that remark and rise to a question of privilege. This is a matter of principle; it is not a question affecting any particular firm. I purposely refrained from mentioning the firms from which these men are being discharged. The minister says that he cannot give an answer because he does not know what I am talking about, but that is not right.

Mr. MITCHELL: When I get the names of the firms from my hon. friend I shall be glad to look into it.

OTTAWA CIVIC ELECTIONS

USE OF GOVERNMENT FRANK ON CIRCULAR LETTER FROM OFFICE OF UNDER-SECRETARY OF STATE

On the orders of the day:

Hon. N. A. McLARTY (Secretary of State): Yesterday the hon. member for Temiscouata (Mr. Pouliot) raised a question—I am sorry he did not find it convenient to give me a little advance notice, because if he had it could have been answered at once. But I think it should now be answered. The suggestion was made that certain material was sent by the department over which I have the honour to preside, in connection with the mayoralty election in Ottawa. I am glad to assure the house that that is not true and that there is no basis for the suggestion.

May I add this: as has been done for many years in dominion, provincial and municipal elections, the Under-Secretary of State, under the authority of the Secretary of State, issued a circular letter, and in this case he issued it on the 29th November, to the deputy ministers of the departments and heads of commissions and agencies of the government in Ottawa—I think, approximately to the number of seventy-five—directing that authority should be given at their discretion for employees in their departments who are qualified to vote in Ottawa to absent themselves from office attendance during that period for the time required to give them a reasonable opportunity to vote. With this letter there was no enclosure suggesting how any elector should vote. No authorization was given by the Under-Secretary of State to anyone to use his name or postal frank for any purpose in this connection other than mailing the letter to which I have referred.

I thought, Mr. Speaker, in all fairness I should make this statement in view of the widespread local publicity which has been given to the matter.

Mr. GRAYDON: Is this procedure and this policy followed in municipal elections all over Canada where the departments are involved, or just in this city?

Mr. McLARTY: As my hon. friend knows, we have an order in council directing holidays, and that general order in council provides that in any municipal election throughout Canada a suitable opportunity to vote in the municipal election be given to those in the public service who are qualified to vote. This matter immediately relates itself to the capital city of this country, and that is why I dealt with Ottawa, because it was the only matter to which the hon. member for Temiscouata referred.

POST-WAR CIVIL AVIATION

INTERNATIONAL CONFERENCE AT CHICAGO—PARLIAMENTARY RATIFICATION OF AGREEMENT

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Munitions and Supply with regard to a press item dated at Chicago yesterday. In reference to an international organization it points out that Canada is assured of a seat on that council—as to which all of us will be in complete agreement. It also sets out that:

> Agreements designed to form the basis of an orderly development of international civil aviation were being typed to-day on treaty forms for signature by delegations from fifty-four united and neutral nations.

Will this agreement, being in the nature of a treaty and so referred to in the press article from which I have quoted, be submitted to parliament before it will be binding on Canada? I remember very well, sir, when this matter was discussed in March and the minister made his speech, he stated—

An hon. MEMBER: Order.

Mr. DIEFENBAKER: There is nothing controversial about it. He stated, as I understood him, that any agreement or covenant which would bind Canada with other foreign nations in an international set-up would be subject to parliamentary approval. That is the reason for the question, having regard to the momentous importance of this agreement which is to be signed to-day.

Hon. C. D. HOWE (Minister of Munitions and Supply): As I said a few days ago, I am not familiar with the details of what has occurred in Chicago. I hope to have the report on the situation by the end of the week. So far as any agreement is concerned I assume that the government will follow the practice of all British governments, in that the government will take responsibility for entering into the agreement and subsequently will ask parliament to ratify the action.

RUBBER

SHORTAGE OF TIRES FOR MILITARY PURPOSES—PRODUCTION OF CANADIAN INDUSTRY

On the orders of the day:

Mr. L. O. BREITHAUPT (Waterloo North): In view of the serious tire shortage for military purposes indicated by General Eisenhower in a recent press release, will the Minister of Munitions and Supply be good enough to advise this house what general assistance in tire production has been given by the Canadian rubber industry and what further aid is possible in this important connection?

Hon. C. D. HOWE (Minister of Munitions and Supply): Canada has been able to furnish tires for military vehicles that have been produced in this country, and I may add that our production is a very considerable part of the allied requirements. In addition to that, we have been able to furnish some military tires for United States vehicles. Our industry is working at full capacity. Fortunately we have our own supplies of synthetic rubber; and I think we have made a very material contribution in the circumstances.

BIRTHDAY ANNIVERSARIES

FELICITATIONS TO LEADER OF THE OPPOSITION AND CHIEF GOVERNMENT WHIP

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have just learned that to-day is the anniversary of the birthday of my hon. friend the leader of the opposition (Mr. Graydon), also that it is the birthday anniversary of my friend the chief whip of the Liberal party, the hon. member for Norfolk (Mr. Taylor). It may be the anniversary of the birthday of some other hon. members as well. If so, I should like on behalf of all hon. members to extend to these gentlemen who were fortunate enough to have been born on the 7th of December best wishes for many happy returns of the day.

THE WAR

POLICY OF THE GOVERNMENT IN MAINTAINING VIGOROUS WAR EFFORT—CONTINUATION OF DEBATE ON MOTION OF THE PRIME MINISTER

The house resumed from Wednesday, December 6, consideration of the motion of the Prime Minister (Mr. Mackenzie King) that this house will aid the government in the policy of maintaining a vigorous war effort,

and the proposed amendment thereto of Mr. Graydon, and the amendment to the amendment of Mr. Jean.

Mr. W. C. MACDONALD (Halifax): Mr. Speaker, I do not want to delay the votes on the motion and the amendments before us, but I think it advisable to make my stand on them perfectly clear.

The motion is:

That this house will aid the government in its policy of maintaining a vigorous war effort.

The Prime Minister has announced that he regards the motion as one of confidence.

This meeting of the house has been brought about by the recommendation of the former minister of national defence that N.R.M.A. personnel be made available for overseas service. It may be useful to consider the situation that existed early in 1942. It was a grave hour in the fortunes of the allied nations. A rapid expansion of our armed forces was then taking place, and furnished the background for the crisis that has developed.

In the speech from the throne at the opening of the third session of this parliament, in January, 1942, it was stated that we would be asked to approve a programme for further increases in the armed forces involving an expansion of the establishment of the Canadian army overseas; and that the government would seek from the people, by means of a plebiscite, release from any obligations arising out of past commitments respecting the methods of raising men for military service. It must have been in contemplation then that when the Canadian army was created there would be the possibility of the need for conscription in order to provide for its maintenance.

In the debate on the address in reply to the speech from the throne, the Prime Minister (Mr. Mackenzie King) announced that it was proposed to create overseas a Canadian army of two army corps—one army corps to comprise three infantry divisions and two army tank brigades and the other corps to consist of two armoured divisions—together with all necessary auxiliary units to serve the two corps.

Shortly thereafter, the Canadian Army was established and, on its establishment, the government and the country became committed to its maintenance. From this commitment and from the great increase in infantry casualties in northwestern Europe over those forecast by army authorities have directly resulted our present difficulties with respect to infantry reinforcements.

I think it important for the government to keep this in mind when determining the nature and extent of our participation in the war in the Pacific.

I took part in the debate on the address to which I have referred, and dealt particularly with the plebiscite. I supported the action the government proposed to take, and expressed the view that, having sought the confidence of the people on the faith of its pledge not to impose conscription, the government would not be justified in bringing conscription into effect without first obtaining a release from such pledge.

I also spoke of conscription. Let me read two sentences from my remarks which I believe are pertinent. I am reported on page 584 of *Hansard* of February 13, 1942, as having said:

It may be necessary for us to have conscription for overseas service. It will become necessary, if sufficient numbers do not continue to come forward voluntarily to provide necessary reinforcements or to permit us to put forth our most effective war effort.

Mr. GRAYDON: Some of our members are having difficulty in hearing my hon. friend. Would it be possible to have first of all a little more order in the chamber? And he might attempt to speak a little louder, or come to the front seats, because we are very anxious to hear him.

Mr. MACDONALD (Halifax): It may be more convenient to speak from a different seat.

We had the plebiscite. The voting took place in April, 1942. This was not a long time ago. However, many people seem to have forgotten what the electors were asked to pass upon. They say it was a vote on conscription. It has been clearly proved in this debate that it was not. Certainly, it was made plain to my constituents that it was not. My colleague (Mr. Isnor) and I addressed an open letter to the electors of the county of Halifax. It was published in the Halifax newspapers. In our letter, while urging an affirmative vote, we said: "Such a vote does not mean a vote for any political party, and you are not asked to say whether you believe in conscription for overseas service."

The government got the release it sought. The result of the vote was to give the government the moral right to impose conscription. It already had the legal right under the War Measures Act. The government decided, and I think rightly, that before any steps would be taken to bring conscription for overseas into effect, the implied restrictions on the government's freedom of action in the

National Resources Mobilization Act should first be removed. Bill No. 80 to amend the act by removing these restrictions was introduced in this house and received the assent of parliament.

A lengthy debate took place on bill 80. On page 3234 of *Hansard*, June 10, 1942, the Prime Minister is reported to have spoken as follows:

> The government, however, wished to be free, without any breach of faith, to resort to conscription for overseas service should that become necesary to our national security and to the effectiveness of our war effort.
>
> If the bill is amended as proposed, it is not the intention of the government to resort to conscription for service overseas unless circumstances should arise which would render the use of compulsion imperative, such, for example, as the maintenance of the necessary reinforcements for Canada's army overseas.

I am not going to refer to other parts of the Prime Minister's speech. I think that the sentences which I have read make it clear that the policy of the government was to impose conscription if such a course were necessary to maintain reinforcements for our army overseas.

Declarations of this policy by members of the government constituted a pledge that the army would be maintained. I realize that a great deal of emotion is mixed with the question of reinforcements. No member in his senses would want to say anything that might stir up more feeling. I shall content myself by saying this—our fighting men who went overseas freely and voluntarily to protect our liberty and ensure our freedom are entitled to our fullest support. They were assured that we would not fail them.

The need has arisen for the dispatch of additional infantry reinforcements overseas to meet requirements early in the new year. Casualties in that arm of the service have exceeded estimates. The action taken by the government in passing P.C. 8891 will, I believe, ensure adequate reinforcements for our infantry overseas up to the month of May. The order in council approves of the dispatch to the United Kingdom, European and Mediterranean theatres of 16,000 N.R.M.A. personnel. Provision can be made by order in council without reference to this house for the dispatch of additional personnel should the need arise.

The issue before us is whether the government should be allowed to carry out its policy, and particularly whether the passing of P.C. 8891 in pursuance of that policy should be approved. I have no difficulty in reaching a conclusion. I accept without any reservation the assurance given to us by General McNaughton that our army overseas will be maintained. I accept likewise without any reservation the assurance of the Prime Minister that further orders in council for the dispatch of men overseas will not have to be referred to this house for approval. I approve fully P.C. 8891 and the action to be taken thereunder.

May I digress here to say how fortunate it was that N.R.M.A. personnel were available in Canada to meet the emergency that developed overseas. It is fortunate that the former minister of national defence and the government resisted the efforts made in this house earlier this year to have the N.R.M.A. draftees demobilized and sent back to civilian employment. The draftees have performed important and essential work in Canada and elsewhere. They provided 42,000 enlistments for general service in the army and 6,000 for other services—48,000 men in all. They provided most of the Kiska task force. They have served in operational units in the defence of our coasts and in Newfoundland and elsewhere. They have served in large numbers in our home war establishment doing work of the highest importance. Most of all they have been and are to-day the potential reserve of reinforcements for our army overseas.

I shall vote against the subamendment. I shall also vote against the vague amendment of the official opposition. When we met here on November 22, their leader made the following motion:

> That this house is of the opinion that the full provisions of the National Resources Mobilization Act should be put into effect forthwith;
>
> And that all trained troops in the Canadian home defence army should immediately be dispatched for reinforcements overseas.

He was, however, by the rules of the house precluded from going ahead with the motion at that time.

When the government announced in this house the passing of P.C. 8891, the amendment now before us was moved. The leader of the opposition did not elaborate, but if his amendment means what it says, it means that N.R.M.A. personnel should be conscripted to serve in any part of the world. The amendment contemplates the extension of their scope of service to any theatre of war. The member for York-Sunbury (Mr. Hanson), acting leader of the opposition, stated that he did not include Japan as one of the theatres of war. He was not prepared to say, in answer to questions from the hon. member for Parry Sound (Mr. Slaght), whether China and India were included. I think his hesitation supports the charge that has been made that the present amendment is a purely political one.

We have had no clear explanation of the purpose of the amendment. P.C. 8891 has been passed and the moment this house votes confidence in the government, reinforcements for our overseas forces are assured.

I have said that provision has been made for the dispatch overseas of 16,000 N.R.M.A. men. The remaining 26,000 of suitable age and medical category will complete their training and be available for service if required. There can be no doubt as to that. If the opposition members are concerned only with the reinforcement of our army overseas and not the capitalization for political purposes of the situation that has developed, they should, it seems to me, drop their amendment and vote in favour of the motion. For myself I can see no—

Mr. GRAYDON: May I ask my hon. friend what he means by "political"?

Mr. MACKENZIE (Vancouver Centre): Surely you understand that.

Mr. MACDONALD (Halifax): A matter of winning votes and individual seats at the forthcoming election.

Mr. GRAYDON: Is my hon. friend imputing motives that are unworthy with respect to that?

Mr. MACDONALD (Halifax): I say this—

Mr. MACKENZIE (Vancouver Centre): The natural prerogative.

Mr. GRAYDON: It is hard enough to hear my hon. friend without interruptions. I could not hear what my hon. friend said.

Mr. MACDONALD (Halifax): If the opposition are concerned with reinforcements for overseas then I suggest they should drop their amendment and vote for the motion. If they are concerned with—

Mr. GRAYDON: I know my hon. friend wants to be correct in his statements. If he is interpreting any statement with respect to our amendment which he says was made by someone in the house while I was away, may I say that so far as this party is concerned any theatre of war means exactly what it says, "any theatre of war," and it cannot be limited.

Mr. MACKENZIE (Vancouver Centre): The hon. member for York-Sunbury (Mr. Hanson) was wrong.

Mr. GRAYDON: I am speaking for the official opposition now.

Mr. MACKENZIE (Vancouver Centre): He spoke for his party, he said.

[Mr. W. C. Macdonald.]

Mr. GRAYDON: I am speaking for the party, and that is what I say.

Mr. MACKENZIE (Vancouver Centre) Two speeches on different days.

Mr. GRAYDON: If you listen over there you will find an example of that right in the cabinet itself.

Mr. SPEAKER: Order.

Mr. MACKENZIE (Vancouver Centre): You are in an awful hole.

Mr. SPEAKER: The hon. member for Halifax has the floor.

Mr. MACDONALD (Halifax): I take it, then, the leader of the opposition states that the policy of his party is to conscript N.R.M.A. men for service in the Pacific, Manchuria, China—

Mr. GRAYDON: Any theatre of war.

Mr. MACKENZIE (Vancouver Centre): Including Japan?

Mr. GRAYDON: Japan, of course, anywhere.

Mr. MACKENZIE (Vancouver Centre): What has happened to York-Sunbury?

Mr. GRAYDON: What has happened to the Minister of Justice (Mr. St. Laurent) who made one speech yesterday and another before the session opened?

Mr. SPEAKER: Order.

Mr. MACDONALD (Halifax): For myself, I can see no possible alternative to-day to the present government. I shall vote in support of the motion. I announced my intention to do so a fortnight ago in a statement I gave to the press for publication and wherein I announced my resignation as parliamentary assistant to the minister of national defence. I should like to conclude by reading the statement. It was published in the Montreal *Star* in its issue of November 24, 1944, and in other newspapers. It reads as follows:

> Ottawa, November 24.—On the resignation of Colonel Ralston as Minister of National Defence, I expressed to the Prime Minister my desire to resign my office. I felt that the relations that existed between a cabinet minister and his parliamentary assistant were so close and personal that on the resignation of Colonel Ralston, regardless of the circumstances leading up to it, I should resign my own office.
>
> After it was announced that the speaker had called a sitting of the house, I asked the Prime Minister to kindly arrange to have the necessary action taken to give effect to my wishes which he has done.
>
> I have complete confidence in my leader, the Prime Minister, and in his administration and shall vote in support of his motion next week.

Mr. POULIOT: A good man like you should not have resigned. You are a much better man than your minister.

Mr. H. E. BRUNELLE (Champlain): I take this opportunity of congratulating the leader of the opposition (Mr. Graydon) upon getting older. At the opening of this session he requested that this debate be conducted on a high plane. I congratulate him on that. We both came into this house in 1935 and I have learned to esteem him. However, listening to his plea for calmness in the house at the opening of the session where the greatest calmness existed I thought he must have been speaking in anticipation of something he knew in addressing himself to his followers, some of whom need constant admonition. I thought further that it was singularly ironic that the leader of the opposition should ask for calmness when his party had just succeeded after five years of noisy agitation and strenuous political effort in and out of this house to create unrest and divisions in the country by making conscription a political issue.

An hon. MEMBER: That is nonsense.

Mr. BRUNELLE: It is not nonsense; it is the truth.

Mr. ROSS (Souris): You would not recognize the truth.

Mr. BRUNELLE: War naturally engenders tension and nervousness, and in that atmosphere thereby created there is an active and pernicious element that thrives well and enjoys as at present its traditional feast in a mass of division, hatred and race antagonism. The Conservative party has had several loud speakers for the element which stands for total war, but to use the words of Mr. Roberts, total war means "total war for our youth only." This government has waged total war, but in the eyes of that element of which I just spoke total war, again to use the words of Mr. Roberts, "begins and ends with the lives of our young men."

The present situation has been discussed in every aspect and I do not wish to repeat what has been said. Suffice it to say that I make my declaration the declaration of the ex-minister of national defence for air (Mr. Power). I believe that our country has undertaken too much, at least in the infantry field. In the first place there was overzeal. Then there was deceit or carelessness, and then finally there was this mass conspiracy to make the voluntary system fail. I cannot help expressing the few thoughts I have in mind. Addressing myself to the ex-minister of national defence (Mr. Ralston) I wish to say this: Before he left for Italy and France there had been admittedly a prolonged remustering for reinforcing our infantry. That prolonged remustering should have been sufficient warning to him that something was going wrong. It lasted, from what we have been told, from the month of June on. In addition, I say this: If we had not such an army as our recruit army I am certain that the ex-minister of national defence with his ability, his intelligence, and his knowledge of military affairs, would have found a way of settling this difficulty and avoided any kind of catastrophe. In the third place, looking at the Conservative opposition, I wish to say that the effort which was made to spoil the voluntary system was an act bordering on crime. I have thought and spoken a great deal about this conscription matter since I came to this house. It is only the lack of hair that saved my head from turning grey. I think what struck me the most was something my own son said. It was a simple thought. He said that while a government has the duty of imposing conscription for the defence of its home front, it has no right to impose conscription to send its citizens to fight outside the country's boundaries. By the way, England has always been in favour of the voluntary system and it seems to me that England never imposed conscription unless she was attacked on her own soil.

In order to bring the present crisis to a climax a group of people have succeeded in putting my own province of Quebec and her inhabitants more or less on trial—her inhabitants who are the sons and descendants of the pioneers of North America. Yet we have committed no offence; we have hurt nobody; we have lived as usual, letting others alone and just asking to be left alone. On certain questions we have views different from those of other people, for instance on conscription, but that is our privilege. But in spite of all that has been said the province of Quebec has done well in this war, indeed very much better than might have been expected bearing in mind what took place in 1917. After all, we do not ask much. We just wish to live peaceably. We are not wealthy but we are rich enough to be independent. We have never enriched ourselves and we do not want to enrich ourselves by war contracts. But the lack of war contracts does not enrage us as it has enraged some other sections of the Canadian people. The fact is that whenever there was trouble in our country between the different races it never came from us but because somebody always wanted to interfere with our way of living and our way of thinking.

Mr. BROOKS: It was Hitler who did that.

Mr. BRUNELLE: Maybe, but somebody else in this country helped him.

Mr. BROOKS: Well, you do not help much in your part of the country.

Mr. BRUNELLE: If anyone has any doubts about what I have just said I wish he would ask those who know, those of a different race and a different religion, and then he will verify the truth of what I say. Ask those who know, instead of listening to slanderers of the type of Doctor Shields, who has turned his pulpit into a forum where hatred is preached to those who come there to hear the word of God. The province of Quebec is not on trial. I take objection to its being put in that position. Were it on trial, not only would I plead not guilty but I would charge those who accuse us, led by the Conservative party, with the heavy responsibility of having prepared and formed that opinion in the province of Quebec of which they complain now. I make this point, that if the attitude of the people of the province of Quebec does not suit these people of the Conservative party it is due to the work that their friends in the province of Quebec did in that province some years ago. In the first place let me say that I have many friends among the Conservatives in my constituency. They are my friends because I have treated them right and have never deceived them. But lest some may think my views of the Conservative party are dictated by partisanship I am going to quote the words of some friends of my hon. friend who has just interrupted me. Then probably he may believe me. I am going to quote the words of the only Conservative who was elected to this house from the province of Quebec in 1940. Here is what he said. He decided to leave the ranks of that party because he did not think he could make friends with the Conservative members of this house.

Mr. BOUCHER: He was not even a Conservative when he was elected.

Mr. BRUNELLE: You were very glad to receive him when he came into the house. Here are his exact words, as found at page 4058 of *Hansard* of November 4, 1941:

> Any French-Canadian member of this house who has mixed with the Conservative party as it now exists must realize that he is not a member of their political family. He is at best a tolerated stranger, accepted from necessity and looked at with a certain degree of curiosity. . . . They are firm in the opinion that we French Canadians are a source of trouble in their endeavours to make Canada an American England. There is no friendship or sympathy between them and us. . . .
>
> Warm sympathy, the main element, is lacking. You all remember the story of the man who called upon an acquaintance. He was first told that the man was not at home; he then forced the door but he was received with a heap of abuse. He went a third time, when he was taken by the scruff of the neck and kicked down the verandah. He then said, "Well, I don't think that man wants to see me." Take out the violence and I think you will see there is something like that in the attitude of the Conservative organizers toward Quebec Conservatives.

I would name also the former chief organizer of the Conservative party in the province of Quebec, Mr. Arsenault, who left the ranks of the Conservative party some few months ago because, he said, he could not stay with these people who tried to set race against race.

Looking back to what happened some years ago and facing what is happening now, which is just a repetition of history, I wish to say, Mr. Speaker, that I am bound to respect my pledges respecting conscription in order to show my good faith as contrasted with the bad faith of some of my predecessors of the Conservative party. I repeat, the point I wish to make is that the attitude which is prevalent in the province of Quebec at the present time is due to the work of the Conservatives of the province of Quebec during the past years, and that work was helped by Conservatives in other parts of this country.

Because of what has been said both in this house and outside, the statement the other day by the hon. member for Charlevoix-Saguenay (Mr. Dorion) that the attitude of Quebec was due to the Liberals, and because of what was written in the order in council which was sent to us recently by the government of the province of Quebec, which was to the same effect, I wish to say it is time that some of us protested against this false impression that the Liberal party is responsible for the attitude of French Canadians concerning the prosecution of the war and conscription.

Let me say something that concerns me particularly. My preelection pledges are the more serious and the more imperative because under similar circumstances about twenty-seven years ago the good and honest electors of the constituency of Champlain were let down, shamefully deceived and abandoned by their Tory representative, Mr. Blondin. Like the Tories of to-day he stopped at nothing to get power; he called himself a Nationalist and worked hand in hand with Mr. Bourassa, and mind you he was a Tory. He became notorious for talking about shooting holes through the union jack and denouncing any kind of participation by Canada in European wars. He convinced his electors, now my electors, and many other

electors in the province of Quebec that they should never be asked, still less conscripted, to serve overseas. He worked as a Conservative, disguised as a nationalist, and assisted by money from the Conservatives—

An hon. MEMBER: What became of him afterwards?

Mr. BRUNELLE: And when he was elected he was received into the broad arms of Mr. Borden. He was made a minister of the crown—minister of inland revenue, postmaster general, secretary of state—and the Tories did not mind. They did not mind that, because he helped them into power. They did not mind holes in the British flag, because they could still wave what was left of the balance of it.

Some hon. MEMBERS: Oh, oh.

Mr. BRUNELLE: Mr. Speaker, I do not wish to be interrupted.

Mr. ROSS (Souris): Who is dragging it in the mud now?

Mr. BRUNELLE: I do not wish to be interrupted by the political puffers of the opposition. I am making my speech. They have made theirs. They made enough noise, and we should be permitted at least to say something about what they said, and what they are. Mr. Blondin was not sent away at that time by the Tories, who played a trick on the people of the province of Quebec. Let me finish the case respecting Mr. Blondin. Mr. Bennett appointed him to—

Mr. GRAYDON: On a question of privilege, what has this to do with the question of reinforcements for overseas?

Mr. BRUNELLE: It has to do with the situation in Quebec at the present time. It has to do with the situation that was created some years ago, and which you have tried to create again in the last few days.

Mr. ROSS (Souris): The great Liberal war effort!

Mr. BRUNELLE: Never mind; don't ha! ha!

Mr. SPEAKER: The leader of the opposition has raised a point of order as to the relevancy of the remarks of the hon. member. In view of the discussion which has taken place in this debate I think the hon. member is in order.

Mr. BRUNELLE: In 1930 Mr. Bennett appointed Mr. Blondin, speaker of the senate, as a further reward for services rendered the flag, and to the flag wavers, whoever and wherever they are—and we know where most of them are.

I say these things took place some years ago, when I was young. But I well remember the influence of these Conservatives, disguised as nationalists, upon opinion in the province of Quebec. And my constituency was not alone in this.

Let me refer to a few others who were leading the nationalist party at that time. There were Mr. Monk, Mr. Pelletier, Mr. Lavergne, Mr. Rainville, and others. When they came here, after having worked as nationalists in Quebec, and having formed that opinion—which the Progressive-Conservative party deplores, to-day—most of them were appointed either as ministers or as senators, as a reward for the good services they had rendered their party.

I denounce in this house those who have been guilty, and I denounce them outside the house—and particularly that phantom leader, John Bracken, who every now and then, but always from a distance, has been throwing political robots against the government. I accuse a group of Canadians, well guided by the Conservative party, of having been unkind and unfair to Quebec. I accuse them of setting English Canadians against French Canadians. I say it is shameful, and that it has been the base work of the Conservative party to make Quebec an object of hatred on account of an attitude for which that party is responsible. It is time the other side of the picture were shown, and that the truth be stated about these super-loyalists who, in these last few years, have succeeded in making conscription a political issue.

As confirmation of what I said I shall quote David Maclellan of the Halifax *Chronicle,* a major in the Canadian Army:

> As a Canadian with as much British blood as the most energetic flag-waver in the land—

I am not the only one who has used that expression—

> —it strikes me that English speaking Canadians may well hang their heads in shame for the stupid, nasty smear campaign against Quebec. Tolerance that has somehow taken root in the Canadian army overseas is, and has been, sadly lacking here. It is a tragedy that many Canadians cannot capture the spirit and resolution which animates their sons and brothers overseas.
>
> Quebec's attitude toward conscription has been no secret for many years, yet, completely ignoring the fact that almost two-thirds of the home defence troops come from other provinces, some Canadians have been vicious enough to pour abuse, all the abuse, on the steadfast, warm-hearted people of Quebec.
>
> For a minority speaking another tongue and subscribing to another faith the record of cooperation of Quebec residents has been

splendid. The record of relations between English and French-speaking Canadians has been blotted repeatedly by the pin pricks, the rude remarks and the stinging insults that have been hurled at Quebec. Regardless of right or wrong, Quebec has every right to be resentful; and the amazing circumstance is that she had not permitted herself to give more forceful evidence of her resentment.

The Canadian voluntary system has worked throughout this war. It can continue to work if given a real chance. One thing is more important than the controversy agitating Canada to-day, and that is the Canadian nation.

There is one thing I forgot to say while I was discussing the campaign waged by the Tories in Quebec in 1911, who were disguised as nationalists. May I give further proof. Mr. Lavergne, who was one of the leaders of the nationalist party, long after the election wrote this in his memoirs respecting the 1911 campaign:

In 1911 when the Tories of the other provinces began to feel that Laurier in Quebec was losing ground to the nationalists, they redoubled their help to us and money flew in abundance into the nationalist electoral treasury.

We have now come to a difficult pass. We are asked to vote in respect of a motion of confidence, and also in respect of some amendments. The government's motion is:

That this house will aid the government in its policy of maintaining a vigorous war effort

A vigorous war effort since Wednesday, November 22, has comprised a partial, mitigated or restricted system of conscription for overseas service. The order in council passed on that date reads in part as follows:

And whereas it has now become necessary, in order to ensure provision of adequate reserves to meet requirements for the reinforcement of the Canadian forces fighting in Europe and in the Mediterranean, to extend the locality of service of certain personnel who have been called out for training, service or duty, pursuant to the provisions of the National Resources Mobilization Act, 1940.

Now therefore His Excellency the Governor General in council, on the recommendation of the Minister of National Defence . . . is pleased to order and doth hereby order as follows:

Notwithstanding the provisions of any other statute, law, regulation or order, the Minister of National Defence is hereby authorized and directed to dispatch to the following localities of service, namely: the United Kingdom and/or to European and/or Mediterranean operational theatres, such personnel, in such numbers as may be approved by the governor in council (the number hereby approved being sixteen thousand).

It will be noted that the number is limited to 16,000 and that there is a further restriction as to the theatres of war. This does not satisfy the opposition, because they wish to send all recruits overseas. They claim that the order in council or the decision of the government is not sufficient. They want to conscript the whole army of recruits and send them anywhere in the world, to India, to China, to Burma or to any other theatre of war. The Conservative amendment reads:

This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice.

Equality of service and sacrifice has been discussed before, but as far as the province of Quebec is concerned we say that before talking about equality of service and sacrifice there should be equality of advantage and privilege. I know that some people, particularly those to my left, will say that we have all the privileges and advantages that we ought to have, but we say we have not. In order to stop for all time the talk that is going on inside and outside the house, a commission of outstanding citizens should be appointed to study the grievances of the citizens of the province of Quebec. Of course I will not vote for the amendment of the Conservative party, and I do not think they expect me to vote for it. I am ready to vote for amendments against conscription as long as they are definite and clear, but I shall not vote for an amendment which states that it is against conscription and then mixes up that question with other matters. In such case I shall not hesitate to vote against the amendment.

I come now to the main motion, which is much more serious. It was Burke who wrote and spoke on the duties and responsibilities of members of the House of Commons. In spite of what Burke said, and in opposition to what he said, I have decided to look upon my constituency as the source of my authority, at least on certain vital questions in connection with which I have been given a definite mandate by my constituency. I promised my constituents, I gave them my word of honour—if a word of honour is not to mean anything, I wonder where this world is going to—that I would vote against any move or measure connected with conscription. Up to this time I have not deceived my electors in any way. I have fulfilled my preelection pledges, and on this vital question of conscription it is not my intention to attempt to split hairs and find an excuse or justification for violating that principle.

I am sorry, but I find it impossible to vote confidence in some of the ministers who have been for conscription and who are yet ready to keep up the fight for total conscription.

Mr. CARDIFF: Change them; put in some from Quebec.

Mr. BRUNELLE: I am glad you have not anything to do with the present government. I wish to say that I still have confidence in the Prime Minister. He is an honest and respectable man; he is an outstanding and illustrious statesman who would have reached top honours wherever he might be. The larger the field of effort, the more his superiority would have manifested itself. Above all he is a real and true Canadian. He has devoted the best part of his life to the cause of unity. For years and years the people of Canada will be grateful to him for the social legislation which he has placed on the statute books. Labourers, the toilers of the soil, the masses of the people, the poorer classes, all these will enjoy the advantages of the social legislation introduced by the Prime Minister and will forever bless his name. I hope everyone in the house will understand me when I say that it is painful for me to vote against the Prime Minister. I am faced with having to sacrifice one of two things, fidelity to my party or fidelity to my word of honour, and I choose to keep my word.

This conscription issue which has been systematically kept alive by the Conservative party has created political and racial strife in Canada, yet I take comfort in knowing that there are hundreds of thousands of Canadians, yes, millions, who are still determined to keep steady and to maintain harmony between the two large racial groups in Canada.

I have no apology to make for my stand on conscription, although I realize that the opinions on conscription unfortunately follow differences in race. The two large racial groups have conflicting views on the subject. As a Canadian proud of my origin I shall forever be thankful to my electors for having given me this happy opportunity of paying tribute to those magnificent and sympathetic and broadminded Liberals in this house who have been considerate, particularly in connection with this delicate question of conscription, who have at all times shown themselves ready and willing and anxious to extend to French Canada the warm handshake of good will and understanding.

Mr. J. S. ROY (Gaspé): Mr. Speaker, at the outset of this short ssesion I intended not to take part in the debate, which has become nothing but the utmost uselessness. But since an amendment and subamendments had been moved to the main motion, and after listening to the speeches of hon. members of this chamber, I cannot refrain from saying a few words on the whole situation.

I have said that the debate is useless; the question involved in this debate having been decided definitively on the second day of this session. In support of my contention, Mr. Speaker, I will read what was said by the Prime Minister (Mr. Mackenzie King) on November 27, reported at page 6617 of *Hansard*. The Prime Minister read his motion, which is as follows:

> That this house will aid the government in its policy of maintaining a vigorous war effort.

And he said:

> Let me say of this motion, it does not ask for approval of order in council P.C. 8891. That order was enacted in strict conformity with Bill 80, and the government's authority to take such action was specifically approved by the vote on Bill 80 in 1942. The issue of conscription is not being decided by this vote; it was settled two years ago.

So that the Prime Minister has definitely established that this vote of confidence on the main motion does not mean disapproval or approval of conscription, which was adopted in 1942 and was put into force two weeks ago. Therefore it is too late to debate the question, and in my humble opinion all the speeches we can make against or for it are nothing but fiction and trickery.

I have been listening very carefully to most of the speeches which have been made in this house by hon. members from Quebec and from other parts of Canada. I shall come later on to the speeches and the attitude of the Tory party; but I want to begin with the speeches made by the members from Quebec. I have never seen such lack of logic. I will give examples. Listen to the hon. member for Champlain (Mr. Brunelle). He accused the Tory party of being responsible for conscription being enforced in Canada to-day. Other hon. members have made similar contentions every day since the debate began. Well, if we look at the figures of how the parties stand in this house we must admit this, that in the general election of 1940 the Liberal party was returned to power with some one hundred and eighty members while the Conservative party returned about forty members. If these forty members have been strong enough to impose upon the Prime Minister and the whole country that law of conscription which we have to-day, it means that the one hundred and eighty Liberal members, if they are not just as much Tories as the Conservative members, were very weak, so weak that it is shameful to have to avow it. I cannot understand how forty members can be stronger than one hundred and eighty members with such so-called

great leadership as that of the Prime Minister. There is something wrong, something illogical in these statements.

That is not all. Hon. members from Quebec who still remain with the Liberal party have, in most of the speeches they have made, praised the Prime Minister for his great achievements in the past five years, yet they say that they are opposed to conscription to-day, which conscription has been prepared step by step from 1937 until now. It is too late, fifteen days after conscription was put into force, to say that we are against it when we have voted for the government on most of the war measures which have led to conscription. Those who supported the government in 1939 when it introduced the declaration of war opened the door to conscription. Those who voted for the mobilization act in 1940 welcomed conscription. Those who voted for the speech from the throne in 1942, which pertained to the holding of a plebiscite, confirmed conscription, and, in so doing, permitted it to become the master of the place. Those who, after bill 80 was adopted, voted for the annual budget, gave at the same time their entire support to that measure of conscription, since the Prime Minister in having that bill adopted had given notice, "I am passing this bill, not to enforce it now but to give the government the right to enforce it if ever it becomes necessary." So that the measure could be put into force at any time, and it was bound to come, because the moment that bill 80 was passed no one could vote subsidies to the government without taking responsibility for conscription if ever it was imposed. So that it is of no use, two weeks after it has been put into force, to say "I am against it." It is of no use for the Liberal party with its one hundred and eighty members to accuse others of being responsible for it, because they have supported every war measure. The declaration of war was adopted unanimously except by two—or, to be fair, by three—hon. members, the late Mr. Woodsworth, the hon. member for Quebec-Montmorency (Mr. LaCroix), and the hon. member for Laval-Two Mountains (Mr. Lacombe). These latter two Liberal members alone voted against the general mobilization of our human and material resources; all the other Liberal members took the responsibility from which they are trying to get away to-day; and it is of no use for them to try to escape that responsibility. They helped to launch the boat, they helped to head it into the stream, and now that it strikes the reef of conscription they are trying to escape, and say, "I did not want to betray and I will not betray my electors." It is a little too late, I am afraid.

As to the word "betray," I should like to add something, Mr. Speaker. On November 23, when the hon. member for Quebec-Montmorency (Mr. LaCroix) spoke to a question of privilege, he said that the Prime Minister had betrayed Quebec. Later on in the day the Prime Minister had those words expunged from *Hansard*. Here is what I read in the Liberal newspaper of Montreal, *Le Canada*, on November 6, reporting a speech that was delivered by the Minister of Justice (Mr. St. Laurent) in Quebec on the Saturday before, that is to say, the 4th. The Minister of Justice is reported as having said:

Je suis convaincu, dit le ministre, que si le gouvernement avait accepté cette manière de voir, l'immense majorité de la province de Quebec se serait crue trahie.

That is to say: "I am convinced, said the minister, that if the government had accepted this way of proceeding, the immense majority of the province of Quebec would have considered itself as betrayed." Well, if it was right for the Minister of Justice to make that judgment, had conscription been passed on the advice of the former minister of national defence, I am right in saying, and I dare to say to-day, that the province of Quebec has been betrayed, and I challenge the Prime Minister to expunge those words from *Hansard*.

The Liberal members of Quebec are praising the Prime Minister, saying that he is the greatest Canadian, that he has made a great achievement in the past five years—which great achievement includes the passage of conscription; this must not be forgotten, and they are trying to make out in this house, as did the hon. member for Chambly-Rouville, that the Prime Minister is a martyr to national unity. What a fine national unity we have at present in this country! So they are trying to make people believe that the present Prime Minister is not the one responsible for conscription, that he is a martyr of Canadianism. Those are things I cannot understand. If the people of Quebec had an opportunity to be present in this house and to look, as I have done so often, at the one bench which has been occupied since the death of the late Mr. Lapointe, by the Prime Minister and his bosom friend, the Minister of Mines and Resources (Mr. Crerar), they would not believe that the Prime Minister is such a martyr to Canadianism and that conscription has been imposed upon him by only thirty-nine Tories in this house. I recall that the very Minister of Mines and Resources is one of the Liberal members who joined with the Conservative party to form

the union government in 1917 which passed conscription at that time. In Quebec the union government of 1917 has become such a scarecrow to the people of the province that they would approach only in fear the former member of the union government of that time who sits to-day with the Prime Minister as his bosom friend. That is the state of mind created in the people of Quebec by the Liberals with regard to the union government of 1917. But the Prime Minister is perfectly at ease with that hon. gentleman, because they are both conscriptionists in this war as they were in the war of 1914-1918. I say both of them, because this is what I have just read in the memoirs of Robert Laird Borden, published in 1938, at page 995:

During those days the Liberals were in convention to select a leader and on August 7 I learned that Mr. Mackenzie King had been elected by 476 votes, defeating Mr. Fielding, who received 438 votes. I extract the following from my diary for August 7: "Quebec and Mr. Mackenzie have killed Mr. Fielding."

By Mr. Mackenzie he means the Prime Minister, Mr. Mackenzie King.

—"whom the Quebec members regard as having betrayed Laurier; but possibly Fielding may have been truer to Laurier—

Mr. MACKENZIE (Vancouver Centre): That was not the present Prime Minister. He was mistaken in the reference he made.

Mr. ROY: I beg your pardon.

An hon. MEMBER: That was D. D. McKenzie.

Mr. ROY: Let me continue; you will see in a moment that the present Prime Minister is well identified.

—"but possibly Fielding may have been truer to Laurier than was King—

That is not McKenzie.

I was told in the summer of 1917 by an intimate friend of King that he (King)—

He, King, is mentioned.

—was ready to join the proposed union government.

This citation from the Memoirs of Robert Laird Borden have never been denied by the present Prime Minister. That is why he feels so much at ease with a former member of the union government, the Minister of Mines and Resources.

Mr. BRUNELLE: It has been denied by the whole conduct of the Prime Minister.

Mr. ROY: We know what his conduct has been and that of the Liberal party for the last twenty-five years. We know further what has been his war policy since 1937. He has betrayed, to use the word used by the Minister of Justice in Quebec on November 4.

Coming to the subamendment which we are called upon to vote on, I should like to put myself on record and submit to the house my understanding of it. I should be glad to be corrected if I am wrong because I should like to be fair and just to the hon. member for Mercier who proposed it. The subamendment reads:

This house is of the opinion that the government has not made certain—

And I emphasize these words, "has not made certain".

—of adequate and continuous trained reinforcements by using to the best advantage the general service personnel in Canada and the volunteers overseas without resorting to conscription for service overseas.

That is clear, "has not made certain without resorting to conscription for service overseas". This subamendment is confusing; it seems to blame the government for not imposing conscription in time; therefore I will vote against it.

I now come to the amendment moved by the Progressive Conservative party. That amendment seems to concentrate on one point only. I shall read it all, Mr. Speaker:

This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice.

The government is blamed for not having assured equality of sacrifice. Everybody understands that this is addressed to the province of Quebec. I am not surprised, of course. I know the Progressive Conservative party. I was with it for a while after I was elected to the house, believing in the promises of the Hon. Mr. Manion, who was against conscription. I had to leave the party in 1941 because it had gone back to conscriptionist policy. I know the mentality of the party. I respect the opinion of anyone as to the kind or form of patriotism he likes, although I do not believe in the form of patriotism that has been preached in some parts of Canada for a long time—that is imperialism. We do not live in England or in France, or, I should like to say to the hon. member for Cartier (Mr. Rose), in Russia. We have been for too long in this country, which was settled by we French Canadians to accept as professors of patriotism newcomers of ten, fifteen or twenty years, who at the outset of the war were against participation in it but who have now joined in that war because Russia is at war. We are not ready to accept direction from these people or to have them

tell us what to do. The true Canadians know who we are; we know that our patriotism is truly Canadian, that is all.

As to this request for equality of service and sacrifice, I am amazed to find it appearing in the amendment. Must I recall to you, Mr. Speaker, and to all the Progressive Conservatives that we have made sacrifices in the past. We have shared in the service of our country. We have rendered all kinds of service, but whatever we have done has never been recognized in the way it should. We are never given credit for it. And yet, what we are doing at the present time is just as much as the rest of Canada is doing. In 1792, 1812 and 1814 as has been recalled time and time again by prime ministers and others; it was referred to by Sir Robert Borden and by the present Prime Minister a few days ago—French Canadians were faithful to the oath given to the British crown because we were not republican, because we were royalists and wanted to maintain in this country a royalist regime, because we intended to preserve our country we fought against some English people who had revolted against the British crown. We even fought against some French people who wanted us to fight against the English regime. We stood for the British crown and ever since from time to time, we have been given credit by high personalities, such as the prime ministers of the country. Yes, that is well known; but, does it help us to-day in the mind of the imperialists? What do we see to-day, and what did we see in 1914? In spite of the fact that French Canadian regiments brought the most sparkling glory to Canada in the last war the same clique in Toronto and elsewhere are criticizing the French Canadians for not doing their share. It is only a clique; it is not all the English speaking population. We have had proof of that right in this house. We have heard two English speaking hon. members praise the French Canadians and give them credit for what they did in the past. We have read articles in many newspapers, articles written by English writers giving us credit for what we have done and talking to us with respect and politeness. One I should like to mention is Mr. Maclellan of the *Halifax Chronicle*.

The clique to which I refer waged a campaign against Quebec in the last war and is still waging a campaign against Quebec to-day. They are helped in that campaign by the communist party in Canada which offered its services and its help to the Liberal party as it did to the Cooperative Commonwealth Federation party last summer. The C.C.F. party rebuked them, but the Liberal party has not done so. When I see that kind of campaign being waged against Quebec, I say what is the use of the French Canadian doing as much as he has been doing to try to bring peace and harmony in this country, asking his English speaking brothers to join with him to build up a country that should be ours? That should be our ultimate ambition, but it seems to be of no use with those who do not understand our patriotism. They refuse to recognize what we have done in the past, how faithful we have been to the British crown, though we never embraced imperialism, and we never shall. We think we are right and we believe this will be shown in the future, and earlier than we may think. We should always fight for Canadianism; it ought to be the supreme ambition of any nation to be something by itself. Who can find his pride in the title of colonial? That is one thing we do not understand. Being truly Canadian, as we are, as we always have been, we have never listened to any imperialistic propaganda, whether it came from France or from England. We are called fascists or nazis by newcomers, or by the little clique of fanatics, but it does not matter. We are none of them. Truly Canadians we are, and true to our country we will remain. We have proved time and time again that we are ready to fight for it at any time with anyone. My contention is that the dignity of each group deserves respect and should be respected. That is all we ask. This very question that divides Canada so bitterly is nothing but a hatred campaign. All we hear is equality of service and sacrifice. All we hear in the newspapers, in the house and on the street is Quebec—Quebec—Quebec. Coming up on the train from Montreal on Monday morning, and I have two witnesses, the hon. member for Quebec-Montmorency (Mr. LaCroix) and the hon. member for Charlevoix-Saguenay (Mr. Dorion), I was told "Whether Quebec likes it or not, you are going to get conscription." Well, we know we are going to get it, but my appeal to the house at this critical juncture in our history is this: As there are no reasons for sending a few conscripts against their will abroad to fight overseas for a cause in which they do not understand what interests they have, and at the very time when Great Britain is demobilizing two million of her men, I say that it is a most dangerous disservice to do to our country. If we are Canadians, even if we like England, for God's sake do not let us bring this bitter division into Canada which may do more harm than any good we can ever hope to do by sending a few men overseas.

And so, Mr. Speaker, I shall vote against the subamendment moved by the hon. mem-

[Mr. Roy.]

ber for Mercier (Mr. Jean) because it calls for conscription, or rather blames the government for not having imposed conscription sooner. I shall also vote against the Progressive-Conservative amendment, and I shall vote against the main motion too because in my opinion whoever applies conscription in this country against our will, against the true interests of Canada, and thereby brings about disunity in this country is doing the greatest harm which this country has suffered for years. I do not care which party enforces conscription. I am against it. The Liberal party has changed its policy on this question. That party with its 180 members is responsible for this conscription measure and I am going to blame that party and that government for it by voting against it.

Mr. E. E. PERLEY (Qu'Appelle): Mr. Speaker, last evening just before the adjournment the Prime Minister (Mr. Mackenzie King) suggested that speeches to-day should be few in number, short and to the point in order that we may conclude to-day. I am glad, Mr. Speaker, that I have so many agreeing with me when I say that. I accept the Prime Minister's challenge and I throw the challenge to those who are now applauding me, for I am one of those who believe that this session should have concluded a week ago. We could have done our job and been back home by now. I shall take only a minute and a half.

This morning we have listened to two speeches which did not help one iota in getting a single man to reinforce our men overseas. I think that the speech of the hon. mmeber for Champlain (Mr. Brunelle) who indulged in a tirade against the Conservative party, was disgraceful. It was the kind of speech that does not tend to bring unity to Canada. It was the kind of speech that will make this parliament, if that sort of talk goes on, a laughing stock in the eyes of the people of Canada, and let me say that I was surprised to see the Prime Minister and one or two other ministers around him applauding the speech of the hon. member for Champlain.

This is an unprecedented session, at a critical period. The Prime Minister has termed it "the present crisis". We were called here to learn what the exact situation was with respect to reinforcements. We heard the hon. member for Prince (Mr. Ralston), the former minister of national defence, review the situation as he found it on his trip overseas. He reported to the house what he saw, and I think we all came to the conclusion that the all-important need was adequate reinforcements immediately—not after some further period of delay. He asked for 15,000 reinforcements from the N.R.M.A.

Then we heard from the Prime Minister, and after he had concluded we learned that he has not had the confidence of his own cabinet since the first day of October last. There have been two resignations from the cabinet for opposite reasons, which shows conclusively that there is no confidence in the cabinet itself in the government.

Even now we have received no definite assurance from the Prime Minister or the members of his cabinet that further orders in council will be passed if necessary to see that the required reinforcements go to our fighting men.

The Progressive-Conservative amendment sets forth distinctly what is required at the present time to meet the emergency. We must not fail our fighting men, and I, Mr. Speaker, intend to do all within my power to see that the reinforcements are sent overseas as speedily as possible. I could if I had time read many letters that I have received from relatives of men who have been overseas for four-and-a-half to five years—and I wonder how many of them got past the censorship. These mothers and fathers and wives know the situation. They know that the situation is as the former minister of national defence explained it to the house. I therefore conclude by saying that I am going to support the Progressive-Conservative amendment which I think meets the situation. It reads:

> This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice.

I believe, sir, that that is the all-important thing at the present time, and I am therefore going to vote for that amendment.

Mr. WILFRID LaCROIX (Quebec-Montmorency) (Translation): Mr. Speaker, to understand fully the motives which have inspired the subamendment moved by the hon. member for Mercier (Mr. Jean), I feel it my duty to read a statement of the Right Hon. the Prime Minister (Mr. Mackenzie King), as reported in *Hansard* of Friday, December 1, 1944, on page 6749. Here is what he said about the resignation of the hon. member for Mercier as Parliamentary Secretary:

> When I read his letter I replied to him that I would have a word with the Minister of Justice about it; that, seeing that he wished

to have perfect freedom and not to be misunderstood or his actions misinterpreted in any way, if the Minister of Justice were agreeable I would be agreeable to releasing him from his duties. But I very much hope that this crisis is not going to last indefinitely, and I am also hoping that circumstances may be such that the government may be in a position to ask the hon. member to reconsider his position later on.

I want to emphasize the following words of the right hon. the Prime Minister, which I quote again:

I hope that the circumstances may be such that the government may be in a position to ask the hon. member to reconsider his position later on.

The subamendment moved by the hon. member for Mercier, the first part of which is already included in the amendment proposed by the conservative party, reads as follows:

That this house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by using to the best advantage the general service personnel in Canada and the volunteers overseas without resorting to conscription for service overseas.

In my opinion, this subamendment means that we are not satisfied with the Canadian war effort, because the government has not made certain of adequate reinforcements, and that we recommend a more vigorous war effort.

We are asked more and more reinforcements at a time when two million Frenchmen remain idle witnesses to the liberation of their country while they are beseeching us, through their president General DeGaulle, for weapons and ammunition to fight against Germany.

Why should we keep on sacrificing more Canadian lives when Frenchmen, Belgians, and Dutchmen are more than willing to take their revenge?

Why not gradually withdraw our troops from the front and give to the people of formerly occupied countries the opportunity of squaring accounts with the Germans, thereby affording our men a rest which they have well deserved?

Therefore, the hon. members of the house who vote for the subamendment moved by the hon. member for Mercier wish to tell the government that the administration should pursue the war effort with even more energy and they thereby create for themselves a reason for supporting, by a subamendment, the very policy advocated by the government's motion which reads as follows:

That this house will aid the government in its policy of maintaining a vigorous war effort.

[Mr. W. LaCroix.]

It is as though the right hon. the Prime Minister had secretly told his supporters: "the crisis has subsided, I no longer need your votes, speak, act and vote without paying any attention to me, but so as to lull and mislead the opinion of the people in your Quebec constituencies."

I shall therefore vote against all amendments and subamendments, as well as against the main motion, because I have always opposed and still oppose every form of participation.

I must also stress the reasons which the former minister of national defence (Mr. Ralston) has put forward for supporting the government. Those are words which the electors from the province of Quebec will surely remember when the time comes for the Liberal party to give an account of its administration. Here is what the former minister of national defence said to justify the fact that he will support the King government, as can be seen in *Hansard* for November 29, 1944, page 6677:

I believe that these men will be dispatched more quickly and more certainly if this house completes the action which the government has at last taken, by approving the motion, than by any other course which the house can take at the present time.

I also wish to draw attention to the talks of the former minister of national defence with the right hon. the Prime Minister of Canada, as recorded on the same page. I quote the statement of the former minister of national defence:

And one other point I am assuming, unless the Prime Minister states otherwise, that if the government motion carries, the future orders in council specifying additional numbers of men will be passed and put into effect without any reference back again to this house for a vote of confidence or other approval.

The Prime Minister replied:

That is correct.

The former minister of national defence further stated:

I take that to be clear from the minister's statements to the house.

I have mentioned these points specially, but what I want to emphasize is this, that this house and the people of this counrty, and I myself, will hold the government—and particularly the Prime Minister and the Minister of National Defence—to strict account for carrying out vigorously and without wavering their declared intention to reinforce the army with well-trained men from the N.R.M.A. to the fullest and fastest extent possible.

After that, Mr. Speaker, there is no comment that we could make; we can only await the next election.

At one o'clock the house took recess.

The house resumed at three o'clock.

Mr. MACKENZIE KING: Mr. Speaker, on a question of privilege, I have just seen the statement made by the hon. member for Gaspé (Mr. Roy) in which he referred to the Memoirs of Sir Robert Borden, and then said:

> This citation from the memoirs of Robert Laird Borden has never been denied by the present Prime Minister.

The citation he gave from the Memoirs of Sir Robert Borden was this:

> I was told in the summer of 1917 by an intimate friend of King that he (King) was ready to join the proposed union government.

The hon. member (Mr. Roy) then went on to say that that statement in the Memoirs of Sir Robert Borden had never been denied by me. May I say, Mr. Speaker, that there is not a scintilla of truth in it. There is no mention made of who the intimate friend was who is mentioned by Sir Robert Borden, but I have no doubt that someone must have made some such statement to Sir Robert Borden or he would not have included it in his memoirs. May I say that there was never a man in this country who was more constantly, steadily and unequivocally with Sir Wilfrid Laurier, and more opposed as he was to union government than myself.

While I am speaking may I say that I was one of those who were approached to enter the union government. When spoken to, I gave a most emphatic reply that I would not consider any suggestion of the kind.

Mr. RAYMOND EUDES (Hochelaga): (Translation): Mr. Speaker, this house has been called to vote on the government's motion requesting the support of its members for the prosecution of a vigorous war effort.

Since the outbreak of war, our nation's war effort has been vigorous enough to deserve the gratitude and admiration of our allies and their leaders. In a proportion which it would be useless to estimate, this contribution concurred in putting an end to the conquest and subjection of millions of human beings. It helped to ward off a seemingly inevitable catastrophe. To-day, the conquered people recover their freedom and the time is at hand when an heretofore invincible foe will be faced with defeat.

Could the situation ever have become so favourably to the nations united against the nazi menace without the gigantic effort of our country? If the strength of Canada is taken into account, its war effort has truly been gigantic.

Our varied and abundant materials have been used on every battlefield. In addition to the heavy burden of military production, our country has fed millions of people deprived of the necessities of life by the enemy's wanton destruction. Our population of about twelve million contributed nearly a million Canadians to the armed forces. Through our air training plan, we supplied the allied air forces with trained airmen who have been successful in mastering the formidable German luftwaffe. Countless convoys have reached harbour under the protection of our navy and due to the gallant deeds of our merchant marine.

In the air, on land and on the sea, our airmen our soldiers and sailors have accomplished heroic feats of arms. All the greater their legitimate pride in these achievements, and all the greater our admiration for those heroes, whether famed or obscure, when each chose freely, and uncoerced by any law, to serve in his country's armed forces and to defend the cause of justice and liberty.

Canadians from all provinces have shared in this magnificent war effort. Like her sister provinces, Quebec has assumed her just share of the common sacrifice. An imposing number of her sons have enlisted in the armed forces. On the battlefields they have shed their blood alongside other Canadians. They have added heroic pages to the glorious history written by their elders who fought in 1914-1918.

The workers and industrialists of Quebec have done an efficient job as regards war production. In spite of labour shortage, our farmers have redoubled their efforts in order to help feed the peoples of Europe. The people of Quebec have readily accepted heavy taxation and they have subscribed to the victory loans.

French Canadians have ungrudgingly done their fair share. And yet they have not the same reasons as their English-speaking fellow-citizens to be interested in the present war. They did not demand Canada's participation in this war, they have merely accepted it, knowing that such was the wish of the majority and realizing also that their liberty, their civilization, and their national, political and economic interests were at stake.

Their effort is none the less effective and their share in the common sacrifice that much more admirable. Let those who advocate equality of sacrifice for Quebec and the other provinces open their eyes and shed the prejudices in which they are steeped; they will then be forced to recognize that the achievement of Quebec and of French Canadians throughout the country in the present war is

truly remarkable. They have fulfilled the agreements which devolved upon them as parties to the Confederation pact.

In pursuing the war, however, French Canadians have not altered their feeling of antipathy against conscription for overseas service. The people of Quebec clearly expressed their ideas on the matter during the plebiscite campaign of April, 1942, and such an attitude can be justified and understood. French Canadians make it a point of honour, for they know that they constitute a minority. If some advocates of conscription are convinced that compulsion is the most effective and fairest method of waging war, how many, on the other hand, urge its enforcement only to assert their supremacy over the minority.

Moreover, French Canadians know, from the experience of 1917, that conscription brought them unfair and iniquitous treatment. Their objection to such a system has only been strengthened. On the other hand, political leaders of both racial groups and of all parties have fostered the development of this feeling among French Canadians. Are we to interpret Quebec's attitude towards conscription as one of cowardice or as a refusal to fulfil a national duty? Such a statement would be unfair and mistaken since French Canadians have enlisted for active service in large numbers and are still doing so.

Now, on November 23 last, the government through an order in council, enacted conscription for overseas service, under the pretext that in the near future our infantry troops might need to be reinforced with 16,000 men.

Therefore, the vote on the government's motion implies approval or disapproval of that conscription principle. In March, 1940, I was elected on the clear-cut understanding that I would oppose conscription. My electors did not release me from that pledge at the time of the plebiscite. I respected their will in voting against Bill No. 80. I shall abide by it in voting against the government's motion.

During the present debate I have been unable to acquire the conviction that conscription was indispensable to victory. Besides, is it not being demanded by people of whom an overwhelming majority have not the least knowledge of the data connected with the military problem involved? This debate and the campaign waged throughout the country on the conscription issue have confirmed me in the following conviction: conscription has been used by certain groups as a pretext for rousing public opinion in the secret hope that, as a result of the solemn promises made by members of the government that conscription would not be resorted to, the Prime Minister would be faced with a crisis that would bring about the downfall of his government. In some quarters, what is desired is the downfall of the Prime Minister rather than the dispatch of reinforcements for our troops.

Consequently, in voting against the main motion, I intend to voice my opposition to the enforcement of conscription, without however wishing to condemn the government's policy as a whole.

Considered as a whole and without taking into account that issue of conscription, the policy of the present government is worthy of the gratitude and admiration of the Canadian nation, if one bears in mind the intricacies of international policy and the complexity of our national and economic life. As a matter of fact, the government has directed our war effort without upsetting our economic system; it has fought inflation successfully and has consistently sought to plan for a better post-war world.

Nor do I intend, through my vote, to take a stand which might contribute to the isolation of my province. Isolationism can only bring trouble, worry and misfortune to my fellow-citizens.

In conclusion, I express the hope that this momentary crisis which has stirred the country may afford all Canadians an opportunity of realizing that the development of our national life is primarily dependent on unity which, in turn, requires a mutual understanding based on good faith and the respect of the rights of all.

Mr. G. T. FULFORD (Leeds): Mr. Speaker, so much has already been said in the current debate, and a great deal that should not have been said, that I am rather hesitant about adding any further remarks at this late date.

I do, however, wish clearly to record my stand regarding conscription for overseas service. During the 1940 election campaign I took no definite stand, but immediately after the evacuation at Dunkirk and the capitulation of France, I realized that this war was something more terrible than any of us could possibly have conceived at the outset.

I have felt, above all, that we as Canadians must not fail those gallant men who have volunteered for service overseas, and that when reinforcements are needed we should not hesitate to see that they are sent. Therefore, when bill 80 was being debated, I spoke unequivocally in favour of conscription of

men for overseas service, as can be found in *Hansard* of June 15, 1942, page 3365, when I said:

> Personally I am in favour of conscription in spite of the fact that it proved to be a failure in the last war. I consider it to be by far the fairest, most equitable and surest way of raising an army or obtaining reinforcements.

Again, when debating the soldier gratuity bill on August 11, 1944, page 6286 of *Hansard*, I am reported as follows:

> At the same time I wish to state that there is no one in this chamber who regrets more than I that the government has not seen fit to implement the terms of the National Resources Mobilization Act and draft all who are enrolled in the army for overseas service.

Before the member for Prince (Mr. Ralston), the former minister of national defence, a man for whom I have the highest regard, resigned, I sent a telegram to the Prime Minister (Mr. Mackenzie King) on October 30, 1944, advising him of my position on the matter of sending draftees overseas, and I came to Ottawa fully prepared to break with my party if necessary. At this point I wish to emphasize the fact that my opinion was formed long ago and that I was not browbeaten into making the public statement I did on November 7, 1944, either by pressure groups or by any campaign carried on by a certain section of the Ontario press.

Since this house adjourned on August 14, I have had the privilege of sailing on a Canadian naval frigate from the Pacific coast of Canada to the Atlantic coast. For three and one-half weeks I lived with the men on board and talked to all and sundry, from the captain to the lowliest stoker. Before going aboard, I was particular that no one should know, apart from the officers, of my political affiliation, as I was most anxious that the men would feel free to talk with me. I wish to say, Mr. Speaker, that Canadians can feel proud of the new ships being added to the Canadian navy, but especially of the men who are serving on these ships.

The vast majority of the crew had seen active service on the north Atlantic convoy run, and many had been on the most hazardous and disagreeable route of all, namely, convoying ships around the coast of Norway to Murmansk, Russia.

Some have gone through the harrowing experience of being torpedoed, and there were very few who had not been in active combat. I was told of one trip on a minesweeper where, out of forty-eight days in mid-winter, forty-five were spent at sea. To me the spirit of these men is magnificent. They do not expect any great concessions to be made them upon their return to civil life and seem quite satisfied with the rehabilitation schemes offered them. There was one thing, however, that eclipsed all other matters in their minds, and that was that while every hour in the day they were being asked to risk their lives, there were others in uniform who were living comfortably and drawing army pay without having to make sacrifices of any kind. Although they were resentful of this inequality of service, nevertheless their reactions could not be termed spiteful in any sense of the word because they all feel that this is a matter of simple justice; and with them, Mr. Speaker, I must agree.

At this point I should like to pay high tribute to the Minister of National Defence for Naval Affairs (Mr. Macdonald). He has built up the Canadian navy from a handful of old obsolete ships to a force that now ranks third among the united nations. I cannot praise too highly the esprit de corps existing in the navy, brought about to a very large degree by methods used in recruiting and training for this branch of our service under the guidance of a most capable minister. In passing, it is worthy of note, that during this readjustment of personnel in the other two branches of service, the navy has recruited neither too many nor too few men and women. Of the 92,000 enlisted in the navy, 38,000 are afloat and 54,000 ashore; the latter figure of course includes Wrens. Actually excluding those under training from consideration, 47·5 per cent of the personnel of the navy is afloat, which shows a phenomenally large percentage in actual combat service.

The frigate I was aboard landed at an Atlantic port on September 22, the very day that the following interesting item appeared in the newspapers of Canada, which I shall quote from the Halifax *Chronicle* of September 22, 1944:

> Canadian Affairs Interest Germans
> Hon. Angus L. Macdonald Gets Much Publicity in Nazi Press
>
> A general interest in Canadian affairs, with particular emphasis on the northwest, and in personalities on Hon. Angus L. Macdonald, Minister of Naval Affairs, is currently being shown by the German press, according to a letter received yesterday from Flt. Lt. Kingsley E. Brown, R.C.A.F., a former staff member of the Halifax *Chronicle*, now a prisoner of war in Germany.
>
> "Angus L. Macdonald receives more publicity in the German press than any other Canadian," said Flt. Lt. Brown. "His work in building up the Canadian navy, is described in almost flattering terms, and one newspaper, the *Berliner Boersen Zeitung*, describes Angus L. as working with quiet self-confidence and determination toward his goal. The same article declares that Canada is 'fated by nature to become a great sea power'."

Further to my personal contacts with the men in the Canadian navy, regarding their attitude towards the men enrolled under the N.R.M.A., can be added the observations I have received by letter from men in the R.C.A.F. and those serving overseas in the army.

Unfortunately, however, there are all too many civilians in Canada clamouring for an all-out conscription of man-power for overseas service who themselves are giving very little or no thought to their contribution to Canada's all-out war effort. I should like to quote from an editorial which appeared in the Brockville *Recorder and Times* of November 6, 1944, and which logically sets forth that all zombies are not to be found in the army:

> The term "zombie" is one of contempt now widely applied to young men of military age and the proper physical qualifications who decline to bear their share of national responsibilities in time of war by volunteering for general military service.
>
> How many of the older people of both sexes who ridicule and censure these "zombies" can themselves say that they are doing all they possibly can to fight and win the war? How many of them refrain from presenting themselves at blood clinics to save the lives of the men overseas when it is quite within their power to do so? How many of them are by no means above cheating on their food or gasoline rations when both are short because of the pressing needs overseas? How many of them do not object to chiselling a bit on prices in disregard of the ceilings which have been established and held so far that Canada may be properly mobilized for the winning of the war?
>
> How many of these civilians are ready to perjure themselves in order to secure tires to which they are not entitled and which remain in short supply because of overseas demands? How many of them decline to cooperate in salvage campaigns for the benefit of the overseas operations, or refuse to assist in Red Cross workrooms, grumble and cheat about their wartime taxes and offer the flimsiest excuses for their failure to buy victory bonds when they are well able to lend their country this vital assistance?
>
> All of Canada's "zombies" are not in the home defence army by any means. There are thousands more of them all over the map in practically every community, people who, although well able to do so, decline to bear their full share of responsibility when their country is at war or who chisel and cheat at the expense of their country and its fighting men. They should be very careful about the criticism they direct towards the young Canadians who decline to volunteer for general service when they themselves are by no means free of stigma.

And now I would like to call to the attention of this house still another type of zombie, the political leader who directs his party by remote control and during this critical period fulfils his war service by holding party organization meetings from one end of Canada to the other. Surely his place should be right here in this chamber where he would be made to retract irresponsible remarks such as were made last night over the C.B.C.

In conclusion, I need hardly mention that I have no intention whatsoever of voting for the subamendment now before this house, nor do I intend to be duped by the political trickery of the reactionary Tory party in voting for its amendment in that party's futile attempt to gain the reins of power.

I am supporting the main motion because I am positive in my own mind that the government intends to see that adequate reinforcements reach our gallant fighting men on the western front in Europe. We can already see the effect that P.C. 8891 has had on the personnel of the N.R.M.A. and civilian population alike, by the tremendous recent increase in enlistments for active service. This is a very gratifying aspect, but the government is bound to send 16,000 N.R.M.A. men in excess of the original estimate for reinforcements and, should more be required, more will be sent—even should further orders in council have to be passed.

Conscription for overseas service is an accomplished fact and a vote of confidence in the government will allow the Prime Minister to continue to lead Canada in a war effort that has been a source of amazement and an inspiration to the rest of the civilized world.

Mr. SARTO FOURNIER (Maisonneuve-Rosemont): It is not very often that in this house we have witnessed a debate of such great importance. As one of the generation mainly concerned with the object of the discussion, I feel it my duty to participate in this debate. I intend to try to do so in English, but that compels me, Mr. Speaker, to appeal to your sympathy and to the best of your good will, and if in the course of my remarks it happens unfortunately that I say something that may hurt the feelings of any hon. members with whom I have the honour to sit in this house, or of any of our Canadian citizens outside this parliament, please do not impute it to any ill will on my part but to a lack of ability to speak the beautiful language that you, sir, speak so magnificently.

It is my definite intention to try to follow the example that was given by most hon. members who have already spoken since we were called to meet in this house.

Mr. SPEAKER: Order. There is so much conversation in the chamber that I cannot hear the hon. gentleman.

Mr. FOURNIER (Maisonneuve-Rosemont): I have listened with pleasure to most of the speeches that have been delivered

and I have been pleased to observe that most hon. members who have spoken so far did so as good Canadians and in the way that speeches ought to be made. This is an example which I feel bound to follow and I shall try to deserve the same compliment.

I appreciate the fact that it has always been rather difficult in our country to be a good Canadian. If we consider the difficulties of our national life we shall realize that the conditions under which we are living in Canada are exceptional. I imagine that it must be very easy in Great Britain to be a good Britisher. It must be very easy in the United States to be a good American, and very probably it must be rather an easy thing even in Germany to be a good German and in France to be a good Frenchman. In Canada, however, it is different by reason of the fact that we are two races, that we speak two languages, and that we have not all the same religious creed. I understand that in our country it is rather difficult to suggest the real formula of the best Canadianism and I am perfectly well open to understand the point of view of anyone. In times such as these through which we are now passing I do not think that any of us can be anything but real Canadians. This is the very spirit that has inspired the humble remarks that I shall make to you this afternoon.

The proposition that is put to us can be summarized in this way. The government has decided to call the members of parliament, the representatives of the Canadian people, to determine this question, to find out whether we are ready to support the government in maintaining its present policy in connection with the war, which is nothing but conscription. I intend to oppose that proposition, and if you will kindly permit me, Mr. Speaker, I will give some of the reasons I have for doing what I intend to do.

I do not find that policy useful for the army; on the contrary I find it useless for the army and most unfair to the Canadian people. So far as the army is concerned, I must admit that I am far from being an expert qualified to talk about it, but I have heard since the beginning of this session so many people who were in the same position that I think I am entitled to discuss the question just the same. But we have heard experts, the best we have in Canada, the present Minister of National Defence, Mr. McNaughton, for whom I have the greatest respect, and the former minister of national defence (Mr. Ralston) for whom I have a great deal of admiration, because I have always admired men who have opinions and who have the courage to stand or fall for them. What did we learn from these two experts whose competence cannot be denied? They did not agree, Mr. Speaker. They were divided in their opinions. Before November 22 we were told by the builder of the Canadian army, by the first man responsible for the victories of the Canadian Army on the different fronts, that conscription was not necessary; that there was no question yet that we should apply that form of policy for reinforcements overseas. The views of the other individual were just the opposite, and now we are placed in the position where we have to face the responsibility and to make up our own minds and act according to our own conscience.

We were told, Mr. Speaker, with a bit of exaggeration, that the Canadian Army fighting overseas at the present moment was in a desperate condition. We were told that if we did not send a few thousand more Canadians to help them that this will be the last and that our soldiers would be practically wiped out from the battlefields. I can hardly admit or conceive such a thing. If we take what was told to us prior to November 22 and what is told to us now, and if we consider the news that is coming to us through the newspapers about the way things are going on the battle front, I am inclined to think that what has changed is not the war condition but rather the political condition in our country, and I do not feel that that is sufficient for me to take the step of voting in favour of the government on a measure such as the one now before us.

Let us assume that the condition in which the Canadian Army is fighting overseas is absolutely desperate; let us assume that we have to send reinforcements as we are proposing to do now, we have 900,000 soldiers who have enlisted voluntarily.

Mr. HATFIELD: Not in the front line.

Mr. FOURNIER (Maisonneuve-Rosemont): We have the American army with millions of soldiers, we have the British army with millions of soldiers and we have to think of the other armies of Russia fighting on the other front. If these soldiers, millions and millions of them, do not succeed in achieving the work they have begun, I cannot admit that this handful of Canadians will be successful. The real reason why our armies overseas are placed in the position in which they are to-day is not that they lack reinforcements. I am rather of the opinion that since the beginning of the war Canadian soldiers have been given too much

to do. We have to consider that the Canadian front covers a lot of territory. It goes from Hong Kong to Dieppe, passing by Africa, fighting in the Mediterranean sea, fighting the battle of Sicily, and still fighting to-day in Italy. We were at Dieppe; we were in Normandy; we were in Belgium; we were in Holland, and to-day we are in Germany. I am not surprised to see that we are beginning to be short of men, because we have undertaken too much, as was so ably and eloquently presented by my best friend, the hon. member for Richelieu-Verchères (Mr. Cardin). We have undertaken too much, Mr. Speaker, and the proposition that the government puts before us is not a remedy for the situation. I cannot believe that the situation is what we are told it is.

We learned about the situation of our armies at the front from the newspapers before we learned it from the headquarters of the army. If it is true that our armies are in a desperate situation, I have enough confidence in the Americans and the British to come to our help. After all, there would be nothing to be ashamed of in the Canadians being helped over there when we consider what we have achieved since the beginning of the war. There is not, I believe, a single allied nation we have not helped in some way, since the beginning of this war in 1939. Among the united nations we Canadians have done the most for the war. We were in it at the very beginning, two years before the United States. We have given our money, we have sent our men. We were asked to give the tools. We gave the tools. I do not wish to be sarcastic, because I hate that kind of argument. However, it seems to me as if after giving the tools we will have to finish the job.

I come now to the second part of what I intend to say, Mr. Speaker. I said at the beginning of my remarks that I am going to vote against the main motion, firstly, because I find it useless for the army, and secondly, because I find it most unfair to the Canadian people. We are now reaching the beginning of the policy of the last man. Probably in a few months from now it will be the policy of the last cent. I do admit the responsibility of our country in connection with this conflict. I admit that as Canadians we have some duties to perform in order to help the civilized and Christian nations. But those duties do not go beyond our responsibility. Where are our responsibilities in the war? Those responsibilities were really created by the treaty of Versailles which was not cooked up on this side of the Atlantic. We were not responsible for the mistakes made in that treaty. As a French author has said, the surgeons of Versailles forgot the abscess in the belly of the European continent. That abscess consisted of the 65,000,000 Germans who faced 45,000,000 Frenchmen.

The Germans had not felt the effects of the war. There had been no fighting on their home soil. Every opportunity was given to them to rebuild their army. It is not the fault of the Canadian people that the French were prevented from recovering from Germany that to which they were entitled by the treaty of Versailles. We are not to blame because Germany failed to carry out the provisions of the treaty of Versailles. We were not among those who forced the French to retire from the Ruhr. As a former premier of Ontario said, we were not responsible for the financiers of Great Britain, at a time when 6,000,000 good Britishers were almost starving, lending money to Hitler in order to permit him to build up his army and train it for the work he has been doing these last few years.

It is most unfair to put upon the shoulders of the Canadian people this heavy burden which should be placed only on the shoulders of those responsible for this war. When I voted for the declaration of war on Germany I believed that it was to prevent this country from becoming a German and nazi province. I realized at that time that there were certain dangers facing us, that we had a duty to help Great Britain to force the enemy to stay on the continent. We have done that job, and more. We have contributed magnificently in the liberating of half a dozen nations on the European continent. They could not do the job themselves and it was up to us to help them, but the job is done. Those nations are free, but where are their soldiers?

I believe that they should enlist voluntarily. But if they have become soldiers to continue the fight, to finish the job, where have they gone? The Canadian Army is now in a bad position, we are told that it is in desperate straits, but where are those people whom we have helped so generously? After all we have done I do not think there is any reason to be ashamed of in expecting some help from them at this time.

I realize that human beings are liable to make mistakes, but I want it understood that I am not fighting for the province of Quebec alone. I am not fighting for the city of Montreal or my constituency, only I am fighting for the Canadian people. If I speak like this I do so because I want you to believe

that I have no other feeling but that of honest Canadianism. I speak for all of Canada when I ask the members of this house to vote against the measure proposed by the government. I do not pretend that I speak in the name of Quebec or any other province. I am not going to make a small provincial problem into a national problem, and I certainly am not going to make it into an imperial problem. It is not an imperial problem; it is not a world problem; it is not a provincial problem, it is a Canadian problem and as a Canadian member of the Canadian parliament, considering what our nation has done since the beginning of the war, I must refuse to support this measure. I repeat the words of the Right Hon. Mr. Lapointe. I will vote against conscription; I will never admit conscription to send Canadians overseas. More than that I will fight any government that would force Canadians to go overseas. Our soldiers are there and no doubt more will enlist. But we have no right to force those who want to stay here to go overseas. They are free men and the most solemn commitments were made by all political parties, with the exception of one, by the Tories, the Liberals and all political parties that they would not have to go. They accepted that pledge.

Some hon. members will say that the situation has changed, but I do not think it has. Because of propaganda in the newspapers some of the mothers, sisters, fathers and sweethearts of boys overseas have been led to believe that if this step is not taken their boys overseas will suffer. But that is not the case. To-day the Canadian people have been poisoned with propaganda, as they were in 1921, in 1925, in 1940, and again in 1942 where, right in the very heart of the province of Ontario, the Right Hon. Arthur Meighen was defeated. At that time we were at war. We were fighting against Germany, and the situation did not look as good as it does to-day. The Canadian people rejected all those who were advocating conscription for overseas. I admit that in certain parts of our country the minds of the people have changed, not because of the situation at the battlefronts, not because Canada is not doing its utmost to win the war, not because we have refused to do our share, but because of propaganda.

After the war they will realize the position in which they are placed to-day by some of their fellow-citizens whom I do not consider worthy of being classed as good Canadians. After this war, exactly as they did after 1917, they will realize the mistake they have made. We know that in 1917 in certain parts of Canada public opinion was poisoned as it is to-day. Those who can recall the debates which took place in the House of Commons at that time will remember that exactly the same arguments were used, exactly the same reasoning, exactly the same propositions. But within a few months after the war public opinion realized it had been misled by propaganda, and since 1917, by all Canadians from the Atlantic to the Pacific conscription has been considered a shameful disaster, despite the fact that, as to-day, it was sought by many Canadians. They were misled at that time; they were misinformed. When they realized that they had been made the victims of propaganda they voted against those who put conscription into effect. The same is happening to-day; history is repeating itself, because conditions are the same to-day as they were then.

I admit, of course, that many among the people living in this land are in favour of conscription, just as they were in 1917. But to-day if they favour conscription they do so for exactly the same reasons as were offered in that earlier year, namely because they are badly led and because they have been poisoned by propaganda. I say that a few months after the war is over we will see exactly the same reaction—take my word for it—because the situation to-day is exactly the same as it was then. The government will appear shameful in the eyes of all real Canadians, because it will be seen that it has fallen into the ditch, into the hole, because it has been afraid of some Canadians who have tried to put it in a bad position—Canadians who have been playing the cheapest kind of political game, and that is all.

While there is still time, I urge the government to change its mind. It is not sufficient to put a drop of water into the ocean—a handful of Canadians. What is that in war as we see it to-day? What does conscription mean to the Canadian people? After the war we will know what it means, as we knew after the war of 1914-18. We have not forgotten the first conscription measure, and we are going to remember the second one.

I feel I must apologize, Mr. Speaker, for having spoken too long and perhaps too loudly. I ask you, sir, to believe that what I said has come from the bottom of my heart. I shall take the action I have indicated because deep in my heart I hold the honest belief that it is by so doing I best serve my country at the present time.

Mr. JOSEPH LAFONTAINE (Mégantic-Frontenac) (Translation): Mr. Speaker, in rising to take part in the debate at this time,

my object is not to delay the proceedings of the house, but to state the reasons for the vote I shall be called upon to cast, either on the main motion, on the amendment introduced by the Progressive-Conservative party, or, on the sub-amendment moved by the hon. member for Montreal-Mercier (Mr. Jean).

The Progressive-Conservative party's amendment reads as follows:

> This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice.

Mr. Speaker, if that amendment were carried, it would mean that all draftees now on strength or to be called in future under the N.R.M. Act, would have to serve on any theatre of war, be it in India, China or the Philippines, apart from the European theatre where Canadian troops are now fighting. It is unfortunate that such an amendment should have been moved. I believe that, under the present circumstances, far from promoting national unity, that amendment will tend to disrupt it and, should this happen, it will inevitably conduce to a lessening rather than to the maintenance or the increase of our war effort.

It appears to me, Mr. Speaker, that this whole campaign for conscription is the doing of a group with a thirst for power and who, in such a campaign, would use the Province of Quebec as a means of splitting the country, at least for some years to come.

In that campaign, the Conservative party, under the guise of patriotism, is expecting to come into office and implement anew its reactionary policies which have always consisted and still consist in the protection of a privileged group at the expense of the general public.

Therefore, I shall have no hesitation in voting against the amendment of the Progressive Conservative party.

Then there is the subamendment introduced by the hon. member for Mercier. I regret that the hon. member for Charlevoix-Saguenay (Mr. Dorion) should have attempted to give this amendment a meaning other than the one it contains. In order, therefore to enlighten you on the matter, and to prove that it really has the meaning which the mover intended to give it, I shall refer to an editorial taken from the issue of Tuesday, December 5, of the Ottawa newspaper *Le Droit*. It bears the signature of Mr. L'Heureux. Here is what it says, with reference to the subamendment of Mr. Jean:

> There can be no misunderstanding. That amendment is obviously a motion of want of confidence in the government who is charged with having wrecked the voluntary system and with having been brought, by a wrong distribution of our man-power resources, to resort to conscription for overseas.

Such is *Le Droit's* editorial opinion on the amendment moved by the hon. member for Mercier. I will therefore vote for the subamendment.

The main motion reads as follows:

> That this house will aid the government in its policy of maintaining a vigorous war effort.

I would have voted for it had order in council 8891 not been passed. This order authorizes the Minister of National Defence (Mr. McNaughton) to conscript up to 16,000 draftees if volunteer enlistments are insufficient to provide adequate reinforcements for our infantry fighting in northwestern Europe and in Italy. As I said during the debate on Bill No. 80, against which I voted, I agreed at the time of the 1940 election to oppose any proposal advocating conscription for overseas service; I shall remain faithful to my pledge and I intend to keep the promise made to my constituents who honoured me by choosing me as their representative and by placing their trust in me.

True, the number of men needed is not great, and according to the information supplied by General McNaughton, reinforcements are doubtlessly required in order to keep the various Canadian units in action. But would it not have been possible to withdraw our men temporarily from the front lines to enable them to reequip themselves, rest, recuperate and bring their units up to strength? Such a respite would have allowed the new Minister of National Defence to make necessary arrangements and to resort to the voluntary system in which he has confidence, and undoubtedly he would have made a success of it.

If the voluntary system has not been as successful as was expected it is probably because the former minister of national defence lacked faith in the system, and success is seldom attained where confidence is lacking. The former minister may have known that a large number of the senior officers in the various camps of the country did not favour the voluntary system; on the contrary, they took advantage of every opportunity to discourage voluntary enlistments. In support of my contention, I may say that some time ago two French-Canadian recruiting officers went to a camp in British Columbia to secure the voluntary enlistment of French Canadians, but without avail. Why were they unsuccessful? Because the officers of the camp barred

them from entering the premises and interviewing their fellow citizens. In view of this, it becomes evident that voluntary enlistment has been systematically discouraged for political reasons alone and surely not from patriotic motives.

Speaking of patriotism, I wish to state that the province of Quebec is just as patriotic as any other, a fact that it has proven over and over again and especially on two memorable occasions which I do not intend to recall at the moment. In the present conflict, its citizens have done their duty. However, how often are insults hurled at them by certain sections of the press and a number of ignorant fanatics?

I said I would be brief for I do not wish to delay the work of the house. I repeat in closing that I have always opposed and will continue to oppose conscription for overseas service. It is not through personal interest that I take that stand, in the hope that my sons may be exempted from military service, for, Mr. Speaker, three of them have enlisted voluntarily; one was in Holland the last time I heard from him, last Friday.

In opposing conscription I am upholding a principle which has inspired all my life: for the French Canadians and for myself what counts above all else is national pride.

(Text)

Mr. D. KING HAZEN (St. John-Albert): Mr. Speaker, I have followed with close attention the drama that has been enacted on the floor of this house since parliament reassembled, and while it is not my intention to speak at any length in this debate I have come to certain conclusions that I propose to place upon the record. But before I do so I wish to extend my congratulations to the Minister of Justice (Mr. St. Laurent) on the speech he made in this house yesterday afternoon. I do not care to deal in superlatives but in my opinion his speech will do more to promote national unity in this country than any other speech or any article that has been written in this country for many years past. I know and he knows that the speech he made will be severely criticized and unfairly criticized in some cases, but I believe that it is only by stating facts and by appealing to reason—not by relying on worn-out political doctrines and appealing to prejudices—that unity can be achieved in this country. There are occasions when events make former promises and former policies uncouth. This I believe is such an occasion.

I have never criticized or blamed, either in this house or outside of it, the majority of the people in the province of Quebec for the stand they have taken on this issue. I have not agreed with the stand they have taken; I have been very much opposed to it. But I realize that you cannot preach one policy to one part of the country year in and year out, that you cannot make solemn promises to the people in one part of this country year in and year out, and then expect them in the twinkling of an eye or in a very short time to change their opinions. I do not blame or criticize them but I do blame and I do criticize the leaders and the public men in their province who preached those doctrines to them and made those promises to them.

In this country, as in many countries, there are bound to be great differences of opinion arising from differences in racial origin, religious and other prejudices, differences over political issues and differences over systems of government. These differences of opinion are bound to arise and at times lead to great bitterness; but in any free and democratic country I fail to understand why they should lead to national disunity, no matter how great these differences may be. I believe that in a free and democratic country, and Canada is a free and democratic country, there is one foundation, and one foundation only, upon which national unity can be based, and that is that when the representatives of the people in parliament declare war, all Canadians must be prepared to fight and, if necessary, die for their country. Unless all Canadians are prepared to go forth and fight when Canada declares war, unless they are prepared to subscribe to the doctrine of equality of sacrifice, there can be no unity in this country. The basis of unity in this country can be found only in the principle that in a time of war there must be equality of sacrifice and that all able-bodied men must be prepared to meet the enemy wherever he is to be found and to fight him until peace is declared. Until we are in agreement on this principle I believe that the words "national unity" can have very little meaning in this country.

To state briefly the conclusions I have come to as a result of what I have heard on the floor of the house during this debate: The first is that the need for trained men overseas is imperative and that the voluntary system has failed to supply the number required. The second is that there has been a dangerous and an unjustifiable delay in providing the needed reinforcements. The third is that the stand taken by the former minister of national defence, the hon. member for Prince (Mr. Ralston), to obtain those reinforcements has been vindicated. He has rendered, I believe, a great service to his country. He

has proved himself again to be a loyal and patriotic Canadian, who has placed the needs of our army and the honour of our country ahead of personal ambition or party consideration.

The fourth conclusion I have come to is this, and I do not think much emphasis has been laid upon it here: I am of the opinion from what I have heard that in one respect at least our army organization should be improved. We have learned during the course of this debate that we do not keep records in Canada of our reinforcement pools overseas. I believe it is important that such records be kept in order that the government know the true position of affairs. It should not be necessary for the Minister of National Defence or any other minister to go overseas to learn what our reinforcement position is and the strength of our army in the field. The former minister of national defence told us that what he learned when he went to the battle areas came as a shock to him, and when he went over the figures at Canadian military headquarters in England he found that the situation required radical measures. I think and believe that those figures and this information should have been available here, and that steps should be taken to have it made available, and that when it is obtained, the Minister of National Defence and the war committee should keep it before them so they will know how our reinforcement position overseas stands and the number of men we have in the reinforcement pools.

The order in council which has been tabled by the government gives approval for the sending of 16,000 men overseas. In my opinion it is not a satisfactory solution of this problem. It is a compromise. It can be regarded only as a temporary adjustment. It is only a partial policy of overseas conscription. It may allay for a time the force of the spontaneous upsurge of public opinion that took place throughout this country when the people were led to believe that the Prime Minister and his government did not intend to send any of our home defence army overseas, but I do not think it will be satisfactory to the people of this country when it is fully understood. The order in council does not make certain of adequate and continuous reinforcements or require men called up to serve in any theatre of war. It has been described, and correctly described I think, by the former minister of national defence as "a half-hearted, piecemeal method." He said he was far from satisfied with the halting attitude it indicates. I agree fully with the objection he has taken to it and with the objections which have been taken to it by the leader of the opposition and other hon. members on this side and in other quarters of the house. I do not think, however, that any useful purpose could be served by taking up the time of the house in repeating those objections.

It is plain that it was an aroused public opinion that forced the Prime Minister (Mr. Mackenzie King) and his cabinet to introduce this order in council. The Prime Minister preferred it either to resigning his office or to calling an election. The Minister of National Defence, who has the duty of carrying out this order, said the day it was tabled in this house, as reported in *Hansard* of November 23, page 6529:

> I am a confirmed believer in a system of voluntary service for the Canadian army.

In all seriousness I fail to understand how a man who is a confirmed believer in the voluntary system can in conscience and in honour carry out this order in council which makes provision for conscription for overseas service.

I have heard the views of the Minister of Agriculture and I have read in the press the speeches which were made by the Minister of Fisheries, the Minister of Munitions and Supply and other members of the government. I do not propose to review them this afternoon, because they have been placed on the records of this house, but I will say this, that I do not see how, when you have in the cabinet some members who are opposed to this order in council, some members who support it because they were forced to do so, and only some members who believe in it, that we can have confidence that the government will carry it out or see that it is properly carried out. If members of the cabinet hold these and similar views, how can we have confidence that the government will send trained reinforcements overseas in sufficient numbers and thereby maintain a vigorous war effort?

I propose to vote against the motion and support the amendment; and may I point out in conclusion that any person who votes against the amendment of the opposition votes against conscription for overseas service.

Mr. T. V. GRANT (Kings): Mr. Speaker, I anticipate a little applause from some hon. gentlemen opposite when I say that my remarks are going to be very brief. I am not going to follow the remarks of the last speaker, the hon. member for St. John-Albert (Mr. Hazen), except to say that his speech was the most tolerant and the least bitter of any speech that has been made so far by members opposite.

I was elected by a very large majority for the constituency of Kings in 1940 to come to Ottawa to support the Liberal party, under the leadership of the present Prime Minister (Mr. Mackenzie King), and in 1942 that government was released from its commitments in regard to conscription. A few weeks ago I was again given the nomination for my own riding and I pledged myself that when I came to Ottawa I would support the Liberal party. If I had not done that I would not have been given the nomination for the next election.

On Tuesday night last we were privileged to listen to an able speech delivered by the member for Lotbinière (Mr. Lapointe), who is himself an officer fresh from the battlefront opposing the Germans. He told us that conscription was unnecessary, undesirable and uncalled for at the present time, and I do not believe that the soldiers at the front are asking to be reinforced by conscripts at this stage of the war.

Opposition members have been telling us about numerous letters they have been receiving from soldiers overseas asking for reinforcements to come quickly. I think there are in the fighting lines as many soldiers per capita of population from my constituency as there are from any other constituency in Canada, and I have received no such letters. I have received letters from wives and mothers asking that their husbands or their sons who are overseas be sent home for a rest if they have been over for four or five years, and I am glad to note that that is the policy of the new Minister of National Defence.

I am sorry that I cannot support the subamendment moved by the hon. member for Mercier (Mr. Jean), although personally I favour the voluntary system, and I want to see a united Canada, but this is not a free-for-all system of government. We are told by those who should know that the voluntary system has fallen down. That should not have happened after five years of wise planning. That is, of course, my own opinion, but regardless of the comparative merits or demerits of voluntary enlistment and the conscription system I do not believe that compulsion would have been necessary at this late stage of the war if someone had not blundered. I do not think the Prime Minister of Canada was the one who blundered, although it might have meant disaster to him and to Canada. However, in accepting the resignation of the former minister of national defence (Mr. Ralston) and appointing in his place a man of General McNaughton's well known anti-conscription views, the Prime Minister has proven his sincerity in the belief that the voluntary system had not so suddenly fallen down, and it is hard to believe that it did.

If the motion before the house carries we shall continue to have a voluntary system as well as power in the hands of the Minister of National Defence to send reinforcements overseas from the home defence army if necessary. If the amendment carries we shall have total conscription and nothing else for anywhere in the world in the hands of Tory exploiters and profiteers as we had it after 1917, with its abuses and scandals, which will never be forgotten.

If compulsion is inevitable, of the two evils I intend to choose the lesser and to vote for the motion of the Prime Minister, thereby permitting our unsurpassed war effort to be pursued without interruption until final victory is achieved over Germany, which I believe could have been done under the voluntary system properly managed.

In other words, I intend to stand by the Prime Minister of Canada, and that is what the vast majority of my constituents want me to do. I am glad to see the Prime Minister in such good form and that he knows when he should relax, for on Monday night when the hon. member for Carleton (Mr. Boucher) was reading to him a merciless lecture, prepared no doubt at Bracken House, the Prime Minister, who had heard the same type of speech recited on several occasions recently, fell sound asleep and continued to sleep for ten minutes until precisely eleven o'clock, when he awoke, apparently much refreshed, which reminds me that repetition is one of the best treatments for insomnia. Try it. If you go to bed tonight and cannot sleep, repeat over and over again one of those little prayers that you learned at your mother's knees and you will soon be in dreamland.

Hon. P. J. ARTHUR CARDIN (Richelieu-Verchères): I do not intend to prolong the debate. My only reason for rising at this time is to clarify the position I am going to take when called upon to vote on the amendment to the amendment now before the house. I propose to vote for the subamendment of the hon. member for Mercier, not that I so much like the wording of it or the manner in which he has expressed his views; but in the main I claim that the subamendment contains an expression of opinion in favour of the continuance of the voluntary system and, second, an expression against compulsion, against conscription. Therefore while admitting that the wording of the subamendment has not been very happy—in fact, it is poor—I ap-

prove its substance and will favour it because it includes the two main points upon which my own conviction remains.

The house divided on the amendment to the amendment (Mr. Jean) which was negatived on the following division:

YEAS

Messrs:

Authier
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blanchette
Bonnier
Bourget
Brunelle
Cardin
Choquette
Cloutier
Coté
Crète
d'Anjou
Denis
Dubois
Dubuc
Dupuis
Eudes
Fauteux
Ferland
Ferron
Fournier (Maisonneuve-Rosemont)
Hallé
Healy
Jean
Laflamme
Lafontaine
Lalonde
Lapointe (Lotbinière)
Lapointe (Matapedia-Matane)
Leclerc
Leger
McDonald (Pontiac)
McGibbon
Parent
Picard
Pouliot
Raymond
Rhéaume
Ryan
Sylvestre
Thauvette
Tremblay—43.

NAYS

Messrs:

Abbott
Adamson
Bence
Bertrand (Laurier)
Black (Cumberland)
Black (Yukon)
Blackmore
Boucher
Bradette
Breithaupt
Brooks
Bruce
Bryce
Burton
Cardiff
Casselman, Mrs. (Edmonton East)
Casselman (Grenville-Dundas)
Castleden
Chevrier
Church
Clark
Claxton
Cleaver
Coldwell
Corman
Crerar
Cruickshank
Dechene
Diefenbaker
Donnelly
Dorion
Douglas
Edwards
Emmerson
Esling
Factor
Fair
Farquhar
Fraser (Northumberland, Ont.)
Fulford
Furniss
Gardiner
Gershaw
Gibson
Gillis
Gladstone
Golding
Goulet
Graham
Grant
Gray
Graydon
Green
Gregory
Hansell
Hanson (Skeena)
Harris (Danforth)
Harris (Grey-Bruce)
Hatfield
Hazen
Henderson
Hill
Hlynka
Hoblitzell
Howden
Howe
Hurtubise
Ilsley
Isnor
Jackman
Jaques
Johnston (Bow River)
Johnston (London)
King, Mackenzie
Kinley
Kirk
Knowles
Kuhl
Lacombe
LaCroix
LaFlèche
Leader
Leduc
Little
Lockhart
McCann
McCuaig
McCubbin
McCulloch
MacDiarmid
Macdonald (Brantford City)
Macdonald (Halifax)
Macdonald (Kingston City)
McGarry
McGregor
McIlraith
MacInnis
McIvor
MacKenzie (Lambton-Kent)
MacKenzie (Neepawa)
Mackenzie (Vancouver Centre)
MacKinnon (Edmonton West)
MacKinnon (Kootenay East)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Macmillan
McNevin
MacNicol
Marshall
Martin
Matthews
Maybank
Mayhew
Michaud
Mills
Mitchell
Mulock
Mutch
Neill
Nicholson
Nielsen, Mrs.
Noseworthy
O'Neill
Perley
Pinard
Pottier
Purdy
Quelch
Ralston
Reid
Rennie
Rickard
Roebuck
Rose
Ross (Calgary East)
Ross (Hamilton East)
Ross (Middlesex East)
Ross (Moose Jaw)
Ross (St. Paul's)
Ross (Souris)
Rowe
Roy
St. Laurent
Sanderson
Senn
Shaw
Sinclair
Sissons
Slaght
Soper
Stirling
Stokes
Taylor
Tomlinson
Tripp
Turgeon
Turner
Tustin
Veniot
Ward
Warren
Weir
White
Whitman
Winkler
Wood
Wright—168.

Mr. SPEAKER: I declare the amendment to the amendment lost. The question is on the amendment. All those in favour of the amendment will please say "aye".

Some hon. MEMBERS: Aye.

Mr. SPEAKER: All those opposed to the amendment will please say nay.

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the nays have it.

An hon. MEMBER: Order.

Mr. RAYMOND: Mr. Speaker—

Mr. SPEAKER: The hon. member wishes to speak to the amendment?

Mr. RAYMOND: Yes.

Mr. SPEAKER: I am afraid the hon. member is too late.

Mr. RAYMOND: May I speak on the main motion, then?

Mr. SPEAKER: The hon. member says he will speak on the main motion?

Mr. RAYMOND: Do I understand I am not entitled to speak at the present time?

Mr. SPEAKER: At the present time, no. I have already put the question, and the hon. member has spoken to the amendment.

Mr. CASSELMAN: He was on his feet.

Mr. SPEAKER: Call in the members.

The house divided on the amendment (Mr. Graydon) which was negatived on the following division:

YEAS

Messrs:

Adamson
Bence
Black (Cumberland)
Black (Yukon)
Boucher
Brooks
Bruce
Cardiff
Casselman (Grenville-Dundas)
Church
Cruickshank
Diefenbaker
Esling
Fair
Gladstone
Graydon
Green
Hansell
Harris (Danforth)
Hatfield
Hazen
Homuth
Jackman
Jaques
Johnston (Bow River)
Kuhl
Leader
Lockhart
McGregor
MacKinnon (Kootenay East)
MacNicol
Marshall
Neill
Perley
Ross (St. Paul's)
Ross (Souris)
Rowe
Senn
Shaw
Sinclair
Stirling
Stokes
Tustin
White—44.

NAYS

Messrs:

Abbott
Authier
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blackmore
Blanchette
Bonnier
Bourget
Bradette
Breithaupt
Brunelle
Bryce
Burton
Cardin
Casselman, Mrs. (Edmonton East)
Castleden
Chevrier
Choquette
Claxton
Cleaver
Cloutier
Coldwell
Corman
Coté
Crerar
Crète
d'Anjou
Dechene
Denis
Donnelly
Dorion
Douglas
Dubois
Dubuc
Dupuis
Edwards
Emmerson
Eudes
Factor
Farquhar
Fauteux
Ferland
Ferron
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser (Northumberland, Ont.)
Fulford
Furniss
Gardiner
Gershaw
Gibson
Gillis
Golding
Goulet
Graham
Grant
Gray
Gregory
Hallé
Hanson (Skeena)
Harris (Grey-Bruce)
Healy
Henderson
Hill
Hlynka
Hoblitzell
Howden
Howe
Hurtubise
Ilsley
Isnor
Jean
Johnston (London)
King, Mackenzie
Kinley
Kirk
Knowles
Lacombe
LaCroix
Laflamme
LaFlèche
Lafontaine
Lalonde
Lapointe (Lotbinière)
Lapointe (Matapedia-Matane)
Leclerc
Leduc
Leger
Little
McCann
McCuaig
McCubbin
McCulloch
MacDiarmid
Macdonald (Brantford City)
Macdonald (Halifax)
McDonald (Pontiac)
McGarry
McGibbon
McIlraith
MacInnis
McIvor
MacKenzie (Lambton-Kent)
MacKenzie (Neepawa)
Mackenzie (Vancouver Centre)
MacKinnon (Edmonton West)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Macmillan
McNevin
Marier
Martin
Matthews
Maybank
Mayhew
Michaud
Mills
Mitchell
Mulock
Mutch
Nicholson
Nielsen, Mrs.
Nixon
Noseworthy
O'Neill
Parent
Picard
Pinard
Pottier
Pouliot
Purdy
Quelch
Ralston
Raymond
Reid
Rennie
Rhéaume
Rickard
Roebuck
Rose
Ross (Calgary East)
Ross (Hamilton East)
Ross (Middlesex East)
Ross (Moose Jaw)
Roy
Ryan
St. Laurent
Sanderson
Sissons
Slaght
Soper
Sylvestre
Taylor
Thauvette
Tomlinson
Tremblay
Tripp
Tucker
Turgeon
Turner
Veniot
Ward
Warren
Weir
Whitman
Winkler
Wood
Wright—170.

PAIRS

Messrs:

Hanson (York-Sunbury)
Desmond
O'Brien
Macdonald (Kingston City)
Clark
Telford

Mr. MACDONALD (Kingston City): I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted, I would have voted against the amendment.

Mr. CLARK (Essex South): I was paired with the hon. member for Kent, Ontario (Mr. Desmond). Had I voted I would have voted against the amendment.

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Speaker, I rise at this time to move an amendment to the main motion which will call for the addition of certain words to that motion. The words which I suggest to be added were moved in the form of a subamendment by the leader of this group, the hon. member for Rosetown-Biggar (Mr. Coldwell) on November 27. Although that subamendment was ruled out of order by Your Honour at that stage of the proceedings, the content and the significance of our proposal will already be familiar to hon. members.

I should like to state briefly our reasons for introducing this amendment at this time. We feel on the one hand that the Prime Minister's motion which is now before the house is ambiguous in its wording, and that it presents the house with no real issue upon which hon. members must make a decision. On the other hand we feel that there are certain very real issues before the Canadian people at this time, and that this House of Commons should come to a decision on those real issues. As we see it, the real issues are two. First of all, now that partial conscription for overseas service has been made the law of the land there are a number of matters relating to the application of conscription which need to be cleared up. We feel that a straight-forward statement of the position should be made and that all distinctions and discrimination between drafted and volunteer personnel should be removed. Further, now that Canada has taken the step of conscripting manpower for overseas service, we are convinced that the people of this country look for this parliament and this government to take the step which should have been taken beforehand, and certainly should not be delayed, namely conscription of wealth and industry, in order that we may be assured of a total war effort, adequate reestablishment of the members of our fighting forces, and full employment after the war.

I made the statement a moment ago that we do not see in the motion now before the house, as moved by the Prime Minister, a real issue, and I should like to document that statement by a few references to statements made by the Prime Minister in his speech on November 27 when he moved the main motion. First of all, the vote on the motion before us is not a vote on the principle of conscription. That has been affirmed by many hon. members. The Prime Minister stated it clearly, at page 6617 of *Hansard:*

> The issue of conscription is not being decided by this vote; it was settled two years ago.

In the second place the vote on the motion now before us is not a vote for or against order in council P.C. 8891. Again I quote what the Prime Minister said, at page 6617 of *Hansard* of November 27:

> Let me say of this motion, it does not ask for approval of order in council P.C. 8891.

In the third place, the vote on the motion which is now before us does not call for confidence in the government with respect to all of its policies. The Prime Minister, as reported at page 6608 of *Hansard,* said:

> What the government is seeking to-day is not an expression of confidence in all of its policies.

Further, at page 6617 he said:

> The motion does not ask for an unlimited vote of confidence in the government.

Later on, on the same page, he said:

> The motion is not to be construed as an endorsation of government policies generally.

If the vote on the motion of the Prime Minister is not a vote on conscription, not a vote of approval or disapproval of order in council 8891, and not a vote of confidence in the government generally, what is the vote which is asked of this house in the motion now before us? The Prime Minister made it quite clear. He pointed out that it is not a vote of confidence in the government by means of which the house is asked to approve or disapprove of the government for having brought in P.C. 8891; it is simply a vote of confidence in the government as the administration to be entrusted with giving effect to a law that is already part of the law of this country. Frankly I do not quite understand why so many of the Liberal members find it difficult to vote confidence in their leader, entirely apart from what the rest of us may think of him, when he put it in that way for them. He made it clear in a number of places in his speech on November 27 that the issue before the house was simply whether the present government should continue to conduct Canada's war effort, and without quoting him verbatim, he used such words as "to give effect to the decision that has already been made". So that what this house is asked for is not a vote of confidence in the government generally, not a vote of confidence in the government because it passed P.C. 8891, but simply a vote of confidence in the govern-

ment as a tool to administer a law which is now in effect, as if they were not even responsible for it.

These times are serious, and we do not feel that is an important enough measure to be the main vote of this special sitting of parliament. We feel that parliament should be called upon to decide on the more burning questions which are before the country. I may say, in passing, that this issue as to whether or not confidence is to be voted in the administration as a means of carrying out this order in council might have been worthy of our consideration but for the fact that the Prime Minister himself as much as told those of us who are not in the Liberal fold that it is none of our business anyway, for on page 6613 of *Hansard* he said:

> If I cannot get enough support out of my own party to feel sure that the men of my own party are behind me without depending on those who are politically opposed, then my resignation will go in to the Governor General. . . .

This means that even if the government were to be sustained by this House of Commons, but if that vote in order to be a majority, required some who were not on the government side of the house, the Prime Minister would offer his resignation. In other words, the decision as to whether or not this administration is the one to carry out the terms of this order in council, according to the way the Prime Minister has put it, rests solely with the Liberal party. We feel that this is turning a serious crisis such as we have had in this country into a melodrama when one realizes that this house contains an overwhelming majority of members who are prepared to vote confidence in the present administration and in the present Prime Minister.

Some members have suggested from this side of the house that the words of the Prime Minister exonerate opposition members from any blame if the government is defeated. We do not feel that way about it. In fact, we do not feel that his statement absolves us in this group from our duty and responsibility as representatives of a large section of the Canadian people. We feel, notwithstanding the way in which this has been treated as a Liberal family affair, that it is our duty to present to parliament and to the government what we regard as the issues before the people at the present time, and so it is because of that belief that at this stage of the proceedings we present to the house again the amendment which was moved on November 27.

May I emphasize that we do this in no perfunctory sense. The people of Canada will be interested to know how the members of other groups vote on this amendment. For example, I hold in my hand a telegram which I received a few days ago, among the many communications that hon. members have been receiving during this sitting. It happens to come from the Orange Lodge of Greater Winnipeg, but I ask my hon. friends from the province of Quebec to listen closely as I read this telegram and to note the absence of any prejudice of any kind from it. I also ask my hon. friends of the Progressive Conservative party to listen closely to what these members of the Loyal Orange Lodge in the city from which I come are asking at this time. The telegram is dated at Winnipeg, December 2, and addressed to me at Ottawa. It reads as follows:

> Whereas the Canadian government over its man-power policy seems to have lost the confidence of practically the entire personnel of the fighting services and whereas the Canadian public appears to be in a state of revolt against the government and whereas the government seems to be in a liquid state of mind, therefore this county Orange Lodge of Greater Winnipeg and district in annual sessions this thirtieth day of November, 1944, unanimously urge the government that the only solution to their problem of equality in waging total war is the application of conscription of wealth, industry and man-power. We further urge the government that to regain the confidence and respect of the nation it should adopt such a policy immediately.
>
> County of Winnipeg Loyal Orange Lodge C 64
> C. G. Perry, Secretary.

It is in the spirit of that telegram that we move our amendment at this time. It is not a motion of confidence or non-confidence in the government. It proposes that certain words be added to the main motion. We feel that these words should be added, and if they are we will vote for the motion as amended by the addition of these words. We are doing this in part to make our position clear and also because we feel that the people of Canada would like all the hon. members of this house to make their position clear on this twofold question of a clean breast of the policy of conscription and total conscription of wealth and industry as well as man-power to ensure a total war effort, adequate reestablishment and full employment in the post war period. Therefore, Mr. Speaker, I move, seconded by my colleague the hon. member for Cape Breton South (Mr. Gillis), that the following words be added to the motion:

> which in the opinion of this house requires the immediate removal of all distinctions between drafted and volunteer personnel, thus making the entire home defence army available for reinforcements overseas, and requires

further the total mobilization of all the resources of Canada, material and financial as well as human, to ensure a total war effort, adequate reestablishment of the members of our fighting forces, and full employment after the war.

Mr. SPEAKER: In the moment when I have been considering this amendment, I should like the hon. gentleman who has moved it to give me his comments thereon in the light of the subamendment which has already been decided and disposed of by the house. It dealt with using to the best advantage the general service personnel in Canada and the volunteers overseas without resorting to conscription for overseas service. The hon. member's amendment deals with drafted and volunteer personnel, thus making the entire home defence army available for reinforcements overseas, and requires further the total mobilization of all the resources of Canada, material and financial as well as human. The issue of volunteers has been raised by the subamendment and the issue of conscription was raised in the amendment. The amendment which the hon. member has submitted to the house, as I see it, requires both human resources and material resources to be used. One portion of it has already been decided by the house. I have already ruled that one cannot approve and disapprove the same proposition, but that the document which deals with it must be considered in its entirety. If one portion of the amendment is out of order it renders the whole of it out of order, and the house has decided the question in the subamendment. Unless the hon. member can show me some reason other than those I have already stated I shall have to rule this amendment out of order, but I shall be glad to hear him.

Mr. KNOWLES: Mr. Speaker, it strikes me that the house has made only a partial decision on the conscription question by the two votes taken thus far to-day. If the position that Your Honour is now taking is valid it seems to me that the issue was decided by the vote on the subamendment and that there should not have been a vote on the amendment. I would point out further that the amendment which I have moved accepts what is implied in the main motion, namely, an endorsation of conscription as far as it has gone. The issue of the main motion, whatever that issue is, has not yet been decided by the house. I would suggest that the ruling that you are making on the basis of the votes already taken on the subamendment and on the amendment would have a bearing on the vote to be taken on the main motion if you are to be consistent.

In this amendment we are asking for an extension of what is implied by the main motion still before the house. It does not rule on the basic question of conscription of man-power; it accepts what we have and asks for a clearing up of its provisions and an extension of the principle of conscription to cover wealth and industry as well. It strikes me, Mr. Speaker, that it should be declared in order. If Your Honour will recall when the amendment made by the hon. member for Rosetown-Biggar (Mr. Coldwell) was ruled out of order you said that the amendment was not in order at that time but that it could be offered after the amendment moved by the leader of the opposition (Mr. Graydon) had been disposed of. We have reached that stage. I realize that in the meantime a subamendment was moved by the hon. member for Mercier (Mr. Jean), but in Your Honour's comments just now you referred also to the bearing of the vote on the amendment on this question. If the terms of the amendment did not stand in the way at the time Your Honour made your ruling on November 29 it seems to me it should not be made to apply now. I suggest Your Honour should consider that my amendment adds relevant words to the main motion and should be declared in order.

Mr. COLDWELL: Before Your Honour makes this ruling may I add a word? It seems to me that during this debate Your Honour has interpreted the rules so strictly that hon. members who disagree with the motions or amendments made thus far are prohibited from their inherent right in this parliament of expressing their points of view and of giving support to them by means of their votes.

I wish to add this word to the contentions of the hon. member for Winnipeg North Centre (Mr. Knowles). The motion is:

> That this house will aid the government in its policy of maintaining a vigorous war effort.

By that motion we are asked to endorse the policy of the government. We indicate clearly that we consider a vigorous war effort as one involving something other than what the government has undertaken. We are of the opinion that a vigorous war effort not only requires the sending of drafted men overseas but requires further that industry and wealth shall be placed on the altar of our national sacrifice as well as the lives of the young men of this country. Since we believe that the policy needs extension in those respects we have moved an amendment to that effect.

I suggest that under the traditions of this parliament and according to those rules of procedure in debate which I have been able

to read and study—I have given some thought to the rules of procedure—we are being denied by your ruling the right to express what we think is involved in a policy of vigorous prosecution of the war. I contend, with all due respect to the Chair, that our amendment is in order.

Mr. SPEAKER: When the amendment was moved previously by the hon. member for Rosetown-Biggar (Mr. Coldwell) I stated that the first portion of that amendment might conceivably be within the rules of the house and be accepted as an amendment to the main motion, but I was clearly of the opinion that the amendment as then constituted was not in order. Since the production of that amendment by the hon. member for Rosetown-Biggar the house has had under consideration a subamendment. That subamendment has been voted upon and it is now a decision of the house. It referred to part of the contents of the amendment now before us. The thirteenth edition of May, page 292, has this to say:

> It is a rule, in both houses, which is essential to the due performance of their duties, that no question or bill shall be offered that is substantially the same as one on which their judgment has already been expressed in the current session.

That is a salutary ruling to prevent duplication of debate. Reference was made to the subamendment moved by the hon. member for Mercier (Mr. Jean). I did not give a ruling on that amendment because I was satisfied that it was in order. It referred to the amendment moved by the leader of the opposition (Mr. Graydon), and proposed to insert an alternative proposition to that contained in the amendment. The amendment moved by the hon. member for Winnipeg North Centre reads in part:

> . . . and requires further the total mobilization of all the resources of Canada, material and financial as well as human, to ensure a total war effort, adequate reestablishment of the members of our fighting forces, and full employment after the war.

It has embodied within its terms the terms of the subamendment which has already been voted upon and which is now a decision of the house. May I say that in my rulings with regard to amendments being brought before the house I have not been concerned with the merits of any of them. I have been concerned solely with and have directed my thoughts toward the procedure that was necessary to bring the amendments within the rules of the house. In this case I am clearly of the opinion that the amendment is out of order.

Mr. COLDWELL: I must respectfully and regretfully appeal your ruling.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Abbott
Adamson
Bence
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Black (Cumberland)
Black (Yukon)
Blair
Blanchette
Bonnier
Boucher
Bourget
Bradette
Breithaupt
Brooks
Bruce
Cardiff
Cardin
Casselman, Mrs. (Edmonton East)
Casselman (Grenville-Dundas)
Chevrier
Choquette
Church
Clark
Claxton
Corman
Crerar
d'Anjou
Dechene
Denis
Diefenbaker
Donnelly
Dorion
Douglas
Dubois
Dubuc
Dupuis
Edwards
Emmerson
Esling
Eudes
Factor
Farquhar
Fauteux
Ferland
Ferron
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser (Northumberland, Ont.)
Fulford
Furniss
Gardiner
Gershaw
Gibson
Gladstone
Golding
Goulet
Graham
Grant
Gray
Graydon
Green
Gregory
Hanson (Skeena)
Harris (Danforth)
Harris (Grey-Bruce)
Hazen
Healy
Henderson
Hill
Homuth
Howden
Howe
Hurtubise
Ilsley
Isnor
Jackman
Jean
Johnston (London)
King, Mackenzie
Kirk
Lacombe
LaCroix
LaFlèche
Lalonde
Lapointe (Lotbinière)
Leclerc
Leduc
Leger
Little
Lockhart
McCann
McCuaig
McCubbin
McCulloch
MacDiarmid
Macdonald (Brantford City)
Macdonald (Halifax)
Macdonald (Kingston City)
McDonald (Pontiac)
McGarry
McGibbon
McGregor
McIlraith
McIvor
MacKenzie (Neepawa)
Mackenzie (Vancouver Centre)
MacKinnon (Edmonton West)
MacKinnon (Kootenay East)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Macmillan
McNevin
MacNicol
Marier
Martin
Matthews
Maybank
Mayhew
Michaud
Mills

Mitchell	Roy
Mulock	Ryan
Mutch	St. Laurent
Neill	Sanderson
Nielsen, Mrs.	Senn
Nixon	Sinclair
O'Neill	Sissons
Parent	Slaght
Perley	Soper
Pinard	Stirling
Pottier	Stokes
Pouliot	Taylor
Purdy	Thauvette
Ralston	Tomlinson
Raymond	Tripp
Reid	Turgeon
Rennie	Turner
Rickard	Tustin
Roebuck	Veniot
Rose	Ward
Ross (Calgary East)	Warren
Ross (Hamilton East)	Weir
Ross (Middlesex East)	White
Ross (Moose Jaw)	Whitman
Ross (St. Paul's)	Winkler
Ross (Souris)	Wood—176.
Rowe	

NAYS

Messrs:

Blackmore	Johnston (Bow River)
Bryce	Knowles
Burton	Kuhl
Castleden	MacInnis
Coldwell	Marshall
Fair	Nicholson
Gillis	Noseworthy
Hansell	Quelch
Hlynka	Shaw
Jaques	Wright—20.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVILEGE—MR. POULIOT

REFERENCE TO STATEMENT OF MR. MCLARTY ON THE ORDERS OF THE DAY

Mr. POULIOT: Mr. Speaker, on a question of privilege, I have read a statement made by the Secretary of State (Mr. McLarty) this afternoon with regard to the sending of dodgers by mail. There is a gentleman by the name of Mr. Robert Rumilly, translator and well-known author, who would appreciate being heard under oath to establish that the dodger was in a franked letter containing also a letter from Mr. Coleman, Under-Secretary of State.

THE WAR

POLICY OF THE GOVERNMENT IN MAINTAINING A VIGOROUS WAR EFFORT—CONTINUATION OF DEBATE ON MOTION OF THE PRIME MINISTER.

The house resumed consideration of the motion of the Prime Minister (Mr. Mackenzie King) that this house will aid the government in its policy of maintaining a vigorous war effort.

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, a little while ago our newspapers in this country carried a *Canadian Press* news item dated July 29, and headed "With the Canadians in France," which read:

In a neat bit of team play that began six days before the British-Canadian drive south of Caen July 25, French-speaking troops of a Quebec battalion paved the way for the capture of Verrieres by Ontario troops by attacking and holding two hillside farms about 1,000 yards north and northwest of the town.

A company commanded by Maj. J. P. C. Gauthier of Montreal was consolidating south of the Beauvoir farm when the Germans loosed a terrific concentration of mortar and gunfire along the whole of this front. Other men under Major J. A. Dextrase of Montreal had pushed on ahead but enemy fire pinned them down on the south side of the crest of the ridge. . . . The farm was held despite attacks by five tanks which remained dug in on the south side of the farm for 48 hours and in the face of heavy mortar and artillery fire. The tanks were finally forced to withdraw due to the aggressiveness of White's (Ontario) company. Troteval was attacked and captured by Major Dextrase's company July 24 and later Ontario troops passed through the position to go and capture Verrieres.

To my mind, in that short excerpt was the very spirit of Canadian unity. It is in my opinion the duty of all of us not only to maintain the Canadian army but in the doing of it to maintain the same spirit of unity among those of us who work together on the home front as animates our men who fight abroad. That to me is a most important thing.

We have in this country a very well-known Canadian journalist by the name of Mr. Leslie Roberts. He has written a book on the famous Canadian flying ace of Malta, "Buzz" Beurling, and has just returned from five months with the armed forces overseas to find Canada in the middle of this crisis. In an article which appears in the *Canadian Mining Reporter,* Mr. Leslie Roberts has this to say about the crisis—I quote just a short portion:

What first impresses the returning traveller, setting foot in the home country after five months' absence and stepping across a troop-ship gangway into the middle of the conscription crisis, is that Canada has suddenly gone stark, screaming mad.

What currently goes on in parliament and press is no patriotic filibuster but sheer political gangsterism, led by men ready to divide and destroy Canada if in the process they can also kill King.

Give them their heads and they will destroy Canada, ruin our hope of nationhood, at the hour when we stand not merely at the portal of peace, but at the gateway of our country's greatness

If to hold us together he has compromised, attempting to hold the scales in balance between us, let us thank whatever gods we profess (and most of the leaders of the anti-King claque have no god but Mammon) that we have a leader who cherishes the unity of Canada, for without unity we perish, even in the hour of victory.

I agree very much with what he says.

At the beginning of this debate the hon. member for Cartier (Mr. Rose) placed on record the position taken by the Labour Progressive party on this issue. As a member of that party I wish to endorse all that he has said, and in calling attention to the contributions made to the war by the people of the province of Quebec I also wish to associate myself with his remarks.

What I am going to say now I naturally say as a westerner and as a member from Saskatchewan, but the more I think about these things the more I realize the similarity between the people all over this country, never mind which province they happen to live in.

Western Canada is very proud of its contribution to this war in food for victory. Besides the thousands of volunteers who have gone from the prairies we had until quite recently about 13,800 draftees. Let me give the house one or two reasons why we had this number. In one part of my country where we have no railways and where the roads are so bad that you cannot travel after a rainy spell, there was in a little town a young blacksmith and an acetylene welder. He had not volunteered because he was needed so desperately in that part of the country for repairing farm implements. Finally he was drafted, and after he was drafted the people of the district sent a petition to me asking if I could get him exempted for a while, because the only other place they could get their implements mended by an acetylene welder was twenty-five or thirty miles away. Therefore I wrote to the board in Saskatchewan and got him an exemption for a while. He went back, and soon afterwards I received a letter from a woman who lived in that district. She was very bitter. She said, "My three sons have already gone, and now this boy is allowed to come back." What hurt her so badly was this: she said, "that boy got the priest of his village to telephone to Ottawa to get all the French-Canadian members to have him exempted." It was I who got his exemption, and I am neither a priest nor French-speaking. But her anxiety and concern over her three boys, and the injustice which she felt because three of hers had gone away, while some also were kept on the farms, were canalized into race hatred and religious prejudice. I regretted it terribly.

I know of a couple of Ukrainian lads who had been the sole workers on their farms ever since they left school, because their fathers were old and unable to work. They did not volunteer. Their families could not live without them. Finally they received notices to be drafted and attend for their medical examinations. They went to the reeve of the village and said, "If we leave home our families will starve; what can we do?" The reeve of that particular area was an English-speaking man. This was after March 22, 1942. Those boys should have been frozen on the farms; they were eligible for such treatment; but the reeve is one of those English-speaking people who used to say, "Let those darned foreigners go; why should our boys fight, while they hide on the farms?"

These things are very bad. I am sorry that among a certain section of our English-speaking people there is a tendency to consider they are a little superior if they think as Britishers, when they should realize that their greatest duty, no, not their duty, their greatest privilege should be to think first and always as Canadians. Only a small percentage of them are involved in this kind of thing, but they have stirred up antagonism and prevented many a good boy from volunteering.

Of course these things are the result of mistakes in government policy for which the cabinet must take full responsibility. I am not trying to absolve the government from blame. The Prime Minister (Mr. Mackenzie King) has made mistakes, so has Mr. Roosevelt, so has Mr. Churchill. Churchill is making an awful mistake right now in interfering in Greece and in Belgium. But I say with confidence that if the democratic forces in any country are sufficiently strong and vigilant and courageous, they can and will correct the mistakes of leaders. That can be done. We must blame ourselves to some extent if in our war effort there have been inequalities and injustices which have provided fertile ground for those who now seek to stir up disunity in this country for their own political ends.

I regret as much as any French-speaking person in this country the slanderous attacks which have been made upon the people of the province of Quebec during this crisis, and I want the French-speaking people of Canada to know there are many English-speaking people in this country whose greatest desire is to persist in trying to keep alive and build the unity of our two great nations into a greater

and a finer Canadianism. It is quite possible that with wiser policies earlier in the war our whole country might have accepted conscription. If we had had or if we had created a basis of real economic and social equality in the province of Quebec and the rest of Canada we might all of us have accepted conscription, on the basis of each man's fitness to become either a fighter, a food producer or a producer of war materials. In this way we would have had an army whose size was regulated by our ability to have behind that army the food producers and the producers of war materials, and too great commitments by way of an army would have been avoided. But the government did not do that. Perhaps they could not do it; at the time it was not possible to estimate these things. But I still maintain that we could have done better than we did.

Now the situation is different. We are nearing the end of this war, and I am one of those who, after sitting through these public sittings and the secret sitting, feel that the man who built the Canadian Army, and who is now our new Minister of National Defence (Mr. McNaughton), is the man who will not let that army down. I have great confidence in him. But I will say this: I hope sincerely that if there remain, among the high command within the ranks of the army, any officers who think more of their allegiance to the Tory party than they do of Canada, General McNaughton will see to it that they never have another opportunity of disturbing the confidence of our boys and of this nation. As to those who resigned from their positions of trust, which they should have held during this crisis, I think we are well rid of them, and if there are any others like them I hope they will be relieved of their duties.

Why did the Progressive-Conservative party create a political crisis when the problem of reinforcements arose? In my opinion it was because they have seen that the people of Canada are on the march, because they have seen the beginning of reforms during the early part of this present session; and how they have hated them! You will remember the crusade which has been waged by the Tory premier of Ontario against family allowances. That should indicate the stand of the Tories toward reform. What a blow to the great Canadian Pacific interests in this country that we should have decided that Trans-Canada Air Lines, a government-owned company, should control Canadian airways after this war! These Tories see in the new industrial bank and in our farm credit arrangements a threat to the chartered banks and to the trusts whose mouthpiece they are. Those were the real issues over which the Tory party was concerned The reinforcement issue was but a patriotic cloak in which they wrapped themselves to strut before the Canadian people. If there is one thing more than any other calculated to upset the magnificent efforts of our war workers, our farmers, and all our people, including the boys overseas, it is to plunge and precipitate this country into an orgy of hysterical campaigning on the question of conscription, at this date, so near the winning of the war.

There are some westerners, I believe, who, because the Tory party is discredited in the west, say, "Oh, well, the Tories, if they go before the people with an honest presentation of their programme, could not possibly win an election." I think this recent Tory manoeuvre should teach them that it is quite possible for the Progressive-Conservatives to try to force an election on a dishonest issue, and in that way to win thousands of honest people to their support who fail to see what is behind this cloak of patriotism. Such in my opinion is their present manoeuvre, and I am happy to know that at least for the time being it is foiled.

It has been said in the past, and truly said, that patriotism sometimes becomes the last refuge of scoundrels. In my opinion nothing so closely approaching fascist tactics has ever been witnessed in Canada, and I hope very much that I never again have to sit in this chamber and witness another exhibition of mob rowdyism and speaking to the galleries such as we had to listen to when the spokesmen of the Tory party were questioning General McNaughton. It was a disgraceful exhibition.

The industrial workers of Canada have already seen the truth behind this crisis; and on my desk, and I know on the desk of the Prime Minister because I have received copies of them, are a good many resolutions from the organized trades unions of Canada—from both the province of Quebec and the rest of Canada—supporting the government's action at this time. From both the province of Quebec and the rest of Canada, among broad sections of our people, among the industrial workers, farmers, business and professional men and white-collar workers, there is seen the great necessity for maintaining unity in Canada.

It is true that order in council 8891 is a compromise. It is more than some French-speaking people feel they should be called upon to support; it is a little less than some English-speaking people feel is necessary. But do the French and English battalions on the

fighting fronts squabble as to which of them should bear most of the brunt of battle? No. Together they do the job that has to be done. It is an example that we might well follow here on the home front.

This order in council does ensure, first of all, reinforcements to the men. Second, it does leave room for what I hope will be a great voluntary movement of young men in this country toward the army. Third, a thing I am more happy about than anything else, it destroys utterly and defeats for the time being the Tory manoeuvre.

When victory is assured, this country will welcome an election. It will be good to have one, to go again to the people with the real issues that face them—yes, not conscription, but the real issues that face the people. The programme discussed then will be what kind of government will direct our foreign and domestic policies in the years to come after the war to bring the kind of peace for which we have fought.

At the next election, from wide sections of our people representatives will be elected from the ranks of organized labour, from farmers, from people's parties like the C.C.F., the Labour Progressive party, the Social Credit party, and they must work together with that section of progressive forces within the Liberal party who will work for international collaboration for the maintenance of peace and for the continuance of our markets and our trade as well as for reforms on the home front, to bring social security to our people. Together such forces can isolate and destroy and send down to oblivion this Tory gang. If those forces in this country who want progress, who feel that it is time to leave the status quo and go forward, work together they can help to keep peace, to extend our markets, to increase farm income, to continue jobs and employment and to give us a national health scheme, better pensions for old age and for the blind as well as for our mothers, and they can rebuild our city and rural slums and provide better education.

If we do these things we shall have achieved something great and Canada will have taken a great step forward. It will not be socialism. No; but it will be a step forward, and that is what eighty or ninety per cent of our people in Canada are willing and ready to do; it is what they want. Such forces working together can lead our nation forward with the rest of the world to progress and security. It is in the best interests of Canada's fighting people here and abroad; it is in the best interests of unity; it is in the best interests of our people, which are so far above political considerations, that, I say, Mr. Speaker, every honest person in this house to-night should support the motion of the Prime Minister.

Mr. E. G. HANSELL (MacLeod): Following the hon. member for North Battleford (Mrs. Nielsen) as I do, with the type of speech which I shall make, I do not expect to receive the same applause from the Liberal government or the Liberal benches as she has been given, and in making the type of speech I am going to make I want no reflection to be cast upon my patriotism. I will say to my hon. friend that the Labour Progressive party in this country has no corner on patriotism. Furthermore, I would simply make this statement in all kindness, that if patriotism is the refuge of scoundrels I should like to know where the communists were when Great Britain had her back against the wall. The term "fascist" is used very often by so-called patriotic speakers. I wish to know where the Labour Progressive party were, the communists, when fascism was riding roughshod over France and over the lowlands, and when the battle of Britain was on.

In this debate I realize that the issue before us is one of the most serious that perhaps this parliament has ever had before it. We are living in serious times and dealing with tremendous problems. The problems and the times, being what they are, do not permit of anyone, much less the government which is facing those problems, playing the game of politics, toying with the feelings of the people, the lives of the men and the destiny of the nation.

It is with this in mind that I have to decide whether or not I am to vote confidence in the present administration. The present situation with which this parliament is faced is, I believe, the result of a series of political moves which the leader of the present administration has made over the past year. I am not going to take a lot of time to go into all the details of the past, but perhaps I have only to go back to 1940 when parliament was called in the regular way and sat for half a day, whereupon the Prime Minister (Mr. Mackenzie King) sent us all back home on the flimsy pretence that a resolution had been passed in the Ontario legislature, and when asked why he had called us here anyway the the answer was: Oh, well, of course, he had made a great promise that he would not go to the country without first calling parliament. At that time we were fighting a war, but the election was called. May I say that that election was fought on the basis of a "no conscription" issue, and when the Prime Minister was returned to power with the biggest

majority that this country has ever seen it was because he promised the country that he would not tolerate conscription.

It is all very well to talk about the way the war has gone; it is all very well to talk about these things now, but I ask the simple question: Did the Prime Minister not know at that time that we were face to face with one of the most powerful war machines the world has ever seen? He should have known it, because he was Secretary of State for External Affairs at the time. He had gone over to Germany himself, although if he went on a Cooks' tour they would not show him all that. The group with whom I have the honour to be associated recognized the danger. We went to the country too; to the best of our ability we portrayed the truth as we saw it, and that was that since we had declared war on the greatest war machine the world has ever seen we would need every available dollar, every available part of our national resources as well as every man in his proper place. However, the Prime Minister's party was returned. Some of us got back; some of us did not. Then in 1942 when the battle of Britain was on—the nazis had walked roughshod through France and the Netherlands—the war was going seriously against us and something had to be done. Public opinion had undergone a change and so the bright idea was thought up to put over a plebiscite in this country. However, it was not until Britain had been driven from continental Europe that public opinion turned that way. The plebiscite was put on, and may I say it was a plebiscite which nobody seemed to understand. When we were discussing what should be on the ballot, the question on which the people of Canada would have to vote, it was an open secret that the cabinet had burned the midnight oil in an attempt to put a proper question on the ballot paper. Eventually they put that question to which I am inclined to think the right hon. the Prime Minister is accustomed, a question that can be read and interpreted in any way he wishes it to be interpreted.

I would suggest that there are not a half dozen people in Canada to-day who can tell you what was on the ballot paper during the plebiscite. It was not intended that anyone should understand it. As a matter of fact, when some hon. members of this group moved an amendment to the question on the ballot paper in order to clarify the thing we received the answer: Oh, no, no, that could not be done; and the government side of the house voted against any clarification of it.

Speaking of plebiscites, may I digress for a moment to tell the house that I put over a plebiscite of my own.

Mr. JOHNSTON (Bow River): Did it cost a million and a half?

Mr. HANSELL: No, it did not; it cost a few dollars. When I recognized that we would have to come to this session of parliament and that the question to be decided was whether or not we should conscript the draftees, I immediately circularized my constituency. I should say that I did not write to everybody; I have a mailing list of nearly one thousand names, not all of them my supporters, although, of course, most of them are. I sent out a little card. I will send it over to the Prime Minister so that he can see it. One side of the card reads:

Dear sir or madam:

Parliament has been hurriedly called in special session to discuss and vote on the manpower problem. In order to know the feeling of my constituency in this matter I would appreciate having you mark the back of this card with either "yes" or "no" to the question asked. This will help me to vote according to the majority wishes of my riding. You may sign your name if you wish, although this is not necessary. . . .

The question on the reverse side was not the type of question that was put on the plebiscite of 1942. This was one that the people could understand:

Are you in favour of conscripting draftees for military services overseas? Mark yes or no.

There you have it, no bones about it, no quibbling, no getting around it, under it or over it, "yes" or "no." Quite a number of these have been returned, and I find that between ninety and ninety-one per cent told me to vote "yes," while between nine and ten per cent said, "no." I must be fair to those who indicate "no" votes. Many of them, besides sending in their card, wrote to me to explain their position, and I will say that most of the letters I received explaining the "no" vote were sensible letters. The people who wanted to tell me why they did not want the draftees conscripted were people, some of whom I knew, whose judgment I could trust. Some of the arguments in the letters I regarded as sound. I am not going to say that there are not two sides to this question. I believe those who said, "no" did have some argument, and I am not wholly out of accord with my Quebec friends on this. I think they have an argument too. And may I say when we are talking about this national unity, I am just as concerned about the national unity of this country as anyone else is, and I am just as concerned about the future of this country as anyone else is.

Let me get back to the main thread of my speech. When the plebiscite of 1942 was put over on this country what did the Liberal party do? Did they simply leave it with the people to vote "yes" or "no"? They did not. They went throughout the country urging everyone to vote "yes." They went throughout the country urging everyone to place upon them the responsibility of conscription for overseas when that time became necessary. They did that. They invited responsibility. The question is, why were they so anxious to get a "yes" vote in 1942 when they were not prepared to implement the "yes" vote as long after as November 22, 1944? Another question: the right hon. the Prime Minister of this country cries out, "Anarchy, anarchy, anarchy!" Did he not know that there might be a possibility of such a thing when he was calling on the people of 1942 to vote "yes" for the conscription of men for overseas service? Why cry "anarchy" now? A couple of years or so too late, I fancy.

Parliament was summoned in consequence thereof and the government brought down their national resources mobilization bill. That was supposed to implement the plebiscite vote. I refer to bill No. 80. That was simply another attempt to lead the people to believe that the Liberal party were about to do something.

I want the house to note a most significant thing. When bill No. 80 was brought down in 1942 the Prime Minister said, "I am not going to put this bill into effect until I get a vote of confidence from this parliament." I maintain that that promise has been broken, and I will tell hon. members how. When parliament was summoned a week or two ago it was summoned for the purpose of voting confidence in the Prime Minister's voluntary system. He was calling parliament to seek endorsation of his position as against the position taken by the former minister of national defence (Mr. Ralston). That was what it was all about.

The funny thing about it is that the right hon. gentleman recognized that he would have difficulty in getting the confidence of his own party in his voluntary system. Before asking parliament for a vote of confidence to give effect to bill No. 80 as he said he would, he passes an order in council while parliament is sitting right under his nose. I ask: why this strange procedure? The only answer I can find is that it was a political expedient to keep his party and cabinet together.

Now a word with respect to the resignation of the former minister of national defence. When the Minister of National Defence reported conditions overseas to the government why did not the Prime Minister tell the country the truth about the situation? Why did he not go on the air, for instance? Spot announcements could have been made that the Prime Minister of Canada wanted to talk to the nation on a particular night, or something of that kind. I would not have objected to a little build-up for the Prime Minister on an occasion of that kind. Why did he not say to the country, now, fellow Canadians, my minister has brought back a report from the fighting fronts that the situation there is so-and-so and so-and-so; he informs me this and that; now, fellow Canadians, on the basis of what my minister has told me I am afraid I shall have to call parliament together in order to get their confidence, for the time has now come to put bill No. 80 into effect.

If the Prime Minister had done that, not only would he have been able to gather unto himself not only the confidence of the people of Canada, he would have had their admiration as well. What did he do instead? When the thing began to boil, when the former minister of national defence was out of office, the people began to weigh the situation and ask, What is all this about? The Prime Minister then went on the air, taking the attitude that he must play safe with his party. He went on the air and attempted to justify his position as against that of the former minister of national defence.

The Prime Minister may argue against that if he wishes, and as I think he tried to do the other day when the question of the circularizing of his speech by the war information board was before the house. We were told that this was an attempt to get Canada to stand behind him when he was calling for volunteers. I should like to read one or two statements the Prime Minister made when talking over the air. The first was:

> I now come to the question: Is there an adequate reserve of reinforcements for the army? In the opinion of the military authorities, no difficulty is likely to arise except in relation to reinforcements for the infantry. Infantry reinforcements have been adequate to meet requirements to date. But, during his recent visit to the army overseas, Colonel Ralston learned that to provide replacements for future casualties at present rate, the flow of infantry reinforcements from Canada should be accelerated. One fact needs to be emphasized. There is not an overall shortage of potential reinforcements. Many thousands of men are in training now and enlistments are continuing at an encouraging rate. Because we cannot tell how long the war may last, we must, as long as a possible need may arise, continue to recruit men for the army to keep up the supply of reinforcements. But recent recruits and those who enlist from now on will not be available until they are trained.

Colonel Ralston's report to the government disclosed an immediate problem which had to be faced. That problem is to find the means of speeding up the flow of fully trained infantry reinforcements to meet, not an actual shortage of reinforcements now, but a possible shortage in the next few months.

Is that not designed to support the Prime Minister's position against the position of his former minister of national defence?

The question many of you will ask at once, is: why not send overseas some of the draftees who are fully trained in Canada under the National Resources Mobilization Act?

That will seem to many of you the easiest way of meeting the problem. It is not, however, in accord with the policy of keeping our army overseas a 100 per cent voluntary army if we possibly can. The voluntary system of raising our overseas forces has produced splendid results during five years of war. We have always believed that Canada's forces, having begun as voluntary forces, would be more effective, and that the country would be more united in their support, if we continued to rely upon the voluntary system for reinforcements as long as the voluntary system continued to be effective.

Is that paragraph not designed to state the government's position over against that of the former minister? How much more do I have to read?

Colonel Ralston had grave doubts of our ability to keep up the flow of reinforcements in the next few months by voluntary means. He considered, therefore, that he had no alternative but to recommend that draftees should be sent overseas as reinforcements.

Is that not designed to argue his position over against that of the former minister of national defence?

When I realized that unless Colonel Ralston's recommendation were accepted by the cabinet, his resignation would follow, I felt it to be my duty as Prime Minister to seek the most expert advice I believed to be available.

Is that not designed to substantiate the Prime Minister's position over against that of his former minister? And again:

It is important to remember that the former minister of national defence and the present minister have precisely the same objective in view; they differ only as to the means of reaching that goal.

Is that not designed to substantiate the government's position over against that of his former minister? To be fair I must say this, too, that before the Prime Minister concluded he did bring forward a passionate appeal for the country to support him in his call for volunteers. I shall read the last part of his speech:

It is the government's responsibility to make the decision as to the best methods of supporting Canada's army overseas. No decision could possibly please everyone. We have made the decision which we believe will best support the army and contribute most effectively to an utmost national effort in the winning of the war. But to achieve these ends, we shall need the help and cooperation of the people as a whole.

It is true that that appeal was put out to the people. If the Prime Minister states that this essentially was an appeal for the support of his voluntary system and not an argument pitting his judgment against that of his colleague, then all I say is this, that if he now has to admit that his appeal failed that is an admission that the country did not have confidence in him.

We were called here on November 22. The correspondence between the Prime Minister and his former minister of national defence was read. It took the greater part of an afternoon to read it. That night the crisis came, and that crisis was a party crisis. On the basis of that party crisis an order in council was passed reversing the policy the government had held just a few hours before. When next day I questioned the Prime Minister as to whether, if he had passed this order in council when the former minister had reported to him on his return from overseas, his resignation would have been necessary, I could not get an answer for a few minutes. I did not get one until I insisted, and then just what was the answer? The answer was —well, I was going to use a term which I shall not use, because I must be polite. I shall use a term the former minister of national defence used, and say that the Prime Minister's answer was simply nonsense. He said that you cannot tell now what you might have been able to do a month or two months previously. As a matter of fact, it was only three weeks prior to that that the minister had resigned, and only two weeks prior to that that the Prime Minister had gone on the air.

Had the situation changed in those three weeks? Had the ranks overseas been depleted in those three weeks, or in the two weeks between the broadcast and the order in council? Were the men overseas finding it less difficult or more difficult? Had anything changed in respect of the reinforcements situation? I think no. There was only one change, and that was a change in the attitude of the people of Canada, and the attitude of certain ranks within the Liberal party.

Then, must I conclude that this order in council was passed because the reinforcement situation demanded it, or because there was a split in his party, and because his cabinet demanded it? Am I now to vote confidence in a government of that kind?

Just another word concerning the resignation. Subsequent events have proved that the resignation of the former minister of

national defence would not have been necessary if the Prime Minister had been honest with the people of Canada—well, I should not say "honest"; I will say that it would not have been necessary if he had been fair with the people of this country, when the report was given to him by his minister.

Therefore I say this, that my view of this whole debate from the beginning is that the fate of the government very largely hinged on which way the former minister of national defence was going to put his support. What did he do? Well, he did, I believe, the gentlemanly thing. He proved his case, and then said, "I am not going to break with the Prime Minister and my party. I am voting confidence in him." The strange thing about it is that the former minister of national defence is the one man who has very largely saved the Prime Minister and the Liberal party from disgrace. And another strange thing about it is that he is the man who was fired. Am I now going to turn around and be asked to vote confidence in that government?

Now a word about the motion of the Prime Minister. It was placed on the *Votes and Proceedings* before the order in council was passed. I maintain that when the motion was placed there the Prime Minister was seeking the confidence of this house on his voluntary system. The order in council was then passed, but the motion has not been changed, and now the Prime Minister seeks the confidence of the house for his partial conscription policy. Personally, I fail to see how a motion which was designed to seek the confidence of the House of Commons in the government's voluntary system, can now be used for a vote of confidence from the house on the government's conscription policy. I fail to see that; it is not logical.

I am not going to vote for what I call a double-barreled motion. Read it for yourselves. We have read it several times, but let us read it again:

> That this house will aid the government in its policy of maintaining a vigorous war effort.

What does that mean? It means he has got you both going and coming. It is going to be heck if you do and heck if you don't. If you vote against the motion, because you have not confidence in the government, what will some go out and say? They will say, "See those men? Well, they voted against the policy the Prime Minister wanted to bring in so as to reinforce the troops overseas." And if you vote in favour of the motion the people in my constituency and in yours, and all the rest of them, will say, "See those men there? Well, they voted confidence in the government." So it is heck if you do, and heck if you don't. I say to you, Mr. Speaker, that that is a double-barreled motion and, so far as I am concerned, I am not going to be forced to have to choose which barrel to look down, and especially when I do not know which trigger he is going to pull.

May I now say a word about voting confidence in the government? Since when, under our party system, did the present Prime Minister ever want to plead with anyone in the opposition to vote confidence in him? It is a different matter when his own ranks are beginning to be depleted. Is he now coming to the opposition and saying, Please come over and help me; vote confidence in me, and fill up my depleted ranks? Well, hon. gentlemen, you may vote confidence if you wish—but please excuse me.

Now the Prime Minister cries "anarchy"; he cries "election", and the danger of being without a government. Well, since when did the Prime Minister become so concerned about when he should hold an election? If he comes to the opposition now and says, "Do not hold an election now; I do not want to hold an election now, because it would be suicide in Canada to do so." If he puts up the big bogey man, I say, What is sauce for the goose is sauce for the gander. When he does want to hold an election why does he not come to us and say: Gentlemen, I want to know if it is right for me to hold an election now? It must work both ways. I do not want to be mean with the Prime Minister; I know that he has a tremendous burden and I sympathize with him in his position. Upon his shoulders is the responsibility of running Canada's part in the war. All I am going to say is that it is my firm conviction that when it comes to an election—

Mr. GRANT: He will win.

Mr. HANSELL: I do not know. Perhaps the Prime Minister will win. I was not careful enough about my little pauses that time. I was going to say that when it comes to an election the Prime Minister will not think twice about the day of holding it so long as he thinks it is a good day for him. He would hold it on Christmas day or to-morrow or any day next month if he thought that was a good day for him. I would not be surprised if there was an election before we are supposed to resume here on January 31. If it suits the Liberal party the election will be called; do not worry about that.

Another cry is: Reinforcements are needed and we cannot hold them up. Who is holding up reinforcements? Did it hold up reinforcements in the United States when they held an

election there last month? Did it hold up reinforcements when Australia, New Zealand and South Africa went to the polls?

Another thing I noticed was that one of the great orators of the Liberal party and, I am told, one of Canada's leading criminal lawyers was asked yesterday: Why would reinforcements be held up if there was an election? Personally, I do not want an election; it makes no difference to me when the election comes. But what answer did that gentleman give to the question? He said, "Of course reinforcements will be held up. How do you suppose the country can be run with the leader sitting behind the clock?" What sort of answer is that? Would this gentleman, one of Canada's leading criminal lawyers, take that kind of answer from a prisoner in the dock to a question from him? As a matter of fact, I think the Prime Minister has been behind the clock for a good many years. One of my colleagues told me that actually the Prime Minister is behind the calendar. The fact is, Mr. Speaker, that the Prime Minister has given birth to a monstrosity, and what he now wants to do is to put it upon the doorstep of the opposition.

Mr. SPEAKER: I must inform the hon. member that his time has expired.

Some hon. MEMBERS: Go on.

Mr. SPEAKER: Has the hon. member unanimous consent to proceed?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Go ahead.

Mr. SPEAKER: Apparently there is not unanimous consent.

Mr. HANSELL: I shall require only a minute, Mr. Speaker, but if I have not unanimous consent my hon. friend the member for Bow River (Mr. Johnston) will move the amendment I had intended to move, and then I shall ask the privilege to speak upon it.

Mr. SPEAKER: If the hon. gentleman is proceeding to move an amendment he might be allowed to move it.

Mr. MACKENZIE KING: He was speaking of a monstrosity. I think he should be allowed to dispose of it, Mr. Speaker. I hope the house will agree to allow the hon. member to put his motion.

Mr. HANSELL: I shall take only a minute.

Some hon. MEMBERS: Not now.

Mr. SPEAKER: I called attention to the fact that the hon. member's time had expired and I asked the house if it gave unanimous consent to his proceeding, but there was violent dissent to his continuing his remarks. Therefore the hon. gentleman cannot proceed.

Mr. C. E. JOHNSTON (Bow River): Mr. Speaker, I had not intended to take part in this debate, and I hope I shall not run over my forty minutes because, as you know, I usually do not take that long. But we feel that it is necessary under the circumstances to move an amendment, so that I now move, seconded by the hon. member for Macleod (Mr. Hansell) that the motion be amended, as follows:

1. By inserting after the word "house", where it appears in the first line, the following words: "while not being requested to support all the policies of the government".

2. By deleting all the words following the word "government" and substituting therefor the following

"in sending immediately adequate reinforcements to our men overseas, and will also aid the government at all such times as it wages a vigorous war effort against the totalitarian powers; an effort consistent with Canada's ability and position in the world."

The motion will then read:

That this house, while not being requested to support all the policies of the government, will aid the government in sending immediately adequate reinforcements to our men overseas, and will also aid the government at all such times as it wages a vigorous war effort against the totalitarian powers; an effort consistent with Canada's ability and position in the world.

The reasons why we desire to move this amendment to the main motion have been stated clearly by the hon. member for Macleod. As the main motion now reads, it is impossible to know what is required of the house. It reminds us very much of the motion that was put at the time of the plebiscite. We did not consider at that time that the question which was put to the public was intelligible. We did not think it was fair. Certainly there was confusion all over the country over it. At the time the plebiscite was held, nobody in the country understood what it was about, not even the members of this house. I recall that even in this house the members of the government did not know what it was about. It was definitely stated by the former minister of national defence that the government itself did not know; at least some of them were not clear on the issue. Now, surely our English language is not so lacking in words to make things clear and explicit to the public.

Had I been prepared to speak here this evening I could have quoted contradictions in the Prime Minister's speech which would be clear evidence of the fact that one cannot put too great trust in the wording of that motion. Accordingly it is our intention that

the amendment which we have offered shall clarify the whole problem. It will permit hon. members who desire to support the government in a clear and unmistakable position to know exactly what they are voting for. Certainly there is not a member of the group to which I have the honour to belong that is not fully in favour of sending all the reinforcements necessary to our troops overseas, and I doubt if there are many hon. members who are of a different opinion on that matter. But we are not in favour of supporting the government in all its policies; I would hate to be associated with some of those which the government has undertaken. I would hate to be associated with the attitude which this government and other parties represented in this house took at the time war broke out, in 1939. I recall only too vividly our stand here when we asked for an all-out war effort. We stood alone at that time, and when the plebiscite came on we were criticized here because of our action, but we were the only party in Canada which went out and explained the facts as we understood them to the people. We were the only party, I repeat, which, when the plebiscite was taken, explained the facts to the people and, in conformity with the practices of a democratic country, said to them, "You tell us how you want us to vote," and abided by that decision. The rest of the membership of this house went out and told the people to vote "yes", and when they did vote "yes", some of them came back to the house and voted against the passing of bill 80, contrary to the decision democratically registered by the people. It may be that there was an excuse for them: they could justly say, nobody knew what it was about. The purpose of this amendment to the main motion is to put the question fairly and squarely not only before the members of this house but before all the people of Canada. We are only too anxious to send all the needed reinforcements, but we do not think we should be compelled, as the hon. member for Macleod said, to vote for a two-barreled resolution, when you do not know which trigger the Prime Minister is going to pull, although you can depend upon it that he will pull the one which suits him.

The amendment which we have made does not in any way deflect from the policy of sending reinforcements, but it does make the issue clear. The Prime Minister said in the course of his speech that to vote for his motion did not imply support of all the government policies, but the motion does not so state, and our amendment is intended to clarify that position and make it clear to hon. members that by voting to send the required reinforcements they will not be obligated to vote confidence in the other policies of the government.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I have only a word to say with respect to the amendment which has been moved by the hon. member for Bow River (Mr. Johnston). I shall not inflict another forty-minute speech on the house. As I said before, I do not like the wording of the motion standing in the name of the Prime Minister and yet, realizing the tremendous problem he has, I wish to give him all the support I can. I am speaking now for myself and not for my group; my group can vote the way they want to; but I am not going to vote confidence in the government on the basis of the present motion standing in the name of the Prime Minister. He may not want my little vote; it may not make a particle of difference—

Mr. CRUICKSHANK: Not very much.

Mr. HANSELL: —nevertheless my vote is going to be determined on the basis of what the Prime Minister wants to do with the amendment. All I am asking the Prime Minister to do is to take one tiny step, a step which will readjust this motion, whereby he will put into the motion what he promised in his speech, namely, that he was not demanding the house to vote confidence in all the administration did. The next is a slight addition which says that we will also support his government in waging "a vigorous war effort against the totalitarian powers"; and it adds this, too, "at all such times" as it wages a vigorous war effort, because I do not think we should be forced to vote confidence in the government in carrying on its war effort and let it carry on just as it wants to; it is to be "at all such times as it wages a vigorous war effort" that we will support them. Then there is this little addition. You know there is an opinion in Canada that we embarked upon too ambitious a war programme. I do not know whether we did or not, but I do not think we should be called upon to do more than our share in a world war. Other nations are at war on our side. So that we are merely adding, "an effort consistent with Canada's ability and position in the world." It is a slight change. Personally I will give the government every possible weight of support I can in my own small way if they will reword their motion, and this amendment is exactly what that will do. If they vote against this amendment I cannot vote confidence in the government.

Mr. MAXIME RAYMOND (Beauharnois-Laprairie) (Translation): Mr. Speaker, to-night we are called upon to pass judgment on a motion of confidence moved by the Right Hon. the Prime Minister (Mr. Mackenzie King) in support of the direct enforcement of the conscription act for overseas service. After all, it is purely and simply a vote for or against conscription.

Many amendments and subamendments have been moved. This afternoon, we have voted on the progressive-conservative party's amendment which involved conscription for overseas service and, together, with the members of our group, I voted against that amendment because we are opposed to conscription.

We have also had to vote on a subamendment moved by the hon. member for Montreal-Mercier (Mr. Jean). I voted for that subamendment although I did not like its wording and I did not agree with its full purport; I supported it only because it expressed some blame against the government for having resorted to conscription for overseas service. That is the sole meaning of the vote cast by myself and the members of our group on that subamendment; it was a vote against conscription. But it seems to me that, at this stage of the proceedings, it would be advisable to put an end to the moving of amendments and subamendments, because the house has had several opportunities to vote for or against conscription on an amendment and a subamendment and it should now have an opportunity to vote on the motion of confidence moved by the right hon. the Prime Minister, which also implies a vote for or against conscription. Further amendments can but create confusion in the mind of the public and, for my part, I would agree to all amendments and subamendments which will be introduced from now on being set aside by the Speaker.

I wish to reply to a statement made by the hon. member for Charlevoix-Saguenay (Mr. Dorion) in his speech of last Monday. He declared that the only two members who had voted against participation in the war—he said voted mind you—were Mr. Liguori Lacombe, member for Laval-Two-Mountains, and Mr. Wilfrid LaCroix, member for Quebec-Montmorency. Not only is this statement at variance with the facts, but it may unfairly lead the public to believe that only the member for Laval-Two-Mountains and the member for Quebec-Montmorency have opposed Canada's participation in the war. I do not intend to deal at length with that matter, but I shall merely report the facts as published in *Hansard*, the official record of the debates of the house.

In September, 1939, after England had declared war, a special session of Parliament was called. On September 7, the speech from the throne was read to the house and the debate was adjourned until the next day. On that very next day, as soon as the house had met, I took the first formal step against Canada's participation in military operations abroad by tabling a petition signed by thousands of people opposed to Canadian participation in any extra-territorial war; I refer to page 6 of *Hansard* where the following petition is recorded:

Petition

Opposition to participation by Canada in any extraterritorial war

Mr. Maxime Raymond (Beauharnois-Laprairie): I desire to lay on the table a petition signed by thousands of citizens against participation by Canada in any extraterritorial war.

The public can judge whether the hon. member for Beauharnois-Laprairie opposed Canada's participation in the war.

The following day, September 9, when the discussion was resumed, I continued to protest against Canada's participation in a European war, and the text of my speech can be found on page 58 of *Hansard*. I was the first member from the province of Quebec to speak in the house against Canada's participation in the present war.

The debate on the speech from the throne ended the evening of September 9. Shortly before ten o'clock, after having ascertained the number of members who wished to take part in the debate and having made sure that the discussion was to last until midnight, I went to the editor of *Hansard* to check up the English translation of a speech I had made in the afternoon.

At about 10.15, or rather, between 10.15 and 10.30, I heard the bell ring and bolted for the house. On my way there, I met members who were coming out and who told me that the debate had abruptly come to an end. Certain hon. members who were listed to speak had decided not to and the debate had suddenly ended without the vote being registered. Now every member of this house is aware that, when a vote is called, the bell rings to summon the members who want to register their vote.

Let us refer to *Hansard*. We find the following on page 88:

Mr. Speaker: The question is on the main motion. Those in favour of the main motion will please say "aye".

Some hon. Members: Aye.

Mr. Speaker: Those opposed will say "nay".

Some hon. Members: Nay.

Mr. Speaker: I declare the motion carried.

Mr. Woodsworth: There were some of us opposed to the main motion.

Mr. Casselman: Only one member rose.

Then the main motion of Mr. Hamilton is read.

Main motion (Mr. Hamilton) agreed to.

The public will judge whether a vote was taken or not.

When the impression is being spread about that only one or two members opposed participation, I point out that Mr. Woodsworth, who was present at that moment, was himself opposed to the main motion, and I wish to remind the house of part of the speech made by Mr. Woodsworth, on September 8, against participation in the war.

I quote the words he used in concluding his speech:

> Yes, I have boys of my own, and I hope they are not cowards, but if any of those boys, not from cowardice but really through belief, is willing to take his stand on this matter and, if necessary, to face a concentration camp or a firing squad, I shall be more proud of that boy than if he enlisted for the war.

I cannot see how it could be inferred that Mr. Woodsworth, the member for Winnipeg North Centre, who had delivered one of the most courageous and energetic speeches heard in this house on that occasion, was not opposed to our participation in the war.

Mr. DUPUIS: (Translation): Germany had not yet invaded Russia at the time.

Mr. RAYMOND (Translation): On September 11, the acting Minister of Finance (Mr. Ilsley) brought down estimates amounting to $100,000,000 for war expenditures and requested that the said amount be applied, among other things, to the conduct of naval, military and air operations, in or beyond Canada. This is to be found on page 91 of *Hansard,* special session of 1939.

On the same day, as reported on page 100 of *Hansard,* I rose in this house to move an amendment. Here is what I said:

> Mr. Maxime Raymond (Beauharnois-Laprairie): Mr. Chairman, as I have already stated my attitude against participation of Canada in the present war I shall not at this time make any additional observations. May I therefore propose an amendment to the resolution before the committee. I move to amend the resolution by striking out in subparagraph (b) the words "or beyond".

This means that I did not want the appropriation to be used outside Canada, in a war waged outside Canada.

The amendment was ruled out of order and, a short time after, on the same day, the hon. member for Vancouver (Mr. McNeil) moved an amendment drawn in approximately the same terms and having the same effect. That amendment can be found on page 103 of *Hansard.* As can be seen at page 110, there was a vote which was the only one taken during that session; it was recorded while we were sitting in committee on the amendment of Mr. McNeil and the said amendment was negatived by a vote of 151 against and 16 for. Sixteen hon. members thus voted against Canada's participation in the war, ten from the province of Quebec and six from other provinces. My hon. friend the member for Quebec West and South (Mr. Parent) was included among those from the province of Quebec.

I have no intention of commenting on the facts which I have just mentioned, but I was anxious to state in this house, so that the public may know, from the official record of the house, what happened at the time and in order that should some one claim that the hon. member for Laval-Two Mountains and the hon. member for Quebec-Montmorency, whom I do not want to deprive of the credit they deserve, were the only ones who opposed participation in the war, the public may judge whether or not I have from the very beginning been against our participation in the war.

Mr. LIGUORI LACOMBE (Laval-Two-Mountains) (Translation): Mr. Speaker, I did not approve the subamendment presented by the hon. member for Mercier (Mr. Jean) and did not approve either the Progressive Conservative amendment. Nor do I approve the main motion. I believe Canada has undertaken a war effort that imperils all our resources. We have no right to sacrifice thus the economy of our nation and the live forces of our manpower. I remain consistent with my principles. I opposed participation and mobilization, and my opinion has not changed in the meantime.

Close to a million Canadians are enlisted in the armed services. Our young men are falling by the thousands on the battlefields of Europe. We are being bled white both by taxation and by demands on our manpower, and this subamendment was asking us to do even more. Those who approved participation and mobilization—they were within their rights—as did the hon. member for Beauharnois-Laprairie (Mr. Raymond), could easily feel they were supporting the principle involved when they voted for the subamendment presented by the hon. member for Mercier.

I say, Mr. Speaker, that we have assumed too heavy a burden in this unfortunate adventure which I denounced in this house on September 9, 1939. I knew that our participation in the war would inevitably drag us into conscription. I did all in my power to save our youth from the application of this measure by opposing participation which was to give rise to conscription. In this critical hour, fraught with fearful consequences for Canada, I repeat—with all due deference to the hon. member for Beauharnois-Laprairie—that alone the hon. member for Quebec-Montmorency (Mr. LaCroix) supported me. Always frank, always loyal, always logical, he was again my sole support against conscription on June 19, 1940. If only the members who will vote against the confidence motion of the government now under discussion had supported my amendments against participation and against mobilization, we would have been spared this tragedy and my hon. friends would not now be compelled to express their lack of confidence in their own leader. I shall act as I always did. If I acted otherwise I would not be true to myself and I would belie my whole past.

Mr. Speaker, a moment ago the hon. member for Beauharnois-Laprairie recalled the hectic debate of September 9, 1939. It's an ill wind that blows nobody good and, unfortunately for the hon. member for Beauharnois-Laprairie, there are *Votes and Proceedings* of the House of Commons of Canada. Therefore, I quote from page 10 of the *Votes and Proceedings* of the House of Commons of Saturday, September 9, the following:

> Mr. Lacombe, seconded by Mr. LaCroix (Quebec-Montmorency) moved in amendment:
>
> That the following words be added to the address:
>
> "That this house regrets that the government did not deem it fitting to advise His Excellency the Governor General that Canada should refrain from participating in war outside of Canada."
>
> And after a debate on that proposed amendment the house divided and the amendment was negatived.
>
> And the main motion being put to the house was agreed to on division.

Why on division? Because the hon. member for Beauharnois-Laprairie, despite his contention to the contrary, refused to rise with the hon. member for Quebec-Montmorency and your humble servant to demand a vote on that occasion. And the proof is found in an excerpt from the debates of September 11, 1939, which I shall read. The hon. member for Beauharnois-Laprairie did not protest then. He waited five years to do so.

Mr. Chairman, I assert that, contrary to this newspaper's report—

That was the Montreal *Gazette*.

—my colleague the hon. member for Quebec-Montmorency (Mr. LaCroix) and myself rose in our places, thereby clearly indicating our desire to have the hon. members of the house record their vote. But, being alone with the hon. member for Quebec-Montmorency to have a recorded vote, Mr. Speaker declared the amendment defeated, inasmuch as according to the rules of the house a vote must be demanded by at least five members.

I make this statement, Mr. Chairman, in order to set out the actual facts.

It is again in order to set out the actual facts that I make this correction. When the hon. member for Beauharnois-Laprairie states that he opposed participation in the war, on September 19, 1939, with all due respect, I wonder whether he is in earnest. On that date, war had been declared. With the hon. member for Quebec-Montmorency, I was among the sixteen members who supported the amendment of the former member, Mr. MacNeil.

A few more words in conclusion. Not only did the hon. member for Beauharnois-Laprairie, who provoked this debate—and I must put an end to the legend which has been spreading in the province in the last four years—not only did the hon. member for Beauharnois-Laprairie not support the amendment which I presented September 9, 1939, against participation in the war, but he also refused to support the amendment I moved June 19, 1940, against conscription—for let us not forget that conscription, whether it is labelled mobilization or not, is in effect in Canada since 1940.

Mr. RAYMOND (Translation): I deny that statement.

Mr. LACOMBE (Translation): If the hon. member for Beauharnois-Laprairie says he denies this fact, I will once more open his eyes to the truth.

June 19, 1940, seconded by the hon. member for Quebec-Montmorency—

Mr. RAYMOND (Translation): We are discussing 1939.

Mr. LACOMBE (Translation): The hon. member for Beauharnois-Laprairie who always resents interruptions keeps on interrupting me, but I am not complaining because I always like a fight.

June 19, 1940, seconded by the hon. member for Quebec-Montmorency, I moved:

> That all the words after "whereas" in the preamble of the bill be deleted and the following substituted therefor: "the government's war policy must be free and voluntary".

Protests were heard to the effect that there was an appeal from the Speaker's ruling. I could not demand the registering of the vote,

under the rules of the house, because, once again, only myself and the hon. member for Quebec-Montmorency stood up. The right hon. the Prime Minister came to our rescue and proposed that the vote be recorded. This was done and you may search in vain, Mr. Speaker, for the name of the hon. member for Beauharnois-Laprairie among those who voted against the decision of the Speaker.

Mr. RAYMOND (Translation): There was no vote on the amendment.

Mr. LACOMBE (Translation): There was not? There was a vote registered as follows: 202 for; 2 against. Among those two names, I search in vain for that of the hon. member for Beauharnois-Laprairie.

A little later, on the same day, the hon. member for Lethbridge (Mr. Blackmore) said a few words in this house and the right hon. the Prime Minister rose to say: I did not want to prolong the debate. For a long time, I had been anxious to know the views of certain people. I was convinced that not more than one or two members of the house would vote for the amendment.

It was the right hon. the Prime Minister who made it a matter of principle. Mr. Speaker, I would not, to-night, have raised this point had not the hon. member for Beauharnois-Laprairie started the discussion.

Mr. RAYMOND (Translation): You had been ready for two days.

Mr. LACOMBE (Translation): I do say, once again, that such a myth which the "delayed-action, patriots", if I may borrow an apt expression, try to use as a mantle, should be destroyed at all cost. Those are the "pure" and "untouchable" people. Do not ever enter their ranks.

Finally, if the honourable member for Beauharnois-Laprairie has seen fit to assume the responsibility of supporting the amendment moved by the honourable member for Mercier, I shall not begrudge him the liberty to do so. I respect his opinion. He has, in taking such action, followed and maintained the course he has always taken in this house, he has supported participation and mobilization.

Mr. RAYMOND (Translation): You voted for conscription.

Mr. SPEAKER (Text): I have been considering carefully the amendment moved by the hon. member for Bow River (Mr. Johnston), and seconded by the hon. member for Macleod (Mr. Hansell), but since its terms are so peculiar I thought I should like a little time for its consideration. During the course of this debate I have already had to enunciate the principle that one cannot approve or disapprove the same document, and that it must be considered in its entirety. I have enunciated that doctrine twice, in respect of two amendments. The amendment now before the house says:

> While not being requested to support all the policies of the government.

The form in which that is drawn is rather vague; but vagueness in itself does not make an amendment irrelevant. However, I take it that what is intended by the words is that they do not approve all other policies of the government, and to that extent they express disapproval of the main motion now before the house.

Then the amendment deals with the main motion and states that this house will aid the government—

> in sending immediately adequate reinforcements to our men overseas, and will also aid the government at all such times as it wages a vigorous war effort against the totalitarian powers.

That, in effect, is an approval of the main motion. Then, part of the last sentence reads:

> an effort consistent with Canada's ability and position in the world.

In other words it is imposing, or submitting to the house what is a general principle, and is not dealing with the matter in the main motion.

In 1932 the hon. member for Yukon (Mr. Black), who was then Speaker of the house, was dealing with an amendment then made by the former minister of national defence (Mr. Ralston), and seconded by the hon. member for Vancouver Centre (Mr. Mackenzie). He ruled as follows:

> Amendments to the motion for the approval of a trade agreement ruled out because it partly approved the main motion, was an expanded negative of certain stipulations of the agreement and was declaratory of general principles which can only be approved on certain specified motions.

In the light of that decision, and also because of the phraseology employed in the amendment now before the house, I find that the amendment disapproves the government's policy in the words:

> while not being requested to support all the policies of the government—

And later in the amendment approve the government's policy in the words:

> And will also aid the government at all such times as it wages a vigorous war effort against the totalitarian powers.

And then it imports the general principle:

> An effort consistent with Canada's ability and position in the world.

For these reasons I rule the amendment out of order.

Mr. BLACKMORE: Mr. Speaker, every care was taken to draft this amendment in accordance with the rules. It looks to me as though surely this government resolution should be open to amendment, and that in making your ruling you have rendered it almost impossible to amend the government's resolution. I believe that Your Honour is thereby laying down a principle in parliament which is unsound, and I therefore most respectfully challenge your decision.

Mr. SPEAKER: Order. In dealing with this amendment I have considered it only as I view the rules, and not in connection with its merits, as I already said to-day when dealing with the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles). I have carefully considered the amendment, and have come to my conclusion. I cannot allow any discussion of my ruling, except by challenge.

Mr. BLACKMORE: Then I most respectfully appeal from Your Honour's ruling.

Mr. SPEAKER: I have ruled the amendment moved by Mr. Johnston, seconded by Mr. Hansell, out of order on the ground that there was imported into it a negative disapproval of the main motion, while in the midst of it there was an approval of the main motion, and in the third place in the last line of the amendment there was enunciated a general principle. I ruled that these were inconsistent and irrelevant, and therefore ruled the amendment out of order.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Abbott
Bence
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Black (Yukon)
Blair
Blanchette
Bonnier
Bourget
Bradette
Breithaupt
Brunelle
Cardin
Casselman, Mrs. (Edmonton East)
Cesselman (Grenville-Dundas)
Chevrier
Choquette
Church
Clark
Claxton
Cleaver
Cloutier
Corman
Coté
Crerar
d'Anjou
Dechene
Denis
Donnelly
Dorion
Douglas
Dubois
Dubuc
Dupuis
Edwards
Emmerson
Esling
Eudes
Factor
Farquhar
Fauteux
Ferland
Ferron
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulford
Furniss
Gardiner
Gershaw
Gibson
Gladstone
Golding
Goulet
Graham
Grant
Gray
Graydon
Gregory
Hanson (Skeena)
Harris (Danforth)
Harris (Grey-Bruce)
Healy
Henderson
Hill
Hoblitzell
Howden
Howe
Hurtubise
Ilsley
Isnor
Jean
Johnston (London)
King, Mackenzie
Kinley
Kirk
Lacombe
LaCroix
LaFlèche
Lafontaine
Lapointe (Lotbinière)
Lapointe (Matapedia-Matane)
Leclerc
Leduc
Leger
Little
McCann
McCuaig
McCubbin
McCulloch
MacDiarmid
Macdonald (Brantford City)
Macdonald (Halifax)
Macdonald (Kingston City)
McDonald (Pontiac)
McGarry
McGeer
McGibbon
McIlraith
McIvor
MacKenzie (Neepawa)
Mackenzie (Vancouver Centre)
MacKinnon (Edmonton West)
MacKinnon (Kootenay East)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Macmillan
McNevin
MacNicol
Marier
Martin
Matthews
Maybank
Michaud
Mills
Mitchell
Mulock
Mutch
Neill
Nielsen, Mrs.
Nixon
O'Neill
Parent
Pinard
Pottier
Purdy
Ralston
Raymond
Reid
Rennie
Rhéaume
Rickard
Roebuck
Rose
Ross (Calgary East)
Ross (Hamilton East)
Ross (Middlesex East)
Ross (Moose Jaw)
Ross (St. Paul's)
Rowe
Roy
Ryan
St. Laurent
Sanderson
Senn
Sinclair
Sissons
Slaght
Soper
Stirling
Taylor
Thauvette
Tomlinson
Tripp
Turgeon
Turner
Tustin
Veniot
Warren
Weir
White
Whitman
Winkler
Wood—165.

NAYS

Messrs:

Black (Cumberland)
Blackmore
Boucher
Brooks
Bruce
Bryce
Burton
Cardiff
Castleden
Coldwell
Desmond
Diefenbaker
Fair
Gillis
Green
Hansell
Hlynka
Homuth

Jaques	Nicholson
Johnston (Bow River)	Noseworthy
Knowles	Perley
Kuhl	Quelch
Lockhart	Ross (Souris)
McGregor	Shaw
MacInnis	Wright—33.
Marshall	

Mr. L. PHILIPPE PICARD (Bellechasse): Mr. Speaker, I made my position clear on this issue when I spoke on November 30, and I do not need to explain it to-night. Nor do I intend to answer the criticism of the stand which some of us have taken that was made by the hon. member for Charlevoix-Saguenay (Mr. Dorion), because I am willing to let the matter stand and have the people judge on the record of my votes and speeches in this house.

At another stage of these proceedings, however, I moved a subamendment, which was declared out of order. Later on, one was moved by the hon. member for Mercier (Mr. Jean), and in the discussion which followed arguments were made by certain hon. members that the subamendment proposed by the hon. member for Mercier might not be as clear as they wanted it. Other statements were made to the effect that the wording of the amendment might becloud the issue. Therefore, to clarify the position of those who have supported all the war effort excepting bill 80 and order in council 8891 I now move, seconded by the hon. member for Rosthern (Mr. Tucker).

That all the words of the motion after the word "in" in the first line thereof be struck out and the following words substituted therefor:

"a policy of maintaining an efficient war effort but does not approve of compulsory service overseas."

Mr. SPEAKER: This amendment is like those I have already ruled out.

Mr. TUCKER: Mr. Speaker, may I speak before you give your decision?

Mr. SPEAKER: Yes.

Mr. TUCKER: I suggest to Your Honour that the official opposition have been permitted to place their views in the form of an amendment before the house and the country and to vote on it, on a stand of total conscription. The government's policy, as I understand it, is one of limited conscription. If to the main motion of the government, possibly a policy of limited conscription, an amendment advocating total conscription is in order, surely an amendment which opposes conscription altogether should be equally in order; because, once all amendments have been disposed of, surely we have as many rights in this house as the official opposition or Progressive Conservative party. I submit to Your Honour that all we are advocating here is so to modify the declared policy of the government in this resolution as to say that we are not favourable to approving compulsory service overseas.

With regard to Your Honour's suggestion that you cannot approbate and reprobate at the same time; as I have always understood amendments, if they were a complete negative they would not be good amendments. To be a good amendment, an amendment must accept part of the motion and modify it by adding to it or subtracting from it in some way. That, I submit, is in a sense approbating and reprobating at the same time. I submit, as regards this amendment, that this is the first time anyone in this house has had a chance to commit himself definitely on the question whether he is against conscription or for conscription for overseas service. It might be said that the amendment of the hon. member for Mercier (Mr. Jean) gave that opportunity. That subamendment was based upon the premise of the Progressive Conservatives that the voluntary system had broken down, because it reads like this: "That this house is of the opinion that the government has not made certain of adequate and continuous reinforcements" by doing so-and-so and so-and-so. That subamendment, therefore, was based upon the thesis that the voluntary system had not provided adequate and continuous trained reinforcements. Now, not believing that the voluntary system as handled by this government has failed to provide adequate and continuous trained reinforcements, I could not vote for that subamendment because, had I done so, I would have been voting for something which I did not believe.

I do not believe that the voluntary system did break down, and that is why this amendment to the main motion has been moved. Therefore, Mr. Speaker, I appeal to this house. It was definitely laid before the people of the country that before this policy of conscription for overseas service should be imposed there would be a chance for this parliament to pronounce upon it, and I say that if this amendment is ruled out of order no opportunity will have been given for the house to pronounce unequivocally whether it is in favour of compulsory service for overseas or not, because the only time that compulsory service for overseas was mentioned it was introduced as an addition to something which the official opposition moved and which stated a position which I did not believe in and which I do not think the majority of the house believed in, namely, that this government had failed to provide

adequate and continuous trained reinforcements. I suggest, therefore, that in order to provide an opportunity for parliament and the country to say whether they approve or disapprove conscription the amendment should be ruled in order. It merely modifies the resolution of the government. It does not negative it entirely; it merely states that we support the government in an efficient war effort but do not approve compulsory service overseas.

If we are deprived of the chance of voting for that amendment, I submit that I for one have had no opportunity to give a clean-cut vote on the question whether or not I am in favour of compulsory service overseas. The only chance I had was provided I was willing to condemn at the same time the voluntary system and say that it had broken down.

Mr. COLDWELL: Before the ruling is given, Mr. Speaker, while I do not agree with the subject matter of the amendment, I submit that the argument put forward by the member for Rosthern (Mr. Tucker) ought to be taken into consideration. I do not believe that any opportunity has been given in this house for members who hold views which are not those of the government to express them in the manner in which we are usually able to express such views, namely by way of motion. I think the argument which the hon. member made in support of the amendment, although I am not in favour of the amendment, is one that is in accordance with the rules of procedure which have been followed in this and in other parliaments for many years, and I submit that, before you give your decision, very careful consideration ought to be given to the representations made by the hon. member for Rosthern.

Mr. SPEAKER: I have listened very carefully to the remarks made by the hon. member for Rosthern, to which I have given due consideration, but I am faced with this fact, that this amendment, substantially if not in exact terms, embodies what was contained in the subamendment moved by Mr. Jean and seconded by Mr. Fauteux and which were as follows:

> That all the words of the amendment, after the word reinforcements, be struck out and the following substituted therefor:
>
> "by using to the best advantage the general service personnel in Canada and the volunteers overseas without resorting to conscription for service overseas."

The gravamen of that amendment is contained in the last seven words: "without resorting to conscription for service overseas."

I have now an amendment which also contains, as I have said, the gravamen of the amendment moved by Mr. Jean, which states "a policy of maintaining an efficient war effort, but does not approve of compulsory service overseas." That amendment was before the house and was discussed by many members including the hon. member for Rosthern. The house decided against the amendment and it did not carry.

I must state to the hon. member for Rosthern that I cannot approve the amendment now moved. I am bound by and must conform to the will of the house as expressed in the vote which it gave on the subamendment of Mr. Jean, a subamendment which embodied almost in exact terms the amendment now moved. For that reason I must rule the amendment out of order, the house having already decided the question.

Mr. M. J. COLDWELL (Rosetown-Biggar): I wish in a very few words to place before the house an amendment which in my opinion is in order. The Prime Minister (Mr. Mackenzie King) has placed on the order paper, and we are discussing to-night, a motion which, as the hon. member for Macleod (Mr. Hansell) says, involves the approval by this house of the policies of the government. Now, the Prime Minister in his address to this house on November 27, as reported at page 6608 of *Hansard*, said:

> What the government is seeking to-day is not an expression of confidence in all of its policies, but we are asking the house to support the administration in giving effect to what has been decided.

The Prime Minister, however, worded the motion in such a way as to give approval to the policies of the government, and while many of us in this house are in complete accord that we should give all the support we can to any government in power for the successful and vigorous prosecution of this war, we are not in support of all the policies of the government involved in this particular resolution.

The Prime Minister made it very clear that, as far as he was concerned, he was thinking only of this particular matter. But, Mr. Speaker, while members of this house may understand that, and the people of Canada even may understand it at the present time, people in the future will take the wording of the resolution; and, as we have been so frequently told in this house, and quite properly, the written word prevails. So that we shall find that in no far-distant future, as I believe, those of us who might vote for this motion because we believe that we should sup-

port a vigorous war effort, making available immediately reinforcements from N.R.M.A. men for overseas, will be told that we have voted confidence not only in the government but in the policies of the government; and personally, having criticized those policies from time to time over the past few years, I do not propose to be put in the position of giving my vote to the government on that basis.

In 1940 we passed the National Resources Mobilization Act. In 1942 we amended it. Before the vote was taken on that occasion I urged in this house that what should be done under that amendment, bill No. 80, ought to be done then so that no further delay would lead us in the future to a bitter discussion and division across the country in time of war. To-day we are faced with that bitterness and we have had a long discussion. The National Resources Mobilization Act of 1940 gave the government a great deal of power. It gave the governor in council in these words power that was all inclusive:

> The governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, requiring persons to place themselves, their services and their property at the disposal of His Majesty in the right of Canada as may be deemed necessary, or expedient for securing the public safety, the defence of Canada, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies or services essential to the life of the community.

When to-day we endeavoured to move an amendment which would embody that instruction to carry out the National Resources Mobilization Act as amended we were ruled out of order, and therefore cannot get it before the house and the country in the manner in which we ought to be able to do. Therefore we are in the position to-night of having to choose between supporting the government and all its policies, and voting against this resolution which may be considered to be a resolution endorsing the vigorous prosecution of the war. We voted against the official opposition amendment to-night—

Mr. CASSELMAN: That is where your trouble came in.

Mr. COLDWELL: That amendment was not in the terms we expected because when this house assembled the leader of the opposition (Mr. Graydon) told us that he was going to move an all-inclusive amendment. He said on November 22 that he intended to move:

> That this house is of the opinion that the full provisions of the National Resources Mobilization Act should be put into effect forthwith. . . .

Mr. GRAYDON: And that is what this amendment calls for.

Mr. COLDWELL: And that all persons should place their property and every other service they had at the disposal of the government. He went on to say:

> . . . and that all trained troops in the Canadian home defence army should immediately be dispatched for reinforcements overseas.

I presume that the alteration was made afterwards because of the implications of his first motion; for the second amendment which we voted upon to-night was in terms entirely different from that which we expected from what he said on November 22. His amendment of November 27, which we voted on to-night, was as follows:

> This house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war and has failed to assure equality of service and sacrifice.

They are altogether different. This motion is a different thing altogether from that which we expected. Therefore, Mr. Speaker, I am going to move an amendment, a very simple one, which I believe is in order. We always have the right to add to a motion, although under the rulings that have been made we have been limited in that right. We have the right, however, to delete from a motion, and I am going to move that certain words be deleted in order that this house may express itself as being in favour of the prosecution of the war and a vigorous war effort. My amendment will not place the house in the position of having to endorse the policies of the government. Therefore I move, seconded by the hon. member for Cape Breton South (Mr. Gillis) that the motion be amended by deleting the words "its policy of", so that as a consequence the motion would read:

> That this house will aid the government in maintaining a vigorous war effort.

We can not support its policies, but we are prepared to support the government in maintaining a vigorous war effort or, indeed, any other government that may be in power during the course of this great war.

Mr. MACKENZIE KING: I am quite prepared to accept the amendment of my hon. friend. It is entirely what I mean.

Mr. ROBERT FAIR (Battle River): Many arguments have been placed before this house since the discussion began. I may say now that anything I do before the conclusion of this part of the session will be for one specific purpose, namely, to see that reinforcements are sent to the men overseas just as soon as it is possible to get them there. The amend-

ment that has just been moved places an entirely different construction on the motion moved by the Prime Minister (Mr. Mackenzie King). I am going to read a few quotations from the Prime Minister's speech of November 27 last. They will show that there are certain contradictions in it, and that it placed us in an unenviable position when it came to a vote on this particular motion. At page 6610 of *Hansard* I find this:

I hope this House of Commons will keep in mind what it is they are here being asked to do. Let me follow my notes closely in this: It is to support the men overseas, and nothing more than that. . . .

Then, on page 6611 of *Hansard* we find this:

That is the issue before the house. It is not the question of conscription; it is the question as to whether the present government should continue to conduct Canada's war effort, or whether the direction of that effort should be handed over at this stage of the war to another administration.

Then further along, at page 6613, we find the following:

That motion, as I have already said, does not, as I have been careful to state, mean that the government is asking for confidence in all its policies; it does mean very clearly that we are asking for the support of the House of Commons, which we shall need to secure the needed reinforcements to support the men overseas at this time of war as well as our other war-time policies. That is all that it calls for.

Then further along, at page 6617 he had this to say:

Let me say of this motion, it does not ask for approval of order in council P.C. 8891. That order was enacted in strict conformity with Bill 80 and the government's authority to take such action was specifically approved by the vote on Bill 80 in 1942. The issue of conscription is not being decided by this vote; it was settled two years ago.

The motion does not ask for an unlimited vote of confidence in the government. To do so would be unfair to political opponents of the government who nevertheless are willing to aid the government in the vigorous prosecution of the war.

Then further on, the Prime Minister had this to say:

The motion does ask, and asks only, whether members are prepared to support the government in continuing to carry on Canada's war effort at this time.

Any member who votes against this motion is asking to have the present administration resign, and another administration immediately take its place.

That statement by the Prime Minister placed the members in a most peculiar position, one in which I did not wish to be placed. As stated by the hon. member for Macleod (Mr. Hansell) earlier this evening, if you do you get heck, and if you do not you get heck anyway.

[Mr. Fair.]

There are a number of reasons why more of our men have not gone active. Canada has made a wonderful contribution up to the present, but a better contribution would have been made had some of the wrongs that have been done been corrected. Even though we have on the statute books quite a lot of good legislation, since receiving letters from men who have been released from service in the armed forces I am wondering whether the administration of this legislation will be in the interests of the men being discharged or whether the treasury or the government of the country will be taken into consideration in the administration of this particular legislation.

I believe that if the returned men of world war 1 who have enlisted in this war for the second time, as well as a number of their comrades, had been properly treated, there would have been a better response to the request made to N.R.M.A. men to go active. I have particular reference to a number of men who enlisted for the second time in this war. They placed everything they had on the altar of sacrifice and then because some of them owed money on land obtained under the soldier settlement scheme an order in council was passed providing that up to $20 a month of their dependent's allowances, allowances which rightly belonged to their wives and families, would be stopped and turned over to the soldier settlement board in payment of those debts. I do not think that is proper treatment for those men. As I say, there are a number of men who enlisted in great war 1 who have to be considered in connection with the government's war policy.

I am referring to 6,153 old veterans, men who went through the mud, slime and suffering of the first great war and came back and settled on land under the government scheme. Those men went into debt to an average amount of $4,358 twenty-five years ago. Those men and their wives and families have worked continually since that time, but only a little over 4,000 of them have been able to obtain clear title to their land. That would leave almost 6,153 who still hold contracts, or approximately twenty-five per cent of the original number. After those men, along with their wives and families, had worked during all those years, we find that at the end of last March their average indebtedness to the soldier settlement board was $1,254, or twenty-nine per cent of their original indebtedness.

We found—and when I say "we" I mean officials of soldier settler organizations as well as a number of other Canadians who are vitally interested in this question—that condition existing and we made representations

to the government. Only last May a delegation of nine placed their case fairly and squarely before the Minister of Mines and Resources (Mr. Crerar) and five other members of the cabinet. I think it is not necessary for me to recite the action that was taken at that time. Nothing was done, and when I say nothing I mean just that, except to appoint a committee of the cabinet which I understand has never met. After the house adjourned on August 14, the Minister of Mines and Resources made a statement that the government did not see fit to grant clear titles.

I believe those men had a just case. There are several reasons for that belief but I am not going to enumerate them to-night. They were asked to pay five per cent interest on their current debts and seven per cent on arrears, as compared with three and a half per cent being charged under the present scheme. Under the present set-up provision is made to grant thirty-nine per cent of the original amount advanced for the purchase of land, live stock and implements. As I have said, the average amount still owing of $1,254 by these old settlers is equal to only twenty-nine per cent of their original indebtedness.

At the end of last March $7,715,000 would have provided clear titles for all these old veterans. That amount is equivalent to about sixty-five cents for every one of our Canadian population. Sixty-five cents is the price of one meal and a small meal at that, and yet that amount paid by each person in Canada would clear up the indebtedness of the old soldier settlers and give them a breathing space for the rest of their days.

A number of us who sit in this House of Commons are much younger than many of these old veterans, and I can fancy some of us going out and trying to make a living and pay the debt on a quarter or half-section of land. For instance, I can imagine the Minister of Mines and Resources, under whose direction this scheme has been operated for a number of years, having to go out without a dollar in his pocket, as many of these old veterans did, and try to pay off his debt.

I can imagine how that gentleman would feel when he took his grain to the elevator and found that the grade he received was one or two grades below what it should be. I can imagine how he would feel when he found that he was not getting the weight to which he was entitled. I can imagine how he would feel if the amount he finally received was far below the cost of production. I take the Minister of Mines and Resources as an example, but my remarks would apply to all hon. members. Whether we sit on the government or the opposition benches, we all have a responsibility to these victims of great war 1. I say victims because these men have been persecuted by reason of the action of former governments. I am not blaming the Conservatives any more than I blame the Liberals; they all must share the responsibility.

I am making this claim again to-night in the honest belief and firm conviction that the government would save money by granting clear titles to this land right away. Any one who takes the time to figure out this matter will see that the government would be ahead. In the past it has cost $1,100,000 a year to administer the scheme, so that within seven or eight years the amount would be cleared up.

We have at stake the welfare of the veterans who will come under the new Veterans Land Act. There is considerable unrest at the present time among old soldier settlers, many of whom have sons and daughters on active service to-day. Therefore I think you can look for trouble in connection with the new act and that is why I repeat to-night the request which I have made on other occasions.

Mr. SPEAKER: The motion before the house hardly covers the machinery of the Veterans Land Act, and I would like the hon. member to confine his remarks to the motion before the house.

BUSINESS OF THE HOUSE

SUSPENSION OF STANDING ORDER 7 WITH REFERENCE TO ADJOURNMENT AT ELEVEN O'CLOCK

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have known throughout the day that hon. members were hoping and expecting that it might be possible to conclude the debate this evening. I believe it would be possible if hon. members are prepared to sit after eleven o'clock. If they are prepared, it would be necessary for me to make a motion, and if the house will give its approval I shall do so.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING moved:

That the house shall not be adjourned at eleven o'clock to-day.

Motion agreed to.

THE WAR

POLICY OF THE GOVERNMENT IN MAINTAINING VIGOROUS WAR EFFORT—CONTINUATION OF DEBATE ON MOTION OF THE PRIME MINISTER

The house resumed consideration of the motion of the Prime Minister (Mr. Macken-

zie King) that this house will aid the government in its policy of maintaing a vigorous war effort, and the proposed amendment thereto of Mr. Coldwell.

Mr. FAIR: Mr. Speaker, before the Prime Minister made his motion I was setting out some reason why more N.R.M.A. men are not joining up. I have only a few minutes left in which to speak, and I hope the house will be patient in listening to me, so that this matter may be given serious consideration. It is long overdue.

My argument has been that the government would actually save money and at the same time ensure the success of the Veterans Land Act. I have given those as two reasons why clear title should be given, and I am going to make a further request this evening, one which I have made on other occasions. It is that the present administrator or director of the Veterans Land Act be removed from office, and that some man sympathetic to the old veterans be placed in charge.

I am very glad that this matter has been taken from the control of the Minister of Mines and Resources (Mr. Crerar) and placed under the Minister of Veterans Affairs (Mr. Mackenzie) . I believe that for the past number of years the Minister of Mines and Resources has lain down on the job, so far as the administration of the soldier settlement board is concerned. He has allowed the present director to have full sway, and in having that full sway he has persecuted, or caused to be persecuted men who must come under the Veterans Land Act.

I am also glad to see that the Minister of Mines and Resources is retiring. If he gets to that old men's home I hope before going there he will bring about a change in the treasury board, so that clear titles may be granted in these cases. I ask that these titles be granted immediately. While this whole matter was placed before the Prime Minister for the first time about a month ago, I would suggest that he take up with his ministers the question of seeing to it that these titles are granted, and that they be given as Christmas presents to the veterans of the first great war.

Hon. P. J. ARTHUR CARDIN (Richelieu-Verchères): Mr. Speaker, at the outset I desire to repeat what I stated at the beginning of my speech the other day, when I spoke against the main motion and the amendment.

We have now before us in a practical manner, one which nobody can dispute, an example of the futility of all the amendments that have been proposed to the main motion.

We were called here to approve the policy of the government in maintaining a vigorous war effort. We have all been witnessing the changes of heart and disposition and policies on the part of the government, since the session has been called together. The amendments which have been proposed up to the present time to a large extent had only for their object, or, at least, as their result, the beclouding the issue, confusing the people of Canada as to what is really under consideration. We are witnessing an attempt to obtain a verdict in a circuitous way—a crooked way—instead of coming frankly and openly before the representatives of the people of Canada.

That game has been played on all sides of the house in order to avoid the issue, to prevent the Canadian public from understanding exactly what the position is, and to keep them blind as to what is going on in this House of Commons, and as to what has been going on for a certain time in connection with the policies of the government.

The leader of the C.C.F. party has been useful to the government at the present time by coming up at the last moment with a relief motion, in order to help the government to shelter itself under a resolution which has been modified, but which in reality means exactly the same thing. There is not a single particle of difference between the motion as it was before the amendment proposed by the hon. member who leads the C.C.F. party, and the one we have now.

Look at it. He wants to do away with the words "in its policy", and wants to have the resolution now read: "that this house will aid the government in maintaining a vigorous war effort." How is the government going to maintain a vigorous war effort if it has no policy to direct a war effort? The word "policy" is implied in the motion by the leader of the C.C.F. party, who has been so generous in his move to help the government out of the difficult situation in which it finds itself at the present time.

The main motion as amended means the same thing, because nobody can conceive of a vigorous war effort without a policy upon which that vigorous war effort is based. And, Mr. Speaker, while wishing to insult no one, and respecting the views of all, I say it is mere camouflage, and a movement made with a view to protecting one's party's interests.

But, Mr. Speaker, that is not all. Let us suppose that the motion made so conveniently by the leader of the C.C.F. party, so as to

help the government, is adopted. I cannot accept it, and I cannot vote for it. Why? Because the main motion so amended calls for a vigorous war effort and the word "vigorous" was qualified on the 23rd day of this month by an order in council which was placed on the table of the House of Commons. We know now just what is the vigorous policy that the government is asked to put into effect. It is a policy which provides for the conscription of all N.R.M.A. men. There is an immediate call for 16,000, but later on, without coming before the House of Commons, the total number of N.R.M.A. men can be sent overseas without, as the Prime Minister said in the House of Commons, in very clear terms, again coming before parliament, and without informing the members, but by cabinet action, or the privy council, purely and simply, without informing the people. That is the position in which we are to be placed at the present time. That is the position in which we are placed to-day by the main motion, and the amendment does not change anything in it.

Do not forget, Mr. Speaker, that the vigorous war effort called for by the order in council means conscription for overseas, whatever any one may say in an effort to escape his responsibility or to shelter from the anger, of the electors of his constituency. That is the position. I cannot become a party to it.

We have been told by the Prime Minister in part of his speech, that the house would not be voting on the order in council passed on November 23, that the house would not be voting on the question of conscription. Why, Mr. Speaker, the house has been discussing nothing but conscription for the last eight or ten days, the Prime Minister included, and my learned friend the Minister of Justice (Mr. St. Laurent) included when he addressed the house only yesterday. Now at the last moment we see the splitting of hairs over procedure; and because the leader of a group has seen his own amendment ruled out of order, he offers another one facilitating, in appearance at least, the task of the government. Declarations are being made against the government policy, but, nevertheless the same government is being helped in putting into effect that same policy. I cannot be a party to that move. I am not going to vote for the amendment of the hon. gentleman. If it is the only thing we have to vote against I am going to vote against it. If the main motion is so amended with the consent and approval of the Prime Minister, thus preventing that amendment from being ruled out of order by the Speaker as the other amendments have been ruled out, I shall vote against it. I see no justification for that amendment being accepted by the government. The other amendments which have been ruled out of order might just as well have been accepted.

So far as I am concerned I am not going to go back on those who have placed their confidence in me. I am capable of speaking for them and of expressing their will, without fear or favour, real, present or expected. I am going to be true to myself and true to the policy I have espoused in this house since the beginning of this debate. I am going to vote against the motion of confidence now adorned with a few flowers that have been strewn over it by the leader of the C.C.F. party.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I had originally intended to expand my remarks on this amendment, but the hour is late and I shall make only a few skeleton remarks in reply to my hon. friend the member for Rosetown-Biggar (Mr. Coldwell), the leader of the C.C.F. party in this house.

First of all may I say, in reply to the assertion he made a few moments ago, that the amendment which was moved by myself and seconded by the hon. member for Lake Centre (Mr. Diefenbaker), and which was voted on earlier to-day, is an amendment which is on all fours with the terms in which I outlined it to the house when it was proposed. On November 23 last, after the Prime Minister (Mr. Mackenzie King) had read the order in council to the house I made these remarks which will be found at page 6517 of *Hansard,* to which my hon. friend referred a moment ago. I said:

> We intend to move a motion along the general line . . .

The hon. member did not mention that in his remarks a moment ago.

> We intend to move a motion along the general line that this house no longer has confidence in the present Prime Minister, and that the interests of our troops in Europe and the honour of Canada call for the immediate application of the full provisions of the mobilization act, and that another government should be formed without delay under leadership known to favour and pledged to take that course.

The amendment which I subsequently moved, without departing from that general line—and it will readily be seen that this is an important point—read, in order to bring it within the rules of the house:

> this house is of the opinion that the government has not made certain of adequate and continuous trained reinforcements by requiring all N.R.M.A. personnel whether now or hereafter enrolled to serve in any theatre of war—

In other words, total conscription of manpower in Canada, for that is what it was.

—and has failed to assure equality of service and sacrifice.

Note those words, "and has failed to assure equality of sacrifice", because they cover the total mobilization which the hon. member for Rosetown-Biggar himself mentioned; and if I may say so, the gravest mistake of his career until a few moments ago was his failure to vote for that policy which he has so often said he would adopt.

Then again on November 22 of this session, as appears on page 6511 of *Hansard*, we tried to move a motion but received no encouragement from the C.C.F. party. That motion read:

That this house is of the opinion that the full provisions of the National Resources Mobilization Act should be put into effect forthwith;

And that all trained troops in the Canadian home defence army should immediately be dispatched for reinforcements overseas.

That motion was ruled out of order. I asked for unanimous consent of the house to move it, and there was silence from my friends of the C.C.F. to my left, although they have professed from time to time that they believed in the total mobilization of everything, including manpower, industry and wealth.

Let me say that I am trying to restrain myself in my remarks because I realize this is a difficult time, but I say in all kindliness and friendliness to the hon. member for Rosetown-Biggar that he has been pretty bitter toward us all this session. His words have, I think, been altogether too bitter under the circumstances. I do not think we can afford to indulge in that kind of thing at this time and I want my words to-night to convey nothing more than a straightforward statement of our position. I would have answered the hon. member for Rosetown-Biggar before, but I feared that if I replied in the same vein in which he had spoken there might be a repetition in this house of the kind of thing we have seen before but do not want to have happen again.

I believe that this amendment moved by the hon. member for Rosetown-Biggar goes far to show the relative positions in this house of the government party and the party known as the Cooperative Commonwealth Federation. I have seen and you, Mr. Speaker, have seen for some considerable time a mutual erasing of the demarcations and delineations between the government and the C.C.F. in their policies and in their movements.

[Mr. Graydon.]

Mr. MACKENZIE (Vancouver Centre): What about British Columbia and Saskatchewan?

Mr. GRAYDON: Before I proceed with this subject, perhaps I might revert to a matter which I mentioned earlier. The hon. member for Rosetown-Biggar speaks about his professed sponsorship and endorsation of total mobilization of man-power, industry and wealth. Let me point out that in 1942 our party moved an amendment to the speech from the throne with respect to this particular matter. It was in part as follows:

That this house regrets that Your Excellency's advisers have not seen fit to recommend to parliament without delay additional measures designed to (a) completely mobilize the wealth and material resources and on a selective basis the full man-power and woman-power of the nation to the end that the nation may wage total war in any theatre of war.

That amendment of ours was voted against by the C.C.F. party which now complains from time to time that we do not always support that particular policy.

I think we may also properly recall the position which the C.C.F. party from time to time has taken with respect to the war. I am not going back over the record, although I would have done so had time been available.

It may seem strange to some that I should make the charge that the government party and the C.C.F. party have finally got under the same pair of sheets in the same bed at the same time. It seems to me there is considerable justification for that contention. When the hon. member for Rosetown-Biggar and his party returned from overseas, although the former minister of national defence (Mr. Ralston), who had also been over there, had come back and reported a very serious situation with respect to reinforcements, we were not helped very much by the report brought back by the leader of the C.C.F. party. He said, I think, that he had consulted some generals, or one general, and that the reinforcements were all right, and so far as the public were concerned they got the definite idea from the hon. member that he himself thought everything was all right over there. A great many people came to the conclusion that the hon. member for Rosetown-Biggar was trying to put his shoulder behind the government wheel again. I think that should be brought to the attention of the house.

As regards the amendment itself, I think we have here the crowning demonstration of the government's relationship with the C.C.F. Think of it. Consider exactly what has happened. Here is this party to my left

trying to oppose the government by moving an amendment, and the Prime Minister holds out his arms and catches the ball and says, "It is mine too." That is the situation. No wonder we find it more and more difficult to see the difference between these two parties. Throughout this session, on the matter of secret sessions and other questions as well, the C.C.F. party may be justifiably suspected as regards their relationship with the government and the party in power.

I should have liked to go farther and say more, but I will make only one further observation before I sit down. In so far as the government accepting the amendment and adopting it as their policy, that this house will aid the government in maintaining a vigorous war effort, I believe the hon. member for Rosetown-Biggar stands indicted before the public to-day by virtue of this fact, if for nothing else, he is admitting that the government has had a vigorous war effort and that we should maintain it from now on. We do not subscribe to the statement that it is sufficiently or all-out. More than that, we have not confidence in the government to carry it out, nor have the people of Canada. I say to the Prime Minister in no vindictive or bitter spirit, for after all these are not days for that sort of thing—

An hon. MEMBER: Do not forget that this is your birthday.

Mr. GRAYDON: That is true; and perhaps it may change things a little. But I say to the Prime Minister, calmly and with all the sincerity I can command, that while he may be able to command a vote of confidence from the mechanical majority of the House of Commons—

An hon. MEMBER: Order.

Mr. GRAYDON: Surely there is nothing wrong with that; I am using the exact words the Prime Minister used when the Right Hon. R. B. Bennett was in power, so that I do not think I can be criticized for that expression. May I proceed?

Even with a mechanical majority behind him, the Prime Minister has had to call this parliament together, not to get our party to vote confidence in him, not to get a vote of confidence from the C.C.F. or the Social Credit or any other party on this side of the house, for the Prime Minister made it very clear in his speech that, as he said in effect, "unless I can get a substantial support from my own people in this parliament I do not feel as though I want to carry on." There, I think, is the kernel of the truth. This parliament was actually brought together for the purpose of getting the Liberal party together in order that there should be a prosecution of the war effort on this basis.

I shall not say anything further on that subject at the present time. I only desire to add this, to make clear our position as a party, that we have not confidence in the Prime Minister nor have the people of Canada confidence in him. Having regard to that, we cannot support an amendment such as this, because it is tantamount to a government amendment moved by the Prime Minister through the lips of the hon. member for Rosetown-Biggar.

Mr. COLDWELL: Mr. Speaker—

Mr. GRAYDON: I do not suggest that it was intentionally so.

Mr. COLDWELL: I am glad of that.

Mr. GRAYDON: I am not suggesting that, but I ask not to be interrupted until I get through. I say to the hon. member for Rosetown-Biggar that it was not in my mind that I should accuse him of having conspired with the Prime Minister to move that amendment. As a matter of fact, he has gotten now so close to the government that he does not have to conspire; they just work together. The position in which we find ourselves now is that we must vote against this amendment because it has now been adopted by the government and in effect it is the same as the Prime Minister's motion. We cannot vote confidence in a government which, if I may say so, has lost the confidence of the people—perhaps not of this house, with its mechanical majority which does not reflect the opinions of the people of Canada. But we cannot vote confidence in a government or a Prime Minister who has lost the confidence of the Canadian people.

Mr. S. H. KNOWLES (Winnipeg North Centre): I desire to make a few remarks in reply to the hon. member for Richelieu-Verchères (Mr. Cardin) and the leader of the opposition (Mr. Graydon). First of all, may I remind the house of what we of this group have endeavoured to do since the main motion was made by the Prime Minister on November 27. We took the view then, and still hold the view, that the motion as placed on the order paper by the Prime Minister was—to be polite—meaningless. We think it was perhaps something else, and what we have in mind was pretty well characterized earlier this evening by the hon. member for Macleod (Mr. Hansell).

Feeling that the motion was not a fair one to ask this house to vote upon after having been called together from all over the country,

we endeavoured to place before the house what we felt were the real issues confronting the country at the present time. We did so first of all through a subamendment moved by the leader of this group on November 27, and then to-day by an amendment to the main motion which I moved a few hours ago.

I would remind the house that we stated quite clearly in that subamendment and in that amendment our feeling that a vigorous war effort requires the elimination of all distinctions between drafted and volunteer personnel and the total mobilization of all resources of Canada, material and financial as well as human. The house is well aware of the difficulty that we had, as well as the difficulty that other members had, in drafting amendments in such a form that they would be satisfactory to Your Honour so that the house might be able to vote on these real issues. It appears that all efforts along that line are fruitless as matters stand. Therefore, when it comes down to the final question of being asked to vote on what we regard as a meaningless motion, we feel that we have the right to endeavour to amend that motion so as to take out of it the double-barreled aspect that was there in its previous wording.

The hon. member for Richelieu-Verchères suggests that the motion in the amended form, leaving out the words "its policy of", is without meaning. In a sense the hon. member is right. It is not now a vote of confidence in the government. It becomes rather a pious resolution of the house to the effect that we will agree to aid the government in maintaining a vigorous war effort, and then close this session and go home. But I point out that if the motion now may be in that sense only a pious resolution, it is considerably different from the motion in its previous form. The Prime Minister placed it on the order paper and cannot get away from the fact that it asked for a vote of confidence in the government on its terms, and it was worded in such a way that a vote against it could be misconstrued as a vote against the maintaining of a vigorous war effort.

Now that the words "its policy of" have been deleted, if that is the case, the government has bowed to the arguments presented all over the house against the form of the motion and is prepared now not to ask for an unlimited vote of confidence but to accept the passing of the motion in its amended form as an end to the proceedings we have had here these last two or three weeks. If this resolution passes in its amended form it will mean that the house is saying to the country: We were not prepared to vote confidence in the policies of the government; we were against those policies for certain reasons which we made clear on the floor of parliament, but we accept the fact that P.C. 8891 has been passed; we accept the fact that at least something is being done about meeting the need for reinforcements, and we also accept the fact that our attempts to present our amendments on the floor of the house have been in vain.

I wish to say, with due respect for my good friend the leader of the opposition, first of all that I should like to offer a comment on his criticism of our leaving in the motion the word "maintaining" with reference to a vigorous war effort. He tries to bring down his part of the house with the suggestion that it is incorrect to speak of a vigorous war effort having been in effect thus far. I suggest that in his supreme effort to criticize the government for all he is worth he is casting a reflection on our soldiers, sailors, airmen, on our farmers and industrial workers. They are the ones, together with the people of this country, who through their taxes and savings have made it possible to build up a vigorous war effort. We feel that no reflection should be cast on them.

Again, it seems to me—and I will put it in the simplest language I know—that the Progressive Conservative party in this house is just plain sore. They had the supreme hope that in this issue of reinforcements, for which the government is to blame—there is no doubt about that—they had been provided with something that would give them a talking point which up to that time they did not have anywhere in this dominion. On the basis of this issue they counted heavily on their ability to inflame prejudice in this country, and it seems to bother them to think that the result of this two or three weeks' sitting of parliament may be a lessening of some of those divisions that have grown up, or at least a partial settlement of the problem, with the result that the kind of thing they were counting on has been taken away from them. The Progressive Conservatives seem to want the privilege of going on inflaming sectional interests and prejudices as a basis for trying to gain some political capital; but we much prefer to respond to the kind of appeals that have been made in this house by the hon. member for Lotbinière (Mr. Lapointe) and others, together with the sort of appeal that was made by the leader of this group when he spoke of his visit to Dieppe, in endeavouring to get the people of Canada to work together

with some of that spirit of unity for a common purpose that our fighting men are showing on the other side.

I take second place to no one, not even the leader of the opposition, in my thorough distaste of the policies of the Liberal government. I take second place to no one in my determination to do everything I can to defeat them at the next election. I am sick and tired of the myth that there is only one man in this country who can be the prime minister of Canada. I wish to say, despite the fact that it may embarrass my leader who is sitting in front of me, that there is one other man in this country who really can lead us as prime minister—the hon. member for Rosetown-Biggar (Mr. Coldwell).

Mr. ROSS (St. Paul's): Well, well, well.

Mr. SPEAKER: Order.

Mr. KNOWLES: The country is fully aware of the fact that unless this party provides an alternative to the present Prime Minister, certainly no other party is going to provide one. I do not see the Progressive Conservatives offering an alternative for that position in whom the people of Canada can place any confidence whatsoever.

Mr. ROSS (Souris): There are a lot of things you have not seen yet.

Mr. SPEAKER: Order.

Mr. KNOWLES: I wish to say that the leader of the opposition need not worry as to our attitude toward the present government, or toward the Liberal party; but that does not deflect us from realizing that at the present time everything possible should be done to bring to an end the arousing of the country and the inflaming of sectional interests and prejudices. Therefore, Mr. Speaker, I say quite frankly we feel that in the government's readiness to accept the amendment we have moved at this last moment we have won, not just for this group but for this parliament and for the people of Canada, a victory over the crisis through which we have passed. We feel that the amendment should be adopted and the motion in the amended form should be carried by this house.

Mr. L. PHILIPPE PICARD (Bellechasse): The proceedings of this house during the last three weeks would remind one of a game of hockey or a game of hide-and-seek. People have been trying to find the puck and are wondering where it has gone. We have been trying to find the issue and to-night we are wondering where it has gone. The government has accepted the C.C.F. amendment. Why? When the government summoned parliament to Ottawa it had for its purpose the approval of its policy. To-night at the last moment we see the government changing and accepting the suggestion of the C.C.F. party to take all the sense out of its motion. If we leave these three words out of this motion it becomes exactly similar to the subamendment I proposed earlier in the debate, according to the words of Mr. Speaker. At that time Mr. Speaker said:

> The amendment is not complete in its form. It is the expression of a general opinion which may be moved in any public body but has no connection with the business of the house.
>
> The object of the house is to suggest, approve or disapprove of the government's policy.

If we leave these three words out where are we? Where is the government's policy? In 1942, when bill 80 was passed, the Prime Minister (Mr. Mackenzie King) told the house that if at any time he implemented the provisions of that bill he would come to the house and ask for a vote of confidence. What we have before the house to-night is or is not a motion of confidence. If it is a motion of confidence these three words have to stay in it. If the government accepts the amendment of the C.C.F. party, it is not a motion of confidence; it is just a literary effort and it does not concern at all the approving or disapproving of the government's policy. Withdrawing of the three words at the last moment will not change the feelings of the people at the present time. I am not to speak for those who feel that the government in its programme has not done everything it should have done, but I am to speak for myself, believing that the policy of the government as it stood on the day its motion was presented included the approval of the principle of bill 80 and the approval of order in council 8891. The deleting of three words to-night have not changed the sense of the government's policy. The withdrawing of three words will not withdraw one of the men who are on their way overseas by reason of order in council 8891. I cannot understand how the government at a moment like this, of such seriousness in the history of the country, can accept the taking of all sense from the motion, because, as it stands now, the motion simply reads that we are approving or aiding the government in maintaining a vigorous war effort. I support the stand taken by the hon. member for Richelieu-Verchères (Mr. Cardin) when he said: "Can the government maintain a war effort without a policy?" The policy that the government called us to Ottawa to approve included those three words. What is it now?

Has it changed suddenly overnight? Does the government mean to convince us that one thing has been changed in a few moments? The policy is the same. The government cannot take it out and ask us to approve or disapprove and play on the feelings of the hon. members in this house.

I have said and I repeat that I have confidence in the present Prime Minister, and I cannot express my sentiments in any better way than when I spoke previously. I respect the Prime Minister; I am sure his mind is a thousand times superior to mine; but I have to judge the issue with my own mind and, as things stand now, I cannot approve the motion. The Prime Minister definitely said in 1942 that if at any time he applied bill 80 he would come before the house and by means of a vote of confidence ask for approval. Are we to be given another chance, Mr. Speaker? If this is just a literary effort, are we to be given another chance at another moment in this session to approve or disapprove the government's action on bill 80. or is this the motion of confidence that the Prime Minister meant? Has anything changed in the policy of the government? The government had one policy at six o'clock to-night. Has it changed since? I know that things change quickly. On Wednesday, the opening day of this part of the session, we had one policy. The second afternoon the government had another policy. To-night is it the third policy? The house should not be played with. The feelings and the intelligence of the hon. members should not be mocked in such a way. We are here as citizens of a free country to use our minds in a free way. Mine is vastly inferior to that of the Prime Minister, but I have to judge the issue with the powers that have been given to me, and I cannot find any sense in the motion as it is, deprived of the intention it contained when it was first put before the house, and, Mr. Speaker, I contend that the application of the ruling you gave on my subamendment, namely, that:

> The object of the house is to suggest, approve or disapprove of the government's policy . . .

applies to the motion as it is now. Therefore I say that it should be ruled out of order.

Mr. JEAN-FRANCOIS POULIOT (Temiscouata): After the quick about-turn of November 22, we had the quick about-turn of December 7. The Prime Minister (Mr. Mackenzie King) should teach quick about-turn to the people; he would be a past master at such a performance. We have the leader of the government putting on the order paper a motion of confidence after consultation with all his ministers, but to-night we have witnessed a spectacle that could not have been foreseen by any of us; we have seen the Prime Minister mediating to the point of accepting the suggestion of the leader of the C.C.F. group without consulting with his colleagues in the cabinet, unless there was an understanding between the leader of the C.C.F. group and the Prime Minister before the amendment was moved.

Mr. COLDWELL: I can assure you that there was not.

Mr. POULIOT: I thank the hon. gentleman. It is even worse than I thought. I remember a time in another parliament when I was asked by the Chair to withdraw a statement I made that Lord Bennett was acting without consulting his colleagues of the cabinet. What happened to-night? In the sight of all of us there has happened what I blamed Bennett for doing and what I had to withdraw to my great humiliation. But to-night I did not have to do that. The Prime Minister did not pass any paper around the treasury benches and I am sure no minister thought he would accept a suggestion or an amendment made by the leader of the C.C.F. group.

Is the leader of the C.C.F. group the new spiritual adviser of the Prime Minister after the Tory party was declared dead yesterday? What a performance! We are told about the supremacy of parliament. We are told about the great principles of the Prime Minister who wants to consult parliament. It is all a farce. He does not consult his own colleagues in the cabinet before subjecting himself to the dictates of the leader of an opposite group.

Would Sir Wilfrid Laurier have done that? Would Sir Robert Borden, with whom the Prime Minister, according to Sir Robert, thought to join in a union cabinet, have done that? That has never been denied by the Prime Minister himself. Would either Sir Wilfrid Laurier or Sir Robert Borden have done that?

When I went to my constituency after the quick about-turn of the Prime Minister on November 22 I found my people in consternation and humiliation. To-night I do not belong to the party led by the Prime Minister, and I am proud of that. However, as a member of the House of Commons I feel greatly humiliated that on a motion of confidence which presumably has been put on the order paper by the Prime Minister after consultation with his colleagues, he should then choose to appease the leader of the C.C.F. group, appease in the Munich sense. What humiliation! What consternation! What

an abomination! The Prime Minister is not alone in the valley of humiliation to-night; we are all in it.

This is responsible government! We have been summoned here but what is the policy of the government? As the hon. member for Richelieu-Verchères (Mr. Cardin) has so aptly said, there is none. I can understand our being called on April 1 as April fools, but we are now in December; we are on the eve of Christmas.

There are fourteen vacant seats in the senate. I checked the names at the door of the senate, and I noticed that out of thirty-three appointments which had been made by this government, only fourteen were former members of this house. According to that well-established precedent, hon. gentlemen opposite who may have legitimate claims to promotion for services rendered in this chamber will be very lucky if they get a place, because out of the fourteen candidates there will be only four chosen.

Mr. DEPUTY SPEAKER: I have not been able to follow very closely the remarks of the hon. member for Temiscouata, but I do not think the matter of replacements in the senate would be relevant to the present motion before the house. I would ask him to keep within the motion.

Mr. POULIOT: I presume it is part of the policy of the government to fill senate vacancies until they get what they want from the members. That is my point and I condemn them very strongly. We are discussing a policy which has not been enunciated. We do not know what it is about; it may be about the man in the moon or anything else. I am not the man in the moon, but perhaps the Prime Minister is. It is vague; it is incoherent, and from the Liberal point of view it contains the grease spot of the C.C.F.

I do not say that in any offensive way, but I speak as a true and straight Liberal. I referred to something yesterday which I will elaborate to-day. I decided some time ago to leave the party led by the Prime Minister, and on August 19 I told him personally that if I ran again I would not run as one of his candidates. To be sure to be elected I will run as Jean-Francois Pouliot; and until then the hon. member for Richelieu-Vèrcheres (Mr. Cardin), the hon. member for Lotbinière (Mr. Lapointe), the hon. member for Bellechasse (Mr. Picard), the hon. member for Quebec West and South (Mr. Parent), the hon. member for Levis (Mr. Bourget), my humble self, and all other hon. members who have voted against him here this afternoon—each one of us will be a living remorse to the Prime Minister. We will remind him of promises broken; and we may tell him that we may go back to our constituencies and enjoy the respect of our people. We wonder if he will be able to get the same respect when he goes back to Prince Albert, at the time of his next defeat, when he will lose his deposit in the province of Saskatchewan?

Some hon. MEMBERS: Order.

Mr. POULIOT: That is all.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, during the last hour or two I believe we have had added to our deliberations much more heat than light. Perhaps it would be well to try to orientate ourselves correctly by reflecting upon one or two serious matters.

In the first place, every vote cast to-night either for or against this resolution will be carefully noted overseas. It will be noted in the office of Hitler; it will be noted by the soldiers on the battle line; it will be noted in Washington and London; it will be noted in the camps of our N.R.M.A. men. I believe it would be well for hon. members to ask themselves this question: How will every vote against this resolution be interpreted by each and every one of the agencies I have mentioned? That is the question I have been endeavouring to answer for myself, ever since we came together.

We are living in a time of great confusion. It is very difficult for men to keep their feet on the ground and their heads cool. To most people there appear to be two issues before the house: first, shall the House of Commons do all in its power to supply reinforcements for Canada's hard-pressed soldiers overseas and, second, shall the present government in Canada be defeated, or shall it be supported so as to carry on across the stream of war time?

Having two issues before him, any person might find it hard to avoid confusion of thought. He might find it difficult to determine which is the main issue. It should be remembered, I think, that the present crisis developed over conscription, or the sending of reinforcements overseas. It did not develop over the question of whether or not the Liberal government was satisfactorily administering the affairs of the country, or whether that government was leading Canada in an acceptable war effort.

Consequently the matter of confidence hardly entered into the cause of calling the house together, if we are to believe the reports we have heard, and to take at face value the

evidence which I think has been adduced rather plentifully since we came to attend this session.

Any member of parliament in this present critical session must keep his eye on the ball. The ball, in this instance, is reinforcements for the infantry section of the Canadian Army overseas. This is definitely a war session, and has been called together to deal with a specific war problem. That problem is the one of determining how to obtain trained infantrymen urgently needed by the sons of Canada who are now desperately fighting on the battle front. We want men who are physically qualified and properly trained to fight as infantrymen. We want them now, as soon as possible. There is no time to think about political considerations. That which might be politically expedient must be disregarded in the interests of what is nationally expedient.

Where can be found the kind of men we need? The only men really accessible are the N.R.M.A. men. Of these, some 16,000 acceptably qualified are in Canada, and 8,000 are ready to move at once. However, up to the present time these 16,000 N.R.M.A. men in large measure have failed to volunteer. Canada has had to find an effective means of rendering immediately available 16,000 N.R.M.A. men.

In Colonel Ralston's opinion the only means was conscription. Many of the cabinet ministers agreed with him. Other cabinet ministers were determined that conscription should not be used. However, Colonel Ralston was so confident that he was right that he left the cabinet over the question: Shall conscription be used to render available for service overseas Canadian soldiers known as N.R.M.A. men?

That, Mr. Speaker, is the situation as I interpret it up to the present time. General McNaughton was called to the cabinet because he declared he believed that the voluntary method would succeed. The high court of parliament was called to hear the evidence on the question of conscription for overseas service. Members of parliament were divided on the question. Most of them have exceedingly stern attitudes either for or against. During my nine years in the House of Commons I have never known a time when I have seen men so stern either for or against a question as are the men I meet in the corridors to-day.

This is the point which must be borne in mind. There is a violent clash of opinion as to the advisability or otherwise of using conscription to send N.R.M.A. men overseas.

Likewise, Canadian voters are sternly divided. Very soon after parliament assembled the new Minister of National Defence, Mr. McNaughton, confessed, apparently, that under circumstances prevailing at the present time the voluntary system simply would not get the required number of men in time. Therefore he presumably recommended to the government that conscription be used until 16,000 suitable men were obtained. The government passed an order in council empowering General McNaughton to raise 16,000 men, by conscription if necessary.

The Prime Minister of Canada (Mr. Mackenzie King), has introduced a resolution stating that this house will aid the government in its policy of maintaining a vigorous war effort. As I see it, what the individual member of parliament must decide is this: Shall I vote to support the application of conscription at the present time, so as to enable Canada to send overseas the 16,000 N.R.M.A. men so sorely needed as infantrymen in the battle zone—yes or no? I believe, Mr. Speaker, that the question is just as simple as that, shorn of all the confusion engendered.

Here is a Canadian government that has passed an order in council to conscript, if needs be, 16,000 N.R.M.A. men. I may or may not like the government. I may or may not have confidence in it. I may say that I have not confidence in it. I may or may not favour its general policies on various things that it has done while in office in war time or in pre-war time—and in a general way I may say that I personally do not approve the policies which it has followed either before the war or during the war. I may or may not agree with its future proposals during the remaining war years, or with its proposals for the post-war years. But the question to-night is: Do I agree with its decision on conscription now, to send 16,000 suitable men overseas to reinforce in time the sons of Canada whose lives and whose cause are at stake in the heat of action right now. The answer which I as one member give to my country, to the anguished loved ones of my country, to the noble boys who have already suffered and some of whom have died, and to their sorrowing bereaved ones is: Yes, I will. I think, Mr. Speaker, that my answer must be just that if I am to prove myself worthy of the responsibility which I bear as one member of this house in this critical year of 1944. Disregarding all other considerations I will vote "yes" in support of the resolution to apply conscription to certain N.R.M.A. men.

Whether the Mackenzie King government merits or does not merit my confidence as a war government is not in my judgment the issue in this vote. Early in 1945 parliament is to reassemble and then hon. members will have an opportunity to vote non-confidence or confidence in the government as may at that time appear to be in the interests of our country. Let this government carry on for the time being until we can have another opportunity to appraise their efforts and to sit in judgment upon them. We have only six weeks to wait. That will give us time enough to grow cool and calm and collected and to make a decision when our minds are not fired with the passions which have been engendered by means which have been clearly indicated during this debate.

But there are other considerations worthy of mention as I come to my decision. Do well-informed and thoughtful Canadians, Canadians of good will, desire an election at the present time? As I came through my province on my way to Ottawa I got in touch with several hundreds of people and not a single one was in favour of an election at this time. Is it in the public interest of Canada as a nation or in the interest of Canadians as a people; is it in the interest of the British commonwealth as a whole; is it in the best interests of the united nations and the cause of freedom to which they have dedicated themselves; is it in the best interests of Canada itself that we should have an election at this time? The opinions of many people might be quoted. Being a Social Crediter I shall refer to only one, that of the Hon. Solon Low, national leader of the Social Credit Association. Mr. Low has recently issued a statement, a portion of which reads as follows:

> To plunge the nation into an election at this time would be criminal folly.

And, Mr. Speaker, for reasons which the ordinary member of this house and the ordinary citizen of this country appreciate full well I agree with Mr. Solon Low in this matter one hundred per cent. This statement clearly shows that Social Crediters, however much they may disagree with the policies of the present administration, are not urging or advising an election at the present time—this for many reasons. A vote against the government's resolution is a vote for an election at once.

Social Crediters endeavour to be consistent. Years ago they foresaw that under the present economic system involving avid, ruthless, reckless scrambling for foreign markets, a calamitous conflict would be inevitable. Major C. H. Douglas earnestly warned of the danger and feared the complete destruction of civilization if that danger were not averted. He pleaded with the nations to consider with him suitable changes in their economic system to avert the impending catastrophe. The nations chose rather to plunge into the catastrophe. Seeing that such would be the case, Social Credit leaders, years ago, began to call for adequate preparation for the defence of our people. In February, 1936, I, as leader of this group, issued to the press in Edmonton, Alberta, a statement worded in terms as strong as I could devise, calling for immediate preparation for national defence. This statement will be found in both the Edmonton *Journal* and the Edmonton *Bulletin* of February, 1936, the 11th or 12th of February, if my memory serves me aright. On arriving in Ottawa for the 1937 session, I said in an interview that I would support the Prime Minister's proposals for increased expenditure upon national defence. This I did throughout the session of 1937. From that time forward in public meetings I constantly sought to impress Canadians with the need of prompt and effective measures for defence.

In the special session of 1939, I delivered a speech as recorded in *Hansard* of September 8, pages 47 to 50. In that speech I went on record in language as follows:

> Therefore, the New Democracy declares that justice, equality, effectiveness, depend upon the conscription of finance, industry and man-power.

And again on page 49:

> We must do all we can and go where we are asked to go, in order to meet the enemy of religion, of freedom and of race. It is stupid and insincere to draw a distinction between home and foreign service. There can be no distinction.

From this strong position, Mr. Speaker, this group has never receded.

The present occasion and the government resolution now before the house afford Social Crediters the first opportunity of proving their sincerity and steadfastness by voting for a measure of conscription. A vote against the government's resolution would be a vote which, in effect, would be a vote against conscription of 16,000 men, well-trained and in good physical condition, to go in support of their brother Canadians in a time of great stress and peril. I must vote for sending, by compulsion if necessary, 16,000 N.R.M.A. men to the theatres of war at the earliest possible date.

Social Crediters deplore the fact that on the outbreak of war, the government failed to conscript finance, industry and man-power.

In my speech of September 8, 1939, as recorded on page 48 of *Hansard,* I warned the government that to conscript man-power without first conscripting finance and industry, or to conscript any one of the three without conscripting the other two, would bring about injustices, discrimination and class distinction which would result in "inequality, disaster and chaos." I had the impression that cabinet ministers and members of parliament generally disregarded my warning; treated it lightly.

Well, now the troubles are here and the end is not yet. Not yet has the full impact of Canada's colossal war debt been realized by Canadians. Not yet has it been borne in upon them how onerous will be the taxation structure once war expenditures cease. Not yet have many realized how destructive of Canadian freedom will be found the degree of centralization and bureaucratic control which have resulted from the government's financial and industrial policies. Not yet have Canadians even dimly visualized the intensity of the bitterness of disillusionment which our boys will experience when, after their return from the war zones, they will find how helpless the government, using the present system, will be to give them fitting rewards for their services rendered. When these dreadful things, looming in the future, become realities, then will be discovered the ominous portent of the words I used in my speech of September 8, 1939.

By conscription of finance I did not mean taking over the banks of the country by the government, or the seizing of the savings of the people. I meant that the dominion government should conscript or take away from the banking fraternity the power and function of creating the money, rendered possible by Canada's capacity to produce and to deliver goods and services to the extent of which she is capable. Exercising this power the government could have dealt with our debt problem without injury to Canada's economy, and could have mobilized industry far more effectively than it has now been mobilized, could have left that industry in the hands of private enterprise, and could have had that industry strong to sustain the shocks of the aftermath of war. Wielding the power of finance, the government could have guaranteed our boys, in return for their services, such rewards as would have impelled every eligible man or woman to seek enrolment in the armed services of Canada. Thus could conscription of man-power have been arrived at by an indirect method—the method of inducement by rewards—far more effectively and happily than it has been accomplished by the government's indirect method, the method of coercion through the use of law, restriction, and economic pressure.

This picture, of which I have endeavoured to give a faint glimpse, could have been realized if wisdom had prevailed in high places in Canada in 1939. When I reflect upon the happiness, the unity, the hope, which could have filled the hearts of Canadians, even through these days of universal mourning, I find it exceedingly difficult to be calm. I find it exceedingly difficult to vote confidence in an administration consisting of men who callously and stubbornly refused even to consider the possibilities of a better way of life for our Canadian people. In fact, I cannot and will not at the present time vote confidence in this government. Nevertheless, for reasons which I have already indicated, I must vote for the government's resolution to support the use of compulsion, if necessary, in sending overseas 16,000 men of the N.R.M.A.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I think we have had enough speeches to-day to last us for a long time. I believe the Prime Minister (Mr. Mackenzie King) should be allowed to close this debate. It is not our business to have to sit here and listen to men read at least part of their speeches. We have not had very much that is new to-night, and I think it would be in order at this sweet hour of the morning for the Prime Minister now to close the debate.

Mr. SPEAKER: Mr. Mackenzie King moves, seconded by Mr. Crerar:

That this house will aid the government in its policy of maintaining a vigorous war effort.

To which Mr. Coldwell moves, seconded by Mr. Gillis:

That the motion be amended by deleting the words "its policy of".

So that the motion as amended will read:

That this house will aid the government in maintaining a vigorous war effort.

The house is voting on the amendment. If the amendment carries it will then be added to the motion and then the debate will follow on the motion as amended, upon which a vote may be recorded. The question therefore is on the amendment.

Some hon. MEMBERS: Carried. Carried.

Mr. FOURNIER (Maisonneuve-Rosemont): No, no. Mr. Speaker, we should follow the regular procedure, and you should continue on, saying, "Those opposed will say "nay", and then we will see what is to happen.

The house divided on the amendment (Mr. Coldwell) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Bertrand (Laurier)
Black (Chateauguay-Huntingdon)
Blackmore
Blair
Bradette
Breithaupt
Bryce
Burton
Casselman, Mrs. (Edmonton East)
Castleden
Chevrier
Clark
Claxton
Cleaver
Coldwell
Corman
Coté
Crerar
Dechene
Donnelly
Douglas
Dupuis
Edwards
Emmerson
Factor
Fair
Farquhar
Fauteux
Fournier (Hull)
Fraser (Northumberland, Ont.)
Fulford
Furniss
Gardiner
Gershaw
Gibson
Gillis
Gladstone
Golding
Goulet
Graham
Grant
Gray
Gregory
Hanson (Skeena)
Harris (Grey-Bruce)
Healy
Henderson
Hill
Hlynka
Hoblitzell
Howden
Howe
Hurtubise
Ilsley
Isnor
Jean
Johnston (Bow River)
Johnston (London)
King, Mackenzie
Kinley
Kirk
Knowles
Kuhl
LaFlèche
Lapointe (Matapedia-Matane)
Leduc
Leger
Little
McCann
McCuaig
McCubbin
McCulloch
MacDiarmid
Macdonald (Brantford City)
Macdonald (Halifax)
Macdonald (Kingston City)
McGarry
McGeer
McGibbon
McIlraith
McIvor
MacKenzie (Lambton-Kent)
MacKenzie (Neepawa)
Mackenzie (Vancouver Centre)
MacKinnon (Edmonton West)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Macmillan
McNevin
Marier
Marshall
Martin
Matthews
Maybank
Mayhew
Michaud
Mitchell
Mulock
Mutch
Nicholson
Nielsen, Mrs.
Nixon
Noseworthy
O'Neill
Pinard
Pottier
Purdy
Quelch
Ralston
Reid
Rennie
Rickard
Roebuck
Rose
Ross (Calgary East)
Ross (Hamilton East)
Ross (Middlesex East)
Ross (Moose Jaw)
St. Laurent
Sanderson
Shaw
Sinclair
Sissons
Slaght
Soper
Taylor
Thauvette
Tomlinson
Tripp
Turgeon
Turner
Veniot
Ward
Warren
Weir
Whitman
Winkler
Wood
Wright—141.

NAYS

Messrs:

Adamson
Authier
Bence
Bertrand (Prescott)
Black (Cumberland)
Black (Yukon)
Blanchette
Bonnier
Boucher
Bourget
Brooks
Bruce
Brunelle
Cardiff
Cardin
Casselman (Grenville-Dundas)
Choquette
Church
Cloutier
Crète
d'Anjou
Denis
Desmond
Diefenbaker
Dorion
Dubois
Dubuc
Esling
Eudes
Ferron
Fournier (Maisonneuve-Rosemont)
Graydon
Green
Hallé
Harris (Danforth)
Hazen
Homuth
Jackman
Lacombe
LaCroix
Laflamme
Lafontaine
Lalonde
Lapointe (Lotbinière)
Leader
Leclerc
Lockhart
McDonald (Pontiac)
McGregor
MacKinnon (Kootenay East)
MacNicol
Neill
Parent
Perley
Picard
Pouliot
Raymond
Rhéaume
Ross (St. Pauls)
Ross (Souris)
Rowe
Roy
Ryan
Senn
Stirling
Stokes
Sylvestre
Tremblay
Tustin
White—70.

Right Hon. W. L. MACKENZIE KING (Prime Minister): At the present time the fate of nations is being decided on the battlefields of Europe. How soon the decision will come God only knows. One thing we know is that anything that supports our fighting men will hasten that decision. Anything that withholds support that they need, and that is at all within our power to give, may have consequences for them and for us of which I hesitate to speak.

I have been amazed at some of the speeches that have been made in this house during the course of the debate not only to-night, but particularly to-day and yesterday, when one considers what the motion is that is before the house, and when it is apparent that it relates wholly and exclusively to the support that can be given to our fighting men overseas in this sixth year of war.

This evening the leader of the official opposition spoke in the debate. I leave it to the hon. members to say for themselves whether I am right or whether I am wrong

when I state that his remarks had almost exclusively to do with matters of petty politics between the different political parties in this country. He sought to have this house believe that there was some sort of agreement or understanding between the Cooperative Commonwealth Federation party and the Liberal party whereby we were going to work together to defeat the Tory party. Mr. Speaker, the Tory party is defeated beyond all shadow of doubt. We are not concerning ourselves about the Tory party, nor are the people of this country. But we are concerned about the winning of the war and having this war won as speedily as possible, and having as much glory come to our men in the victory that is to come as it is possible for them to gain.

My hon. friend the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) has moved an amendment to clarify the situation. It is natural that in this parliament, where all of us for years have attached great significance to every word in a resolution, hon. members should sometimes read into a particular resolution a meaning that was never intended or ever thought of at the time that the resolution was drafted. My hon. friend has seen something in the words "its policy of". May I say to him now, as I said when he moved his amendment, that to me the resolution as I read it now as amended carries with it all the meaning that it had in the original motion as I proposed it.

I have nothing to add and nothing to subtract from what I said in opening the present debate as to the meaning, significance and importance of the vote to be taken on the resolution which is now before the house.

I must thank my hon. friend for his obvious desire, one which I myself believed would be shared by every hon. member of this house, to make it perfectly clear to our men overseas, to other nations, yes, and to the enemy, that this house was united and determined upon having a vigorous war effort in support of our men overseas; a policy of maintaining a vigorous war effort. The entire world knows we have had it in the past. During these past five years, there is no nation in the world that has had a finer war effort than Canada has had. It is that effort which we wish to maintain and it is to that effort alone that the resolution before the house at this moment relates.

I thought I made it very clear in my remarks in opening this debate that I was not asking for any vote of confidence on the government's policies generally. I shall not take the time to-night to run over what I said before; the words will be found in *Hansard*.

However, I should like to reassure my hon. friends who have raised the question that neither this motion as amended nor the original motion as it was before it was amended in any way sought to gain from this house an expression of confidence in all the policies of the government. The leader of the C.C.F. has said that he wants to have it clearly understood that I am not asking for a vote of confidence in all the policies of the government, and another member of his party said that he wished to be sure that we were not asking for an unlimited vote of confidence. May I tell them both that we are not.

What we are asking for is that a vigorous war effort shall be maintained. May I say, in passing, that it cannot be maintained without support, and strong support from this House of Commons. Anyone who has had the responsibilities that I have had over the past five years knows something about the difficulties of maintaining a war effort on the scale on which this government has been maintaining it right along. Anyone who has the knowledge that I have at the present time, knowledge that every hon. member has to a greater or less degree, about the seriousness of the situation at this moment, a seriousness so grave that it can scarcely be imagined, would if he were in my position want to have in no uncertain way the support of this House of Commons in continuing that war effort.

I doubt very much if hon. members of this house can begin to imagine what this war is like at this moment, what it may lead to or what the position of our country may be in future years, years not too far distant, if we show much of division in this House of Commons on any matter that relates to sustaining the war effort of Canada. It is for that reason that I ask that the motion as amended be carried in no uncertain way.

My hon. friend, the leader of the Social Credit party (Mr. Blackmore) has touched upon the real note. He said to all intents and purposes that not alone the people of Canada, but the people of Great Britain, the people of those countries in Europe that have been overrun, and are only just being liberated, the peoples of other allied countries, yes, the peoples of enemy countries as well are watching keenly to see what the result of the vote in the Canadian House of Commons on Canada's war effort is going to be. Germany wishes for nothing more than evidence that in any part of the British commonwealth of nations there is beginning to be a break-up in the determination of the people to keep up their war effort. No succour could come to the enemy equal to that he will receive from

anything that goes to show that a parliament in any part of the British commonwealth of nations is not united in support of its fighting men, and in its determination to do the utmost that can be done in helping to make a great war effort a complete success.

My hon. friend has said that men who have been standing by comrades and seen them fall, who themselves are standing not knowing whether they may not be the next to fall, will look to-morrow with anxious eyes to see what this Canadian House of Commons has done to-night. They will scan carefully the figures which will disclose what has been the division in this house. They will be either uplifted in spirit and strengthened in might by a strong vote in support of their need in this House of Commons to-night, or they will be weakened in their power; they will become dispirited if they find, as my young friend and gallant soldier, the son of the truest friend I have ever had in this House of Commons, told this house the other night, that while they are united and can stand side by side, French and English, Catholic and Protestant, of whatever kin or race they may be, that while they are fighting to preserve our liberties we cannot be equally united here in their support in this terrible war.

I ask all hon. members of this house to think of the men who are fighting for them. Think of them as fighting for your homes. Think of them as fighting for our country and its future. Then ask yourselves if at this time you are going to encourage them by giving them all the aid that it is possible for this parliament of Canada to give. You may find it difficult to explain some situations. Some of you may and no doubt will find it difficult by yourselves or others going into the past—I am going to have a word to say on that in a moment—and recalling things that have been said, promises that have been made, to explain the present situation to the electors in your constituencies, as I hear different members saying they will have. I have more faith than some who have spoken in the intelligence of your electors and in their hearts. Is there any man in this house who will say, if the situation is properly explained, that they will not be the first to recognize what it means to them, and will mean through years to come, that at this time of war their member stood up in the House of Commons of Canada and supported the men who are fighting to defend them and their homes? Will they say that he is not doing the noblest thing for his own constituents and for our country that could possibly be done?

Take this larger vision. May I say to hon. members of this house that we have passed the day, and it is long past, when questions of purely local concern can mean anything relatively in the future of our country. The world has moved far during the past five years, five years of war against the most powerful enemy that has ever sought to oppress other nations, against a group of powerful enemies who have sought to dominate the world. These five years of war have brought into being possibilities for future destruction beyond the imagination of any of us here in this parliament. I say to my fellow members in this house and to my fellow Canadians, beware, beware of doing anything or letting anything be done that may give those enemies or the people of any land cause to believe that the democracies are weakening, that within and between themselves they are becoming divided with the consequence that in their own eyes the power our enemies, present or future, may possess or come to possess may come to loom much greater than anything they behold elsewhere. We, as I say, have passed the day when local issues or provincial issues—I might almost say the issues in any one country itself—can be separated from the larger question of how this world is going to hold together in the next few years in a way which will enable men to enjoy liberty, and to preserve their lives and their homes.

All of that is at stake at this present time. And so, Mr. Speaker, I thank my hon. friend the leader of the C.C.F. party (Mr. Coldwell) for helping to join in making as nearly possible as can be a unanimous vote in this house on the resolution before us. I thank, too, my hon. friend the leader of the Social Credit party (Mr. Blackmore) for what he has done in the same direction. I thank hon. members around me, here, for the support that I know they are going to give to this resolution.

In my heart, I am profoundly sorry that I cannot thank the leader of the opposition, or the followers who are behind him.

At this late hour I do not wish to detain the house many minutes longer. I do, however, before concluding, desire to add a word or two respecting what has been said in the course of this debate about broken promises, and faith in public men. Much has been said about those two things in the course of this debate, and they should not be allowed to pass unnoticed. Perhaps in referring to them I may be able the better to make my own position clear, and to make clear to the house what is before it in respect of the resolution on which we are now about to vote.

First of all, as to pledges. It is true that before the present war, recalling the results of the introduction of conscription in the last war, and more particularly the methods employed to secure its introduction and its enforcement, I, like others of my party, and many of all parties in Canada, took the position that, if Canada were to participate in another European war I would not support but would oppose conscription for service overseas.

After the outbreak of war, in the general elections of 1940, I, along with the leaders, and most of the members, of all parties, with the possible exception of the Social Credit party, took the position that conscription for service overseas should not be resorted to. That was at a time when it was generally believed that the war would be primarily a European war.

I wish to emphasize the point that when I gave the undertaking I did, it was given to the country as a whole, and not to any province or section of the country.

Time went by, and one country after another in Europe was invaded and overrun by the armed forces of nazi Germany. Italy, on June 10, 1940, and Japan on December 7, 1941, just three years ago today, joined the nazi aggressors in an all-out effort to dominate the world. It became increasingly apparent that the pledges given not to resort to conscription for service overseas might, at some time, prevent the government of our country from taking a step which might become necessary to maintain our fighting forces in the field, and which would be necessary to enable them to do their part in the preservation of our freedom, bound up as it is with the freedom of all the allied nations.

In anticipation of such a possibility, a plebiscite was held on April 27, 1942. As a result of the plebiscite the Canadian people as a whole, to whom the pledges had been made, released the government and all parties in this house from all pledges respecting conscription, and gave to all complete freedom, from that time forward, to take in this war whatever course in their judgment was necessary and advisable in support of the cause for which our armies are fighting.

Bill 80 was subsequently introduced and the National Resources Mobilization Act amended in 1942 so as to permit, if necessary, the use of conscription for service overseas. The issue of conscription for overseas service was settled, once Bill 80 became law.

As head of the administration, I undertook, at that time, that the power conferred by Bill 80 would not be used unless it became necessary. I also undertook that it would be used if that became necessary and advisable. That pledge I gave to this House of Commons. It was no less a pledge to the people of Canada as a whole. Above all, it was a pledge to our army overseas that it would not lack support in its fight, in association with the forces of the allied nations, to preserve Christian civilization and human freedom.

That was two and a half years ago. Canada is fortunate indeed that the need has not arisen until this late date in the war. The need having arisen, by ensuring against any possible lack of reinforcements, I feel that to-day I am keeping faith with this House of Commons, with the people of Canada, and with the fighting men in Canada's army overseas.

The house divided on the motion (Mr. Mackenzie King) as amended, which was agreed to on the following division:

YEAS

Messrs:

Abbott
Bertrand (Laurier)
Black (Chateauguay-Huntingdon)
Blackmore
Blair
Bradette
Breithaupt
Bryce
Burton
Casselman, Mrs. (Edmonton East)
Chevrier
Clark
Claxton
Cleaver
Coldwell
Corman
Coté
Crerar
Cruickshank
Dechene
Donnelly
Douglas
Dupuis
Edwards
Emmerson
Factor
Fair
Farquhar
Fauteux
Ferland
Fournier (Hull)
Fraser (Northumberland, Ont.)
Fulford
Furniss
Gardiner
Gershaw
Gibson
Gillis
Gladstone
Golding
Goulet
Graham
Grant
Gray
Gregory
Hanson (Skeena)
Harris (Grey-Bruce)
Healy
Henderson
Hill
Hlynka
Hoblitzell
Howden
Howe
Hurtubise
Ilsley
Isnor
Jean
Johnston (Bow River)
Johnston (London)
King, Mackenzie
Kinley
Kirk
Knowles
Kuhl
LaFlèche
Lapointe (Matapedia-Matane)
Leduc
Leger
Little
McCann
McCuaig
McCubbin
McCulloch
MacDiarmid
Macdonald (Brantford City)
Macdonald (Halifax)
Macdonald (Kingston City)
McGarry
McGeer
McGibbon
McIlraith
McIvor
MacKenzie (Lambton-Kent)
MacKenzie (Neepawa)
Mackenzie (Vancouver Centre)
MacKinnon (Edmonton West)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)

Macmillan	Ross (Calgary East)
McNevin	Ross (Hamilton East)
Marier	Ross (Middlesex East)
Marshall	Ross (Moose Jaw)
Martin	St. Laurent
Matthews	Sanderson
Maybank	Shaw
Mayhew	Sinclair
Michaud	Sissons
Mitchell	Slaght
Mulock	Soper
Mutch	Taylor
Nicholson	Thauvette
Nielsen, Mrs.	Tomlinson
Nixon	Tripp
Noseworthy	Tucker
O'Neill	Turgeon
Pinard	Turner
Pottier	Veniot
Purdy	Ward
Quelch	Warren
Ralston	Weir
Reid	Whitman
Rennie	Winkler
Rickard	Wood
Roebuck	Wright—143.
Rose	

NAYS

Messrs:

Adamson	Hazen
Authier	Homuth
Bence	Jackman
Bertrand (Prescott)	Lacombe
Black (Cumberland)	LaCroix
Black (Yukon)	Laflamme
Blanchette	Lafontaine
Bonnier	Lalonde
Boucher	Lapointe (Lotbinière)
Bourget	Leader
Brooks	Leclerc
Bruce	Lockhart
Brunelle	McDonald (Pontiac)
Cardiff	McGregor
Cardin	MacKinnon (Kootenay East)
Casselman (Grenville-Dundas)	MacNicol
Choquette	Neill
Church	Parent
Cloutier	Perley
Crète	Picard
d'Anjou	Pouliot
Denis	Raymond
Desmond	Rhéaume
Diefenbaker	Ross (St. Paul's)
Dorion	Ross (Souris)
Dubois	Rowe
Dubuc	Roy
Esling	Ryan
Eudes	Senn
Ferron	Stirling
Fournier (Maisonneuve-Rosemont)	Stokes
Graydon	Sylvestre
Green	Tremblay
Hallé	Tustin
Harris (Danforth)	White—70.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Telford	Hanson (York-Sunbury)
Evans	Aylesworth
Mills	Fraser (Peterborough West)

Mr. MACKENZIE KING: Mr. Speaker, I thank the house for undertaking to aid the government in maintaining a vigorous war effort. I now move that the house adjourn.

Mr. GORDON GRAYDON: I understand that the house adjourns until the 31st of January. Is it the intention, if the house then is convened, to commence a new session the day afterwards, as is usually the custom?

Mr. MACKENZIE KING: I cannot answer that question. May I say to my hon. friend that it will all depend upon circumstances as they exist at the time. My hon. friend may rely on the government doing what it believes to be in the best interests of the country.

Motion agreed to and the house adjourned at 1.20 a.m. until Wednesday, January 31, 1945, at three o'clock in the afternoon.

Wednesday, January 31, 1945.

The house met at three o'clock.

PROROGATION OF PARLIAMENT

MESSAGE FROM THE GOVERNOR GENERAL'S SECRETARY

Mr. SPEAKER: I have the honour to inform the house that I have received the following message:

Ottawa, January 29, 1945.

Sir:

I have the honour to inform you that the Honourable Thibaudeau Rinfret, the Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber on Wednesday the 31st of January at 3 p.m. for the purpose of proroguing the present session of parliament.

I have the honour to be, sir,

Your obedient servant,

F. L. C. Pereira,
Assistant Secretary to the
Governor General.

VACANCY

RESIGNATION OF MEMBER FOR THE ELECTORAL DISTRICT OF GREY NORTH

Mr. SPEAKER: I have the honour to inform the house that during the adjournment I have received the resignation of William Pattison Telford, Esquire, as member for the electoral district of Grey North. I have accordingly issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

PROROGATION OF PARLIAMENT

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the deputy of His Excellency the Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

GOVERNOR GENERAL'S SPEECH

The Deputy of His Excellency the Governor General was pleased to close the fifth session of the nineteenth parliament of the Dominion of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The war is now in its sixth year. To-day, decisive battles are being fought on German soil. Under sustained pressure the defeat of Germany is but a matter of time. Present operations involve bitter fighting and heavy losses. The last phase of the struggle in Europe may well be the most costly of all. To effect the utmost saving of human life, every effort must be put forth to end the war as swiftly as possible. This clearly remains the supreme objective.

In the year that has passed since the opening of the present session, German forces everywhere have been compelled to yield ground. The whole territory of the Soviet Union has been liberated. The long awaited offensive in the west was successfully launched on June 6th. One by one, great European capitals have been taken back from their conquerors. The enemy has been almost completely swept out of France, Belgium, Luxemburg, Greece, Yugoslavia, and Poland. The liberation of Holland, Norway and Czechoslovakia has begun. Germany's satellite states have all been driven from her side. Her frontiers have been breached. Her war industries are being systematically demolished. On the east and the west and from the south, the allied forces are pressing on to the very heart of Germany.

In the struggle against Japan, the long Chinese resistance has been maintained. Allied forces have successfully invaded the Philippines. Significant gains have been made on the Asiatic mainland. Bombing raids have brought the war home to the Japanese islands and their industrial strongholds. On both sides of the world, the united nations have gained supremacy at sea and in the air. It is but a matter of time until the combined power of the allies will be concentrated against Japan.

Throughout the year, Canada's navy and air force continued their vital work in the north Atlantic. In the landings in Normandy, and in all the campaigns since D-day, the navy and the air force have supported Canada's army. Our soldiers have won a foremost place by their magnificent conduct in battle in Italy, in France, in Belgium, in Holland, and on the borders of Germany. Canada's fighting men of all the services, wherever they have fought around the globe, have brought imperishable honour to our country.

In the campaign in northwest Europe, infantry casualties in all allied armies were much heavier than had been anticipated. In order to guard against a possible shortage of fully trained infantry reinforcements, it became necessary and advisable to adopt the procedure outlined in 1942. Reinforcements have been regularly forthcoming on the extended scale thereby provided for. To our armed forces, Canada has given, and will continue to give, the fullest support in men, munitions and supplies.

As an integral part of a total national effort, Canada has continued to provide mutual aid to our allies. For the joint and effective prosecution of the war, Britain, Russia, France, Australia, New Zealand, China and India have been furnished with Canadian war supplies and foodstuffs.

With your approval, the principle of mutual aid was extended to include contributions by Canada to relief and rehabilitation in liberated countries. In the period of transition from war to peace, the provision of international relief will help to maintain full employment of Canadian man-power and resources.

As in the previous sessions, your attention has been directed to the winning of the war as the first of all objectives. Next to the winning of the war, the winning of the peace is the supreme end to be achieved. My ministers hold strongly to the view that peace can only be made lasting through cooperative action on the part of peace-loving nations. They believe that the nations now united in the common purpose of winning the war should seek unitedly to ensure an enduring peace. To this end, Canada has sought to make a positive contribution.

During his visit to Britain in May, my Prime Minister exchanged views on the subject of a world security organization with the prime ministers of other nations of the British commonwealth. Since that time, preliminary conferences of the greater powers, on the establishment of an international security organization, have been held at Dumbarton Oaks. In anticipation of a general conference, Canada's views respecting some aspects of the proposals of the preliminary conferences have since been communicated to these powers.

World security is the basis of lasting prosperity and of social security. Prosperity, like security, cannot be the possession of any nation in isolation. Prosperity, likewise, demands international cooperation. Canada's prosperity and the well-being of our people are bound up with the restoration and expansion of world trade. To the efficient employment of vast numbers of Canadians, export markets are essential. Similarly, to raise the standard of living, larger imports are needed. In this belief the government has continued, in accordance with the principles of the Atlantic charter, to explore with other countries the means by which, after the war, international trade may be revived and developed.

The vital importance of exports in maintaining employment was recognized in legislation, which has since been brought into effect, to provide for the insurance and guarantee of export credits. Provision was also made for the expansion abroad of the trade commissioner service of Canada.

During the session, all customs duties on farm implements were removed, thereby helping to keep down farm costs, with benefit alike to

the producers and consumers of agricultural products. By this important measure, my ministers have also given concrete evidence of Canada's readiness, in association with other nations, to further international trade by the reduction of tariff barriers.

The assurance of opportunity of employment for all who are willing and able to work is the corner-stone of the government's programme to achieve prosperity and social security. There is a special responsibility to establish the men and women of our armed forces in useful and remunerative activities. The maintenance of a high level of employment and production after the war is the first essential of a policy which also aims at a rising level of human well-being. The many important measures enacted at the session now closing mark substantial progress towards the attainment of these goals. Practically all these measures are already in force. Viewed collectively, they form an impressive legislative achievement. In their comprehensiveness and interrelation, they constitute a major instalment of a programme to prevent the possible recurrence of unemployment and insecurity in post-war years.

To further the government's policies of full employment, social security and human welfare, three new departments of government have been established, all of which are now under the direction of responsible ministers of the crown:

1. The Department of Veterans Affairs;
2. The Department of Reconstruction; and
3. The Department of National Health and Welfare.

The Department of Veterans Affairs has charge of the rehabilitation and reestablishment of members of the armed forces, and of the administration of veterans' pensions and allowances.

The new department is already administering measures directly related to the reestablishment of veterans in civil life, the care of disabled veterans, and the provision for the dependents of those who have given their lives. The administrative machinery for this vast undertaking is being steadily developed and improved. Nearly 200,000 veterans of this war have already been reestablished in civil life.

The War Service Grants Act and the Veterans Insurance Act, passed at the present session, round out the most comprehensive programme yet adopted by any nation for the welfare of its war veterans and their return to active civilian pursuits.

The Department of Reconstruction is engaged in making preparations for the speedy conversion of war industries to meet peace-time needs and to maintain industrial employment. It is also promoting and coordinating programmes of national and regional development, housing and community planning, and other projects which may be required to maintain employment in the post-war period. It is responsible for the orderly disposal of surplus war assets in the national interest. Representative agencies are already engaged in this large and important task.

To assist in the conversion of war plants, and in the development of small and medium-scale enterprises, an Industrial Development Bank has been established. It is now in operation.

In keeping up the level of employment after the war, housing should play a large part. To provide for the construction of new houses, the repair and modernization of existing houses, and the improvement of urban and rural housing and living conditions, the National Housing Act was greatly expanded in scope.

In the decennial revision of the Bank Act, made at the present session, special recognition was given to the importance of credit in stimulating employment. The new act has greatly improved the credit facilities and the banking services available to the people of Canada. By supplementary legislation, special provision was made for intermediate and short term credit to farmers for the improvement and development of farms and farm homes.

The Department of National Health and Welfare is engaged in organizing and administering important activities of the federal government in the field of health and social welfare.

In opening the present session, I said that, in the opinion of my ministers, plans for the establishment of a national minimum of social security and human welfare should be advanced as rapidly as possible. In the establishment of this national minimum, the new department has the responsibility for federal measures to promote health and welfare, and for the planning of comprehensive insurance against social hazards.

A considerable measure of social security is already provided under federal and provincial social legislation. But the working out of a comprehensive national scheme in which federal and provincial activities will be integrated will require further consultation and close cooperation with the provinces.

I announced, at the opening, that the government was prepared to recommend a measure to provide for federal assistance in a nation-wide system of health insurance. Such a measure would include assistance to the provinces for preventive medicine. I also stated that the government was prepared to support a national scheme of contributory old age pensions on a basis more generous than that of existing pensions. The introduction of these measures is conditional upon suitable agreements with the provinces. My ministers reaffirm their readiness, as soon as such agreements are reached, to proceed wth these great social reforms.

Recognizing the importance, to the maintenance of post-war employment and to the achievement of social security, of close cooperation with the provinces, the government undertook and is carrying forward preparations for the holding, at the earliest appropriate date, of a dominion-provincial conference.

In the belief that the family and the home are the foundation of national life, provision has been made for family allowances to aid in ensuring a minimum of well-being to the children of the nation, and to help gain for them a closer approach to equality of opportunity in the battle of life. Family allowances are being administered by the Department of National Health and Welfare. The registration of children begins to-morrow. The payment of allowances is to begin from July 1st.

In the opinion of my ministers, the Family Allowances Act and other social security measures designed to ensure a national minimum

of human welfare will aid materially in maintaining production and employment.

The basic standard of living of the Canadian people and the purchasing power of the dollar have continued to be successfully protected by the price ceiling and other policies of the government designed to prevent inflation. The value of these policies will be more apparent than ever in meeting post-war problems.

As a further safeguard of a basic standard of living, provision was made at the present session for floors under the prices of farm and fish products. These measures insure two great primary industries against the hazard of a collapse of markets or prices after the war.

To advise and assist the government in the regulation and development of civil aviation, an Air Transport Board has been established. Under the government's policy regarding post-war civil aviation of which you have been informed, international and transcontinental services are reserved for public development; local services may be developed by private enterprise.

In April and May, a meeting of prime ministers of the British commonwealth was held in London. My Prime Minister participated in its proceedings and, while in London, addressed a meeting of the members of both houses of the parliament of the United Kingdom.

In September, for the second time during the present war, the government was host to the Prime Minister of Great Britain and the President of the United States and their advisers, at a conference held at Quebec.

In the same month a meeting of the council of the United Nations Relief and Rehabilitation Administration was held at Montreal. During the year, Canada was also represented at the international monetary conference at Bretton Woods and at the international conference on civil aviation at Chicago. There were continuous conferences on a variety of subjects between my ministers and the governments of the United Kingdom and the United States.

The sixth and seventh victory loans, held during the year, substantially exceeded their objectives. In each loan, the number of individual subscribers established a new record. You will be gratified by this unparalleled response, and will desire me to record your appreciation of the splendid services of the National War Finance Committee and its provincial and local organizations.

During the past year, relations between employers and employees have been increasingly harmonious. A larger number of workers have been employed throughout the year than ever before. The production of foodstuffs and of the raw materials and finished munitions of war exceeded production in any previous year.

Too high a tribute cannot be paid to the unselfish devotion to war-time duties of the vast majority of our people in all walks of life. In addition to their daily tasks, hundreds of thousands have given freely of their time and energies to indispensable voluntary activities. By their efforts at home, the men and women of Canada have demonstrated their eagerness to support to the utmost the fighting forces overseas.

Members of the House of Commons:

I thank you for the financial appropriations for the prosecution of the war.

The provision you have made for the exercise of the franchise in a general election by the men and women in the armed forces will afford them the widest opportunity to exercise this fundamental right of citizenship.

Honourable Members of the Senate:

Members of the House of Commons:

Canada's war effort over the past five years speaks for itself.

As I bring to a close this fifth session of our war parliament, I join with you in a prayer for a speedy end to the horrors and sacrifices of war. In God's keeping, we leave our heroic dead. We shall ever honour their memory. For the bereaved, we ask comfort and consolation. For the prisoners of war, the missing and the wounded, we pray for an early release from their privations, anxieties and sufferings. More than ever our thoughts are of the hundreds of thousands of our young Canadians, who, with their comrades-in-arms from other lands, have offered their lives to save from conquest and servitude the free nations of the world. We humbly pray that Divine Providence may grant to all who survive the ordeal of battle an early and triumphant return to their homeland.

This concluded the fifth session of the nineteenth parliament.

END OF VOLUME VI